

# THE INFLUENCE OF PRICE AND PERCEIVED VALUE ON CUSTOMERS' PURCHASE DECISION: A STUDY OF DURABLE AND NON-DURABLE

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**Abstract :** In India as the level of competition keep on increasing day by day for automobile market, it is essential for every firm to understand customer insight in order to provide best value judgement. Thus, they need to understand how consumer compares price-value of products. Therefore, the objective of this research is to study the relationships of perceived price, perceived value and customer satisfaction that will affect consumers purchase decision towards durables and non-durables. Survey using convenience sampling was done at Ludhiana city. Questionnaires were distributed to 320 durable product users and 350 non-durables product users at the sampling location. The study revealed a significant positive impact of perceived price over perceived value for both the categories of products. The results from this research provide a platform for Ludhiana automobile makers to appreciate consumer value judgement and how it affects their purchase decision. In order to ensure that the findings are illustrative and convincing, future research should include more constructs like brand image, customer experience, culture etc.

**Keywords -** Perceived value, Perceived price, Customer satisfaction, durable and non-durable.

## I. INTRODUCTION

It has been long altercation among psychologists that people are much more averse to loss (price) than attracted to a corresponding gain (value). In marketing, the concept of value appears quite frequently, but a clear description cannot be found until we review the literature on pricing. Price being one of the important components of marketing mix, plays a dominant role in influencing product perception, increasing demand of the product and attracting customers (Chua, Lee, Goh, & Han, 2015). Price has been regarded as either a monetary sacrifice for obtaining a product or a quality signal of a product. Although, price and value are related constructs, but price measures only monetary sacrifice whereas value reflects a judgement of what customers' get from the product or service received. This implies that price can be determined easily but in value determination, a company needs thorough understanding of the customer's value chain. For this, marketers have to get closer to the customer to be able to understand their needs, inclinations and all the activities that constitute their value chain. Thus, the focus of marketers has now shifted from the activity of attracting customers to those that concern the existing customers and taking care of them (Conti, 2013).

Though, purchase behaviour is influenced by price, however price is not always remembered, as recalling price is compensated by the ability to form an evaluative judgement. Hence, customers' cannot recall the exact price they paid for the product, although they can easily indicate whether the product purchased was under-priced, over-priced or just-priced for a value received (Boksberger & Melson, 2011). Nevertheless, discussing about price we must keep in mind that customers often set price expectations before making purchase and this expectation is known as reference price, adopted from Mental Accounting Theory (Sinha & Adhikari, 2017). Whenever product price is studied, reference price is taken as the adaptation level against which price stimuli are judged, which ultimately affect value perception of customers (Mazumdar, Raj, & Sinha, 2005). Marketers also benefit from reference pricing when they compare the existing selling price to an internal or external reference price (Niedrich, Sharma, & Wedell, 2001). Though in managerial decisions about pricing reference price is considered to be an important component, as it expounds customer brand choice and also helps customer to understand a product value. In the same direction, Lin, Chuang, Kao and Kung (2006), alleged that reference price is a weighted average of prices from a relevant category of product that helps to judge value of a product. Further supporting product price, literature as well disclosed that instead of emphasising on increasing the satisfaction through improved quality, the discussion should be widened so that customer' willingness-to-pay (WTP) is also included (Han & Windsor, 2011). WTP or price premium is a customers' willing to pay which can be either positive or negative. It is an excellent global measure for evaluating customers' price perception and implementing pricing tactics (Agarwal & Rao 1996). It also reflects the brand's ability to command a higher price than its competitors (Anselmsson, Johansson & Persson, 2007). Certain unique aspects of products can affect willingness to pay a higher price, which eventually shows effect on value perception (Hajli, 2013). In this regard, to assess the economic value, customers' must be asked about their willingness to pay, as it has a positive effect on perceived value. In other words, if a product provides more value to a customer, willingness to pay for the product also increases (Dahl & Moreau, 2007). In contrast to willingness to pay, sellers also use bundle pricing strategy that helps a customer in understanding product's price, which affects their value perception. It is a strategy wherein firms sell multiple products together as a combo packaged which results in savings as compared to individual product price. In this regard, Heeler, Nguyen and Buff (2007) argued that bundling is cost effective and value creative as expected price from the bundle is relatively lower than unbundled item. Similarly, Naylor and Frank (2001) endorsed that bundling strategy has great impact on monetary value of a product and this strategy is prevalent in auto sales industry and digital information products (Arora, 2011).

Further, in marketing context while investigating the concepts of customer perceived value, it was found that perceived value is a broader, richer, well explored and established construct. It is not a mere trade-off between 'utility' and 'price'. As a one-dimensional measure, customer perceived value lacks validity because it includes many heterogeneous components, thus it is

identified as multidimensional construct (Sheth, Newman, & Gross, 1991). Focusing on multi-dimensional nature of perceived value, we explored three components of perceived value, viz., economic value, relational value and functional value for both durables and non-durables because different types have different roles in the customer's purchase decision. Economic factor cannot be avoided, as economic considerations are often regarded important by both customers and marketers wherein marketers use competitive pricing in order to enlarge their market share (Gale, 1994). If customers observe these charges as satisfactory and agreeable, they will feel the economic value of product or service satisfied. Functional value refers to the practical or technical benefits that a customer can obtain while using product or service (Deng et al., 2010). Further, relational value deals with how customers' determine benefits and effectiveness of relationship with one dealer as compared to the alternatives. Customers usually reciprocate the relational value by either pushing the opportunity cost boundary or shifting purchase from another dealer (Miguel, 2014). Consequently, if seller creates relational value, customers will be more satisfied with the product or service. Therefore, if customer satisfaction depends on value, then it must also depend on the price or sacrifice. In this regard, perceived value acts as one of the most substantial measures for gaining a competitive advantage and overall satisfaction. So, there exists a strong and positive relationship between perceived value and satisfaction (Kim, Kim, & Wachter, 2013).

Based on the above premise, the present investigation is designed to find out answers to some questions like: Is the direct relationship between product price-customer perceived value is same for durable and non-durable? Is the indirect relationship between product price-customer value same for durables and non-durable? Does customer value act as a mediator in product price and customer satisfaction relationship for durables and non-durable? Does price consciousness and customer experience affects price-value relationship? Thus, in order to find out answers to these questions the study investigates direct as well as indirect impact of product price on customer perceived value and ultimate impact of perceived value on satisfaction with respect to automobile customers and shopping mall customers

## II. JUSTIFICATION OF THE STUDY

Previous research has advocated that price is significantly and positively related to value (Beneke et al., 2013; Ryu, Lee, & Kim, 2012; Beneke, Cumming, & Jolly, 2013), however few studies supported negative and insignificant relationship between these two constructs (Boksberger & Melson, 2011; Ye, Li, & Law, 2013; Kim, Xub, & Gupta, 2012). Thus, there emerges a need to revisit the literature and re-test this relationship empirically.

Since value is a multidimensional construct and it changes as per change in the customers' behaviour (Chen, Yeh, & Huan, 2014), it seems plausible to shift the attention towards understanding value creation deeply. In this respect, Domegan et al. (2013) suggested to study value dimensions like functional and relational, along with other constructs in value equation like price and quality. Literature also provides evidence supporting value as one of the important and most critical determinants of willingness-to-pay along with reference price, which plays an influencing role in assessing customer value and satisfaction (Chang & Wang, 2011). In addition, Chen and Hu (2010) assessed that both relational and functional benefits enhance the value of a firm's offering and suggested to explore the relationship between economic value and customer satisfaction. Likewise, Ranaweera and Karjaluto (2017) explored the relationship between bundle package and functional value and revealed that functional value has stronger impact on customers' preferring bundle services than non-bundle services and gave insight for further research on products. Besides, Ind and Coates (2013) recommended evaluating the price-value relationship for different products along with the significance of social, personal and functional value for enhancing customer satisfaction.

In fact, most of the studies focused on moderately low cost fast moving goods, therefore it seems reasonable to ascertain whether willingness-to-pay and value relationship also holds true for premium luxury goods (Beneke et al., 2013). Besides, Sadik-Rozsnyai (2016) also showed that companies dealing with high-tech innovative products can compete only by adding attributes in their products and by assessing customer willingness to pay for such innovations, so there emerges a need to study the scare relation between willingness to pay and customer value. Ellis, McCracken, and Skuza (2012) also revealed that willingness-to-pay plays an important role in assessing customer value they further account that a more representative sample and the inclusion of other product categories are necessary to generalise the relationship between willingness-to-pay and customer value. On the other hand, Engeset and Opstad (2017) investigated relation between size of a bundle and itemising price of non-durables and revealed that itemising prices results in better assessment of bundle benefits and value, and thereby recommended further research for other type and size of products especially durables. In this regard, Arora (2011) conducted research on non-complimentary goods and advocated that product bundle must have complimentary items, with similar usage pattern, thus providing a replication for other products especially durables. Likewise, Sahay, Mukherjee, and Dewani (2015) gave indication for future research on low-price and high-price bundling for different kinds of products and for larger sample. Reference price plays an important role in price judgement customers' always make multiple evaluation while taking a single price judgement of a brand and customer evaluation of vary by product category, so there is a need to study reference price for different product categories (Sinha & Adhikari, 2017). Similarly, Bruno, Che, and Dutta (2012) alleged that different customers interpret reference price differently for different products, thus exhibiting limitation of its application to different product categories especially durables and non-durables. Besides, Lowe, Yee and Yeow (2014) checked the relationship between reference price and customer value and gave insight for assessing how reference price affect value perception when act as a pricing strategy. In similar vein, Hsieh, Chiu, Wei, Yen and Cheng (2013) stated that although retailers extensively use reference price to increase consumers' perception of value. However, not much attention has been given to sample frame and product type.

Although researchers have quoted both conceptual as well as empirical work on price-value relationship but no research work has incorporated well thought-out different pricing strategies and value components. Therefore, the present study fulfils the gap by investigating the relationship between price-value-satisfaction, where product price is accompanied by reference price, willingness to pay and bundle price; customer perceived value assessed by economic value, functional value and relational value across different categories of product so that an in-depth analysis of product price and customer value can be undertaken.

### III. CONTRIBUTION OF THE STUDY

In view of the research gap and objectives of the study, our study presents the contribution as under:

The study provides an in-depth analysis of relationship between product price and customer value by proposing different pricing strategies (willingness-to-pay, bundle price and reference price) and customer perceived value components (economic, functional and relational value).

Theorists have though investigated the linkage between product price and customer perceived value, however no research has provided empirical evidence of direct relationship between product price strategies and customer perceived value components.

### IV. THEORETICAL FRAMEWORK

There are two such theories that explain price-value relationship quite clearly, viz., Prospect Theory (Kahneman & Tversky, 1979) and Mental Accounting theory (Thaler, 1985). Initially, on the basis of customers' rational choice Expected Utility Theory (Von Neumann & Morgenstern, 1953) was developed to analyse their purchase decision. Here 'utility' is explained as overall consumption or net satisfaction from a product. But this theory provides limited explanation, as a result Prospect Theory (Kahneman & Tversky, 1979) was proposed, which is a behavioural economic theory developed to predict customer behaviour, i.e., why people behave the way they do. This theory gives details about customer decision under the conditions of risk and uncertainty for maximising value perception. Prospect Theory replaced utility function of Expected Utility Theory given by Von Neumann and Morgenstern (1953) with value function. Kahneman and Tversky (1979) argued that Prospect Theory's value function is more affluent because customers' perception is more familiar to the evaluation of changes rather than the evaluation of absolute magnitudes (Helson, 1964). This theory suggests that a customer puts more emphasis on positive outcomes that are assured than positive outcomes that are less likely to exist. This effect is known as the certainty effect, which causes people to be risk averse when making purchase decision for value maximization, involving smaller gains. It is because of this effect customers' opt for certain but lower benefits over uncertain higher benefits, thus believe in lesser investment (paying low price) for more value. Taking Prospect Theory as base, in 1985, Thaler proposed Mental Accounting Theory which is actually based on the premises of Prospect Theory. This theory focuses on compound outcomes (overall satisfaction) as compared to single uni-dimensional outcomes. Since satisfaction from shopping decisions is not only affected by value maximisation but also by price, thus Mental Accounting Theory seems better for studying price-value-satisfaction relation in both online and offline contexts (Gupta & Kim, 2010). This theory proposes total utility, that is, 'value' derived from purchase, which is the sum of acquisition utility and transaction utility, where acquisition utility is based on comparison of equivalent value of the goods and objective price (Thaler, 1985). The equivalent value is an amount that leaves an individual indifferent between receiving cash or product and objective price is the total amount that consumer has to pay for a product. In this regard, prior research shows that product price enhances equivalent value (Zidke, 2011). Hence, acquisition utility is the perception of whether the product being purchased is worth its price or not. Transaction utility, on the other hand, is based on the perception of difference between objective price and reference price. Therefore, total utility plays an important role in predicting customers' choice and purchase decision related to price. Hence, for making purchases, customers make decisions to maximise their total value with reference to the mental account corresponding to the product being purchased (Thaler, 1985).

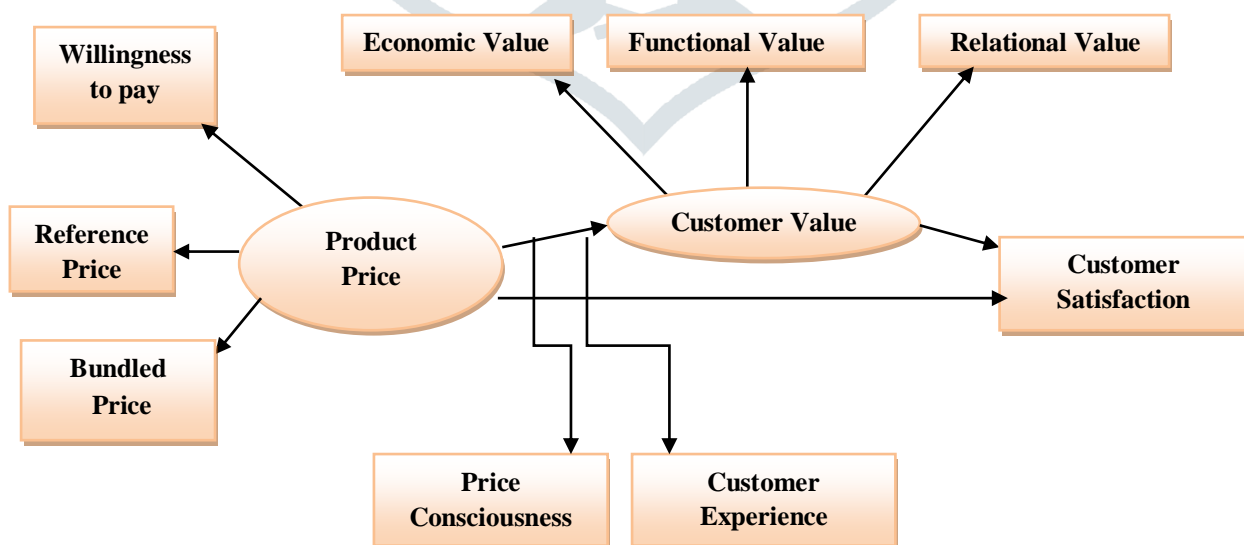


fig 1. Theoretical model

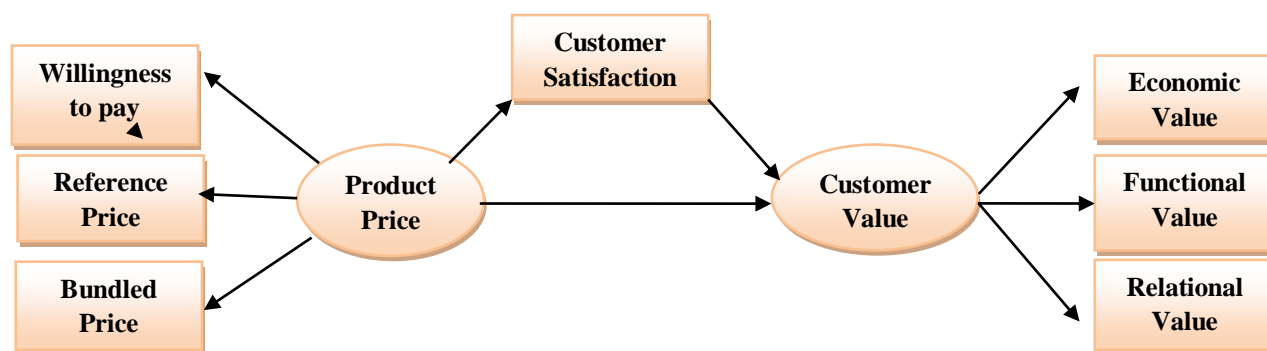


fig 2. Alternate model

In view of the objectives of our study, a theoretical model has been proposed considering three major constructs, viz., product price, customer perceived value and customer satisfaction. The study intends to examine the synergistic effects of product price components, viz., reference price, willingness to pay and bundle price on the customer perceived value types, viz., economic value, relational value and functional value. As already justified, little interest is shown in relating components of product price with customer perceived value. In addition, our model also aims to observe the effects of price consciousness and customer experience as moderators on the relationship between product price and customer perceived value and perceived value as intervening construct (mediator) in product price and customer satisfaction link. Based on our model we have framed the following hypotheses:

**V. HYPOTHESES DEVELOPMENT**

Based on the rationale of the study, we intend to examine the contradictory relationship between price and value wherein customer perceived value has its roots in equity theory, which refers to customer evaluation of what is fair, right, or deserving for the perceived cost of the offering, i.e., price (Bolton & Lemon, 1999). On the one hand, pertinent literature supports the positive relationship between price and value (Varki & Colgate, 2001; Zidke 2011; Beneke et al., 2013) where price is one of the most important components that drive value. However, on the contrary, Shifflet and Bhatia (1997); Chen and Dubinsky (2003); Kim, Xub, and Gupta (2012); Oh (2000); Ye, Li and Law (2012); Chua et al. (2015) reported a negative correlation between price and value. Along with the direct relation between price and value, Mental Accounting theory divulges presence of reference price in evaluating value and states that customers store, retrieve and use a rich array of price information in the process of generating price judgments and use reference price to judge value, that is, if sellers price matches with reference price, value proposition also increases (Sinha & Adhikari, 2017). Further, Priscila et al. (2014) showed positive relation of willingness-to-pay with relational value and Heeler, Nguyen and Buff (2007) found negative relation between undiscounted bundle package and economic value perception. Thus, in the light of preceding contradictory discussion it is proposed that:

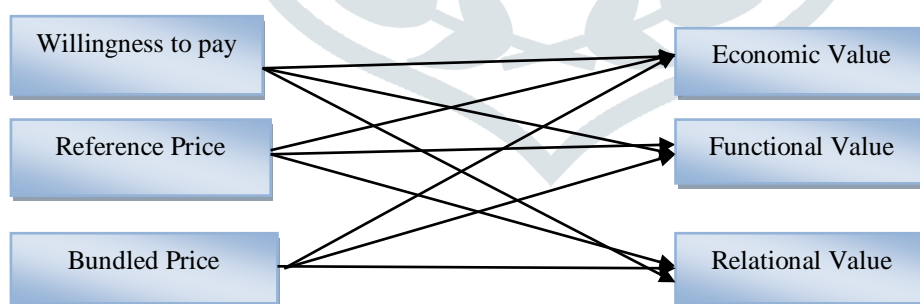


Fig 3. Relationship of pricing strategies with customer value components.

**H1:-** Product price is significantly related to customer perceived value.

**H1a:** Willingness-to-pay is positively related to economic, functional and relational value.

**H1b:** Undiscounted bundle price is negatively related to economic, functional and relational value.

**H1c:** Reference price is positively related to economic, functional and relational value.

In the previous research work, value has been considered as a pre-purchase phenomenon and satisfaction is viewed as a post-consumption upshot (Oliver, 1980). Now-a-days, value is measured as both post-purchase and pre-purchase phenomenon (Day & Crask, 2000). In this regard, Woodruff (1997) posited that customer perceived value represents customer perception of the nature of relational exchanges with the supplier whereas satisfaction reveals customers' negative or positive feelings derived from the perceived value. On this basis, studies like (Caruana, Money & Berthon, 2000; Hume & Mort, 2010; Sharma, Chen, & Luk, 2012)

argued regarding persuasion of value on satisfaction or value as an antecedent or input to satisfaction and showed that customer value has significant positive effect on customer satisfaction. On the other hand, Edward and Sahadev (2011); Matzler, Renzl, and Faullant (2007) studied the influence of satisfaction on value and confirmed that satisfaction is a strong vehicle to increase value. Zeithaml (1998) also reported strong link between satisfaction and value. Likewise, Nguyen and Leblanc (1998) presented the influence of customer satisfaction over value. As customer satisfaction can be predicted from customer perceived value, the proposed components of value, that is, economic, functional and relational value can also be hypothesised to have effect on customer satisfaction. Supporting this perspective, Deng et al. (2010) provided evidence for positive relation of functional and economic value with satisfaction. Based on the reported research work, the following hypotheses are proposed:-

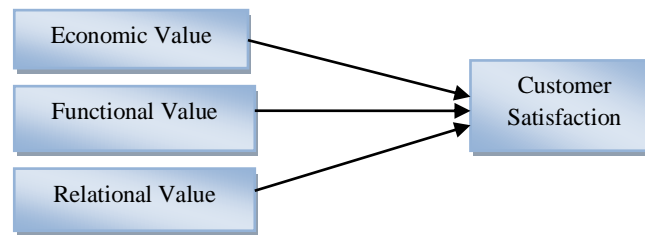


Fig. 4 Impact of customer value components with customer satisfaction.

*H2:- Customer perceived value leads to customer satisfaction and vice-versa.*

*H2a: Economic value is positively related to customer satisfaction.*

*H2b: Functional value is positively related to customer satisfaction.*

*H2c: Relational value is positively related to customer satisfaction.*

Now-a-day's customer satisfaction has gained attention from transaction marketing to relationship marketing and characterised as a significant factor that leads to business success. Customers judge the price paid in relation to the performance of the product or service and if they find that their sacrifice is greater than the benefits derived from the product's performance, they may be dissatisfied (Spreng & Olshavsky, 1993). In this context, Bolton and Lemon (1999) revealed that prices can be evaluated as fair or unfair and this perception of price significantly affects satisfaction of a customer. Thus, based on the theoretical support, it can be inferred that higher product price is a significant negative driver of customer satisfaction. The study further explored relation of pricing components with customer satisfaction. In this respect, Anselmsson, Johansson, and Persson (2007) showed that willingness-to-pay is a price premium, which a customer is ready to pay for a selected brand to get desired satisfaction, thus signifies a direct relationship between willingness-to-pay and satisfaction. Further, Johnson, Herrmann and Bauer (1999) evoked that discounted bundle packages gives satisfaction to customer and attract more customers and vice-versa. Supporting reference price, Mazumdar, Raj and Sinha (2005) also disclosed that the appraisal of customer internal reference price influences satisfaction. Hence, price strategy can lead to either satisfaction or dissatisfaction. Therefore, it is hypothesised that:

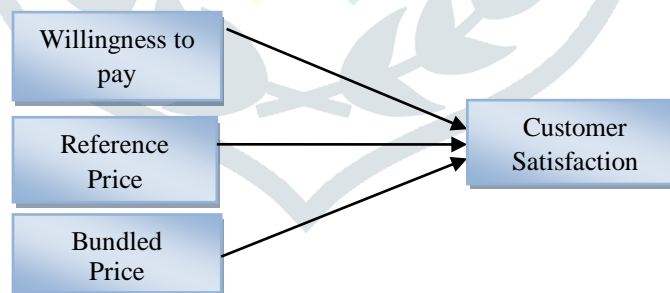


Fig 5. Influence of pricing strategies on customer satisfaction

*H3:- Product price is negatively related to customer satisfaction.*

*H3a:- Willingness to pay is positively related to customer satisfaction.*

*H3b:- Undiscounted bundle price is negatively related to customer satisfaction.*

*H3c:- Reference price is positively related to customer satisfaction.*

Customer perceived value is treated as the most critical factor in purchase decision process (Rust & Oliver, 1994) but its additional contribution in understanding customer purchase behaviour through price and satisfaction, needs to be examined. So, we intend to examine the role of customer value as a mediator in price-satisfaction relationship. On the basis of total utility concept derived from Mental Accounting Theory, customer perceived value is defined as net benefits, that is, benefits relative to perceived cost where the cost is considered as product price, which is seen as monetary sacrifice for obtaining a product, thus an increase in price negatively affects perceived value (Kim, Xub, & Gupta, 2012). On the other hand, Kotler (1994) gave an

indication for significant impact of price over satisfaction. Empirical evidences also show that customer value has a positive effect on customer satisfaction (Walter, Thilo, & Helfert, 2002; Hume & Mort, 2010). Value is measured as a variable reflecting net utility derived from a product and satisfaction, therefore it is an overall positive or negative feeling about the net utility or value of product. A significant positive relationship between value and satisfaction is supported by Patterson and Spreng (1997). Taking these studies as a base, customer value as an intermediate construct between price and satisfaction can be examined. In this support Sweeney, Soutar, and Johnson (1999) confirmed value as a mediator in their study. Accordingly, we propose to examine customer value as a mediator between price and satisfaction.

**H4:-** *Customer perceived value mediates the relationship between product price and customer satisfaction.*

Lichtentien, Nancy and Richard (1993) were the first to conceptualise the construct of price consciousness as the degree to which the customer focuses on paying low price. It is one of the psychological constructs explaining price perceptions of customer in the market place. As the price consciousness decreases, the customer willingness to pay increases. Price consciousness is a critical factor influencing purchase behaviour and it is seen that highly conscious customers express lower perception of offer value and higher price information search intentions (Alford & Biswas, 2002) and also focus on cheaper products in order to sustain their standard of living. Indeed, Monika, Walters, and MacKenzie (2007); Palazon and Delgado (2009); Hanzae and Andervazh (2012) confirmed that price consciousness also acts as a moderator in price and value relationship. In sum, the previous literature provides a support for the following hypothesis:-

**H5(a):-** *Price consciousness moderates the relationship between product price and customer perceived value such that higher the price consciousness, greater will be the impact of product price on customer perceived value.*

Customer experience emerges from a set of interactions held between a customer and a product or a company, which ultimately incite a response (Verhoef, 2009). Literature shows that every time a service comes with experience because whatever a customer buys whether a product or service, he has to experience good, bad, indifferent, delight (Vargo & Lusch, 2008). They also described value as a perception at a time of consumption and declared it as a value-in-use and this value-in-use is the evaluation of the service experience, so there prevails relationship between value and customer experience (Sandstrom & Edvardsson, 2008). Likewise, Ding, Huang, and Verma (2011) also revealed that customer experience affects perceptions of price and brand value.

In the area of consumer behaviour, some studies have analysed the moderating effect of certain determining factors on different aspects of shopping and/or consumption experiences such as perceived value (Kleijen, Lee, & Wetzels, 2009; Grabner-Kraeuter, 2002). However, few studies examined the influence of an individual's experience with the product/service on the evaluation and consequences of the purchase (Hsu and Tsou, 2011). In this regard, Pappas, Pateli, Giannakos, and Chrissikopoulos (2014) highlighted that experiences of customer play an important role in moulding customer behaviour and thus, act as a moderator in price-value relationship (Lia & Chen, 2011). Therefore, on the basis of above discussion, we hypothesise that:

**H5(b):-** *Customer experience moderates the relationship between product price and customer perceived value such that higher the customer experience, greater will be the impact of product price on customer perceived value.*

## VI. RESEARCH METHODOLOGY (SAMPLE DESIGN AND CFA)

The data for the study were collected with the help of the questionnaire administered two sets of respondents (automobile customers and shopping mall customers) contacted on convenient basis. To test the aforementioned hypotheses, two datasheets were prepared. After testing for data normality, common method bias, internal consistency ( $\alpha$ ), and deletion of outliers, 280 (of automobile) and 322 (of shopping mall) responses respectively were used for final analysis.

To begin with, convergent validity and discriminant validity were assessed considering the study variables, namely customer perceived value consisting of economic value, relational value, functional value; product price covering reference price, willingness to pay and bundle pricing; customer satisfaction, price consciousness and customer experience.

*Convergent validity* was assessed with the help of composite reliability (CR) and average variance explained (AVE) separately for three sets of respondents. Construct with a composite reliability value of at least 0.70 is considered to be convergently valid (Hair, Ringle, & Sarstedt, 2011). Also, AVE above 0.5 is considered significant to indicate higher level of convergence. Almost all the measures satisfy the threshold (Table 1a and 1b).

*Discriminant validity* was assessed by comparing the squared correlations with the AVE (Fornell and Larcker, 1981) for all the study variables, separately for three sets of respondents. Almost all the variables appear to be discriminant from each other. Results show that the values of AVE are greater than those of the squared correlations between pairs of constructs (Table 2a and 2b). Hence, the validity and reliability of all the constructs get established before testing the theoretical model.

### Analysis and Results (SEM)

In order to obtain useful results from Structural Equation Modeling (SEM) a good measurement theory is a necessary condition. SEM assesses how well the theory fits reality as represented by the data, wherein theory is expressed in terms of relationships among measured variables and latent construct. Here, SEM was conducted by using AMOS 16.0 to assess fitness and to test the hypothesised relationships in the model. The overall fit measures suggest that the data provide a good fit for the hypothesised causal model (Bagozzi & Yi, 1998; Baumgartner & Homburg, 1996).

The results of three structural models depict that fit indices qualify threshold criteria, thus exhibiting a reasonable fit for automobile and shopping mall (Table 3a). The study also checked fitness of alternate model for automobile and shopping mall. Fit indices reveal that alternate model did not qualify threshold criteria (Table 3b), which indicates that proposed theoretical model is superior. The structural model broadly incorporated three constructs, namely customer perceived value, product price and customer satisfaction.

An integrated model linking product price to customer perceived value and to customer satisfaction was examined and sector-wise results of the hypotheses tested in the theoretical model are as under:

### Hypothesis Testing (SEM)

#### Durable (Automobile)

##### Relationship between product price and customer perceived value

The study examined the impact of product price on customer perceived value. The results reveal that there exists a positive impact of product price on customer perceived value ( $\beta = .151$ ;  $p=.000$ ), leading to acceptance of H1.

##### *Impact of willingness-to-pay on economic, functional and relational value*

The study explored significant and positive impact of willingness-to-pay on economic value ( $\beta=.245$ ;  $p=.040$ ) and functional value ( $\beta=.227$ ;  $p=.008$ ). However, the impact of willingness-to-pay on relational value has been found to be insignificant ( $\beta = .050$ ;  $p=.671$ ), thereby accepting H1a for economic and functional value.

##### *Impact of undiscounted bundle price on economic, functional and relational value*

The effect of undiscounted bundle price on value components was examined and the results disclose negative impact of undiscounted bundle price on economic value ( $\beta = -.101$ ,  $p=.045$ ). However, the impact of bundle price on functional value ( $\beta = .010$ ,  $p=.315$ ) and relational value ( $\beta =-.110$ ,  $p=.222$ ) appeared to be insignificant. Thus, results indicate confirmation of H1b for economic value.

##### *Impact of reference price on economic, functional and relational value*

The study analysed the impact of reference price on economic, functional and relational value respectively. The results establish significant positive impact of reference price on economic value ( $\beta = .210$ ;  $p=.000$ ), functional value ( $\beta =.150$ ,  $p=.046$ ) and relational value ( $\beta = .171$ ;  $p=.048$ ), accepting H1c.

##### Direct relationship between customer perceived value and customer satisfaction

As far as the relationship of perceived value and customer satisfaction is concerned, the results indicate that there is a significant relationship between customer value and customer satisfaction ( $\beta = .102$ ;  $p=.045$ ), thereby leading to acceptance of H2.

##### *Impact of economic value on customer satisfaction*

The results demonstrate that economic value is significantly and positively related with customer satisfaction ( $\beta = .021$ ,  $p=.015$ ), i.e., when economic value increases, satisfaction also increases thus indicating acceptance of H2a.

##### *Impact of functional value on customer satisfaction*

The results depict an insignificant path between functional value and customer satisfaction ( $\beta = .163$ ,  $p=.521$ ), leading to rejection of H2b.

##### *Impact of relational value on customer satisfaction*

The study found that relational value is significantly associated with customer satisfaction ( $\beta =.263$ ,  $p=.021$ ), thereby extending support for H2c.

##### Direct relationship between product price and customer satisfaction

Further, the relationship between product price and customer satisfaction was examined and results show an insignificant relationship ( $\beta =-.055$ ;  $p=.356$ ), thereby refuting H3.

##### *Impact of willingness-to-pay on customer satisfaction*

The study examined the impact of willingness-to-pay on customer satisfaction, which has been found to be insignificant ( $\beta = .092$ ;  $p=.123$ ), thereby rejecting H3a.

##### *Impact of undiscounted bundle price on customer satisfaction*

Further checking for the impact of undiscounted bundle price over customer satisfaction, results show that there is significant negative impact of undiscounted bundle price on satisfaction at 10% level of significance ( $\beta =-.100$ ;  $p=.093$ ), thereby lending support to H3b.

##### *Impact of reference price on customer satisfaction*

Finally, the study reveals that reference price is significantly and positively related to customer satisfaction ( $\beta =.333$ ;  $p=.033$ ), thereby revealing support for H3c.

#### Non-Durable (Shopping Mall)

##### Direct Relationship between product price and customer perceived value

The results of the study show a significant positive relationship between product price and customer perceived value ( $\beta = .306$ ,  $p=.000$ ), thus confirming support for H1.

##### *Impact of willingness-to-pay on economic, functional and relational value*

The relationship between willingness-to-pay and value types was tested empirically. The results explain significant positive impact of willingness-to-pay on relational value ( $\beta =.133$ ,  $p=.017$ ) and functional value ( $\beta =.293$ ,  $p=.065$ ) at 10% level of significance. However, the impact of willingness-to-pay on economic value appears to be insignificant ( $\beta =.044$ ,  $p=.125$ ). Thus revealing support for H1a in case of relational value and functional value.

##### *Impact of undiscounted bundle price on economic, functional and relational value*

The results further indicate an insignificant effect of undiscounted bundle price on economic value ( $\beta =.079$ ,  $p=.154$ ), functional value ( $\beta = .100$ ,  $p=.403$ ) and relational value ( $\beta =.058$ ,  $p=.559$ ) respectively, leading to rejection of H1b.

##### *Impact of reference price on economic, functional and relational value*

On analysing the impact of reference price on value components through SEM, the study reveals significant and positive impact of reference price on economic value ( $\beta =.359$ ,  $p=.004$ ), functional value ( $\beta = .310$ ;  $p=.000$ ) and relational value ( $\beta=.156$ ;  $p=.005$ ) respectively, thus providing support for H1c.

### Direct relationship between customers' perceived value and satisfaction

The SEM results support that customers' perceived value significantly and positively influences customer satisfaction ( $\beta = .230$ ,  $p=000$ ), hence H2 stands accepted.

#### *Impact of economic value on customer satisfaction*

The study reported significant and positive impact of economic value on customer satisfaction ( $\beta = .430$ ,  $p=.000$ ), which leads to the confirmation of H2a.

#### *Impact of functional value on customer satisfaction*

The study confirmed significant and positive impact of functional value on customer satisfaction though at 10% level of significance ( $\beta = .021$ ,  $p=.076$ ), thus lending support to H2b.

#### *Impact of relational value on customer satisfaction*

When the relationship was examined between relational value and customer satisfaction, results reveal that relational value has a significant positive impact on customer satisfaction ( $\beta = .229$ ,  $p=.000$ ), leading to acceptance of H2c.

### Direct relationship between product price and customer satisfaction

Further, the results disclosed that there exists significant positive relationship between price and satisfaction ( $\beta=.232$ ,  $p=.000$ ) contrary to the result, we proposed that *Product price is negatively related to customer satisfaction*, thereby refuting H3.

#### *Impact of Willingness-to-Pay on customer satisfaction*

Here the impact of willingness-to-pay on satisfaction was examined and results disclose that willingness-to-pay significantly affects satisfaction of customers ( $\beta = .215$ ,  $p=.000$ ), thus lending support to H3a.

#### *Impact of undiscounted bundle price on customer satisfaction*

Further, the association between undiscounted bundle price and customer satisfaction was tested and results show an insignificant impact of undiscounted bundle price over satisfaction ( $\beta = .016$ ,  $p=.780$ ), therefore rejecting H3b.

#### *Impact of reference price on customer satisfaction*

Eventually, the results reveal significant and positive impact of reference price on satisfaction ( $\beta = .270$ ,  $p=.000$ ), therefore indicating support for H3c.

### Mediating role of customer perceived value in product price and customer satisfaction relationship

For analysing H4, the mediation conditions proposed by Baron and Kenny (1986) were adopted. In case of automobile, the results demonstrate that in the initial stage there exists an insignificant relationship between product price and customer satisfaction ( $\beta = -.055$ ;  $p=.356$ ) which leads to the non-fulfilment of mediation criteria, because for establishing mediation first three steps proposed by Baron and Kenny (1986) to check mediation hypothesis are essential (Kenny, Kashy, & Bolger, 1998). Hence, no mediation is checked in case of automobile.

Further, mediation is checked for shopping mall data. The results reveal that the relationship between product price and customer satisfaction ( $\beta=.235$ ,  $p=.000$ ) was significant, which leads to the acceptance of first condition of mediation. Next, the impact of product price on customer perceived value was found significant ( $\beta=.309$ ,  $p=.000$ ). In the third step, we examined the impact of customer perceived value on customer satisfaction ( $\beta=.225$ ,  $p=.000$ ), which was also significant. In the last step, when the mediating variable, i.e., customer perceived value, was added in the product price and customer satisfaction equation, the association between product price and customer satisfaction became weak but remains significant ( $\beta=.108$ ,  $p=.000$ ), thereby indicating partial mediation effects.

**Moderation results:** Finally, to analyse H5a, and b, regression is applied and the hypotheses were analysed separately from the perspective of the automobile, shopping mall and Olx customers. We employed five regression models to examine the moderating effect of customer experience and price consciousness on the relationship between product price and customer perceived value. Specifically, we entered the control variables in Model 1, Model 2 includes control variable and independent variable, Model 3 consists of control variable and moderator, Model 4 comprises of independent variable, moderator and control variable and lastly, Model 5 includes interaction between independent and moderator. Contradictory to our proposition the interaction effects between independent variable, i.e., (product price) and moderator, i.e., (customer experience) were found to be insignificant for both (automobile:  $\beta= .090$ ,  $p=.134$ ; shopping mall:  $\beta= .123$ ,  $p=.449$ ). The insignificant values of the interaction effects refute our hypothesis H5a and allege that customer experience does not play moderating role in enhancing the impact of product price on customer perceived value. Further, testing 'price consciousness' as moderator, the results indicate that for both automobile and shopping malls the interactions of independent variable (product price) and moderator (price consciousness) have insignificant effects on customer perceived value (automobile:  $\beta = .063$ ,  $p=.297$ ; Shopping malls:  $\beta = .175$ ,  $p=.144$ ), thus again rejecting H5b.

## VII. DISCUSSION

The objective of this chapter was to explore the direct and indirect relationships between product price, customer perceived value and customer satisfaction for first hand and second hand products. Specifically, the chapter affirms that the direct and indirect relations between product price-customer value-satisfaction for first hand and second hand are different.

### I. RESULT DISCUSSION OF FIRST HAND DURABLES (AUTOMOBILE)

In line with Piri and Lotfizadeh (2016), the findings reveal significant and positive relationship between product price and customer value. No doubt, reduced price attract more customers but sometimes an increased price is acceptable because some products are luxury items and if their prices are cut down, such products will no longer be a luxury (Chua et al., 2015). In agreement with Yang and Peterson (2004), the findings provide support for positive relationship between customer perceived value and customer satisfaction. In addition, the findings disclose insignificant relationship between price and satisfaction. In this regard, Kaura (2012) states that an increase in price due to an increase in exogenous costs like trade regulations imposed by Government or the cost which is associated with providing higher customer value is perceived more benevolent than raising prices due to an increase in demand, which is not associated with increased value and ultimate satisfaction. Likewise, Hermann et



al. (2007) also revealed an insignificant relationship between price and satisfaction with respect to automobile customer. Further, the findings reveal that willingness to pay contributes positively in enhancing economic and functional value but failed to influence relational value whereas bundle price does not show any relationship with relational and functional value. In this perspective it can be stated that firms are not providing right mix of bundle, it contains poor quality items, repulsive and ineffectual bundle package (Chen & Ni, 2017). In addition, the study has found support for the direct impact of reference price on value components. This signifies that firms charge competing prices, provide friendly interactions, extended cooperation, discounts, and handle customers' grievances proficiently so as to enhance value perceptions among customers. Furthermore, the study explored relationship between pricing strategies and customer satisfaction and it has been noted that in case of first hand durables, bundle price and reference price help in enhancing customer satisfaction, however willingness-to-pay does not play any role. Hereof, it is observed that experiment with new technology is sometime a risky business, remarkably customers' are not interested or ready to pay such a big amount right away after launch, some customers' would wait and let the price come down. The findings further illustrate that when an automobile company provides economic value and relational value to its customers, satisfaction level increases automatically, though functional value appears ineffective in enhancing satisfaction. In this regard, Deng et al. (2010) and Miguel et al. (2014) also alleged that both economic and relational value lead to satisfaction of customers. Thus, automobile companies should design and implement business strategies that ensure functional benefits based on product attributes and customer services.

## II. RESULT DISCUSSION OF FIRST HAND NON-DURABLES (SHOPPING MALLS)

Consistent with Ryu, Lee and Kim (2013); Sharma, Chen and Luk (2012) the findings reveal significant and positive relationship between product price and customer value as well as customer value and customer satisfaction. The study also reported a significant and positive link between product price and satisfaction for first hand non-durables. In this regard, Shim, Choi and Suh (2012) revealed that while purchasing from shopping malls customers' have more positive perceptions about high price because shopping malls provide greater shopping convenience. The findings further reveal that willingness to pay enhances relational and functional value but fails to build relationship with economic value. In this connection, shopping mall employees are inept to increase economic value for customers' as there is no provision for price negotiation or bargaining. The study also explores no relation of bundle price with economic, functional and relational value, however found support for the direct impact of reference price on value components. Furthermore, willingness to pay and reference price contribute positively toward satisfaction whereas bundle price does not. It may be because shopping malls do not often sell a package or set of goods at discounted price so customers prefer to buy separately. Additionally, the findings confirmed the relevance of value components in enhancing satisfaction. Hence, firms should improve economic, functional and relational value by providing incremental value above product price, emphasising on commitment in the delivery of customer service, flexibility in the offered service, average market price, workability of product etc., so that customers stick around their product.

## III. DISCUSSION OF MODERATION AND MEDIATION RESULTS

Talking about moderation results, the study found that 'customer experience' and 'price consciousness' were unable to improve product price and customer value relationship neither for first hand durables nor for non-durables. Employees are the key to optimising the customer experience. Firms need to make sure that they have hired loyal employees who are committed and fully understand the company's mission. An unhappy employee usually doesn't provide the type of customer experience the company is desiring for. Personal problems of customers, ineffective problem solving mechanism of company and lack of employee empowerment can be some reasons resulting into negative customer experience (Velazquez et al., 2010). While some customers' are not price conscious because their buying decision is based on several psychological, cultural and social factors. The new generation customer is a unique hybrid individual who compares prices, cares what others think about the purchases and ready to pay more for perceived brand value at the same time (Roy, Rabbanee, & Sharma, 2016), thus value is a more important factor than price. Additionally, the findings of the present study extend support for partial mediation in case of first hand non-durables only.

## VIII. IMPLICATIONS

### I. THEORETICAL IMPLICATIONS

The present investigation has implications both for theory and practice. It contributes to the Mental Accounting Theory of value maximisation by linking product price with customer value and satisfaction for different product categories. The study establishes insignificant relationship between price and satisfaction for durables; significant and positive link for non-durables. It becomes evident that in both the category of products, i.e., durable and non-durable; price, value and satisfaction are significantly and positively related. Our findings explored that the intervening role of customer perceived value in product price and customer satisfaction link holds true for non-durables only. Further, the results highlight that price consciousness and customer experience do not play a moderating role in price and value relationship. The main contribution of the study lies in the role played by pricing strategies and value components in enhancing satisfaction. It provides an empirical evidence for the direct link of willingness-to-pay with economic and functional value in case of durables; and willingness-to-pay with functional and relational value in case of non-durables. Furthermore, the findings provide useful insights regarding significant relationship of reference price with economic, functional and relational value for both durable and non-durable. Thus, the study extends literature by confirming inverse relation between undiscounted bundle price and economic value in case of durables and no relationship in case of non-durables. It further adds to marketing literature by validating that economic value, relational value, functional value, reference price and bundle price help in increasing satisfaction of customers who purchase durables. While satisfaction for non-durable is mainly affected by willingness-to-pay, reference price, economic, functional and relational value.

## II. MANAGERIAL/PRACTICAL IMPLICATIONS

The findings of the study can be used as guidelines by companies to increase customer satisfaction by upgrading value perception and economising product price. The findings support the emerging theoretical contention that customer perceived value is a pivotal strength that facilitates a firm to uphold competition. The relationship between product price, customer value and customer satisfaction developed for first hand and second hand products can help companies to better understand customers' value perception, differentiate their

product/services to create benefits over competitors. The study reveals that effective pricing strategies would help in enhancing perception of expensiveness. Moreover, such strategies also lead to enhanced customer value in terms of economic, relational and functional value and customer satisfaction. For example, firms can use a strategy of reference price and discounted bundle price to analyse economic value perception and ultimate satisfaction in terms of profitability. The proper implementation of pricing strategies can eventually enable firms to adapt or react immediately to changing market conditions, innovate product/service that tends to satisfy customers, create strong customer bonding and compete successfully in the market. In this way, firms will be able to better understand and satisfy customers' value perception and achieve competitive advantage. In the present study, willingness-to-pay appears as an effective pricing strategy that is used to evaluate economic value, functional value and satisfaction in case of 'durables' while functional value, relational value and satisfaction in case of 'non-durables'. Therefore, firms can increase customers' willingness-to-pay by providing

Up-to-date technology, quick accessibility of service and by understanding risk perception of customers. It can also be increased by providing tangible differential attributes that directly affect product utility or by reducing the expenditure on product to match customer's pocket (Miguel et al., 2014). A clear understanding of reference price is also required, as it helps firms to affect both customer value components and satisfaction. Thus, firms can observe reference price by comparing its price with competitor through market survey and then offer an acceptable price (Bruno, Che, & Dutta, 2012). In addition, the findings of the study indicate that bundle price plays a critical role in enhancing customer value and satisfaction, therefore firms should provide attractive and appealing bundle package of complementary goods at lower cost with a right mix for a bundle package. Firms can also provide different bundle package at different prices so as to enhance value perception and satisfaction (Chen & Ni, 2017). Besides, the study also suggests that in order to differentiate the offering from that of competitors and to build positive experience among customers, firms need to employ suitable mechanism like increasing self-efficacy and performance expectancy (Gallarza et al., 2015). Furthermore, economic, functional and relational value also plays a significant role in enhancing customer satisfaction of both the categories of products. In order to enhance functional value, firms must focus on product specifications, product quality and reliability. Product characteristic should be distinguished from its competitors so that it possesses inimitable depiction. For improving economic value, firms can provide incremental value above price and price arbitration ability at customer's end. The study results reveal that relational value is also considered as a key to customer satisfaction, as it is the interactions between customers and employees, thus firms should provide accentuate assurance in delivering quality services and develop such attitude towards customers that shall help to preserve better customer relations. Therefore, for achieving satisfied customer base, firms need to focus on economic, functional and relational value. Improved value components will strengthen the overall value perception of customers, which will ultimately lead to satisfied and retained customers. Through well-established value components, firms will be better positioned to provide more accurate and relevant information about customers' unfulfilled needs and their post purchase satisfaction level.

**Table 1a: Descriptive statistics of the measures of product price, customer perceived value, customer satisfaction, price consciousness and customer experience in case of (Automobiles)**

ITEMS	MEAN	S.D	SRW	AVE	CR	$\alpha$
<b>PRODUCT PRICE</b>						
Willingness to pay	3.22	0.79		0.64	0.86	0.703
You know new technology products are more expensive than old ones, but that doesn't matter to you.			0.801			
Buying of new technology product is important to you.			0.801			
<b>Bundle price</b>	3.72	0.92		0.72	0.93	0.955
You like to buy bundled products if prices are really low.			0.89			
You prefer the discount on all items in the bundle.			0.814			
A bundled packaged together might be seen a little more			0.783			
The unbundled offer is expected to be more expensive than bundled offer.			0.934			
The bundled offer provides more value.			0.851			
The bundled offer provides better quality.			0.932			
On every purchase, you would like to know exactly what percent you are saving on each item.			0.921			
<b>Reference price</b>	4.13	0.59		0.83	0.92	0.946
The prices charged by your dealer are average market price.			0.911			
The prices are fair.			0.933			

As compared to others your dealer charges normal or anticipated prices.			0.896			
<b>CUSTOMER PERCEIVED VALUE</b>						
Economic value	3.47	0.81		0.62	0.87	0.895
Price is less than what you expected it to be.			0.649			
Price is less than what other retailers charge			0.734			
The product/service provided a very good value for money.			0.845			
At these prices, the product is quite economical.			0.909			
The product provides you great value as compared to others.			0.776			
Functional value	4.2	0.37		0.72	0.95	0.815
Charges are justifiable.			0.763			
Provides emergency (on spot) product and service deliveries.			0.919			
Adjusts the product and service to meet customer needs.			0.872			
Relational value	4.26	0.41		0.64	0.89	0.751
Provides accurate information.			0.61			
Constantly informs you of new products and services that could be of your interest.			0.645			
Provides personal services and advice.			0.787			
Your dealer has ability to openly discuss problems.			0.639			
Your dealer always keeps its promises made to you.			0.646			
Customer satisfaction	4.13	0.45		0.6	0.91	0.759
The choice to use the product has been a wise one.			0.629			
On the whole, you are very satisfied with your decision to use the product/service.			0.959			
This is one of the best products/services you could have bought.			0.695			
Price consciousness	2.98	0.91		0.63	0.9	0.92
Price is the most important factor when you go for purchase.			0.891			
Being a price conscious person you tend to buy the lowest-priced brand that will fit your needs.			0.889			
The money saved by finding lower prices is usually worth the time and effort.			0.821			
You are willing to do extra efforts to find lower prices.			0.866			
You usually check prices of different brands			0.759			
You shop a lot for specials products.			0.585			
You used to shop at more than one store to take advantage of low prices.			0.685			
Customer experience	4.12	0.52		0.81	0.98	0.946
You are placed higher on the priority list when there is a line.			0.869			
You get faster service than most customers.			0.931			

**Table 1b Descriptive statistics of the measures of product price, customer perceived value, customer satisfaction, price consciousness, customer experience in case of (Shopping malls)**

ITEMS	MEAN	S.D	SRW	AVE	CR	$\alpha$ values
<b>PRODUCT PRICE</b>						
Willingness to pay	3.41	0.729		0.69	0.85	0.887
You know new technology products are more expensive than old ones, but that doesn't matter to you.			0.843			
Buying of new technology product is important to you.			0.757			
Bundle price	3.65	0.931		0.7	0.93	0.951
You like to buy bundled products if prices are really low.			0.572			
You prefer the discount on all items in the bundle.			0.835			
A bundled packaged together might be seen a little more appealing.			0.743			
The unbundled offer is expected to be more expensive than bundled offer.			0.508			
The bundled offer provides more value.			0.929			
The bundled offer provides better quality.			0.953			
Reference price	3.82	0.707		0.71	0.89	0.804
The prices charged by your dealer are average market price.			0.59			
As compared to others your dealer charges normal or anticipated prices.			0.848			
<b>CUSTOMER PERCEIVED VALUE</b>						
Economic value	4.01	0.691		0.71	0.88	0.862
The product appears to be a bargain.			0.714			
Price is less than what you expected it to be.			0.854			
Price is less than what other retailers charge			0.913			
At these prices, the automobile brand is quite economical.			0.888			
Functional value	4.27	0.301		0.59	0.82	0.623
Provides you prompt services.			0.707			
Performs the services right the first time.			0.821			
Relational value	4.31	0.462		0.69	0.94	0.842
Constantly informs you of new products and services that could be of your interest.			0.819			
Provides personal services and advice.			0.807			
Provides accurate information			0.873			
Your dealer always keeps its promises made to you.			0.856			
Your dealer has ability to openly discuss problems.			0.853			
Customer satisfaction	4.01	0.379		0.62	0.93	0.701
On the whole, you are very satisfied with your decision to use the product/service.			0.861			
This is one of the best products/services you could have bought.			0.71			
Price consciousness	2.64	0.621		0.65	0.87	0.91
Price is the most important factor when you go for purchase.			0.731			
Being a price conscious person you tend to buy the lowest-priced brand that will fit your needs.			0.855			
The money saved by finding lower prices is usually worth the time and effort.			0.835			
You are willing to do extra efforts to find lower prices.			0.871			
You usually check prices of different brands			0.75			
You used to shop at more than one store to take advantage of low prices.			0.797			
Customer experience	4.46	0.287		0.61	0.9	0.741
You are familiar with the dealer who performs the service.			0.842			
You are placed higher on the priority list when there is a line.			0.769			
You get faster service than most customers.			0.731			

S.D- Standard Deviation, SRW- Standardised factor loading, A.V.E- Average Variance Explained,  
C.R- Composite reliability,  $\alpha$ -Alpha

**Table 2a: Results of Discriminant validity of measures customer perceived value (CV), product price (PP), customer satisfaction (CS), price consciousness (PC), and customer experience (CE) (Durable)**

	MEAN	S.D	MIN	MAX	CV	PP	CS	PC	CE
<b>CV</b>	4.2	0.485	2.66	4.77	<b>0.66</b>				
<b>PP</b>	3.55	0.789	2.45	4.49	0.006	<b>0.7</b>			
<b>CS</b>	4.01	0.379	3.1	5	0.012	0.061	<b>0.62</b>		
<b>PC</b>	2.64	0.921	1.14	4.71	0.134	0.059	0.209	<b>0.65</b>	
<b>CE</b>	4.46	2.87	3.5	5	0.151	0.015	0.088	0.162	<b>0.61</b>

**Table 2b: Results of Discriminant validity of measures customer perceived value (CV), product price (PP), customer satisfaction (CS), price consciousness (PC), and customer experience (CE) (Non-durables)**

	MEAN	S.D	MIN	MAX	CV	PP	CS	PC	CE
<b>CV</b>	3.98	0.529	2.52	4.68	<b>0.66</b>				
<b>PP</b>	3.69	0.766	2.15	4.79	0.093	<b>0.73</b>			
<b>CS</b>	4.13	0.445	2.17	5	0.188	0.047	<b>0.6</b>		
<b>PC</b>	2.98	0.911	1.13	4.88	0.062	0.178	0.201	<b>0.63</b>	
<b>CE</b>	4.12	0.516	2.63	5	0.092	0.012	0.115	0.068	<b>0.81</b>

**Table 3a: Results of fitness of Structural Models**

Respondent	CMIN/df	RMR	RMSEA	GFI	AGFI	NFI	TLI	CFI
Durable	1.54	0.027	0.065	0.98	0.957	0.948	0.85	0.907
Non-durable	2.786	0.039	0.07	0.96	0.914	0.904	0.886	0.835

**Table 3b: Fitness Results of Alternate Model**

Respondent	CMIN/df	RMR	RMSEA	GFI	AGFI	NFI	TLI	CFI
Durable	3.56	0.073	0.083	0.84	0.875	0.894	0.795	0.89
Non-durable	3.765	0.084	0.082	0.778	0.878	0.745	0.796	0.703

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