WHAT MAKES CONSUMERS BUY BRANDED GOODS IN DEVELOPING MARKETS? THE IMPORTANCE OF LOYALTY, E-WOM AND HABITS

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Abstract
How does a brand change the way people shop in developing countries? This study examines how specific brand factors (loyalty, social responsibility, high-end brand purchase, online reviews, peer influence, price-quality perception, and trust in foreign brands) influence consumer buying intent in a developing market (N. Macedonia). Our findings show a shift from transactional to relational behavior, with three key predictors of purchase intention for branded products: brand loyalty, online reviews (eWOM), and habitual purchase of premium brands. In contrast, corporate social responsibility, social influence from close contacts, trust in foreign brands, and price-quality perceptions were not significant. This suggests that in fast-moving markets, digital influence and habits now outweigh traditional trust metrics or social image. The paper offers important theoretical and practical implications for marketing managers operating in rapidly changing markets.

Keywords: Brand, Consumer Behavior, Developing Country, Brand Equity, Positioning

1. INTRODUCTION

In today's saturated global market, a brand is no longer just a name on a package, but rather a complex ecosystem of consumer expectations. Traditional scholars once defined a brand simply as a logo or design intended to differentiate a seller from its rivals (Kotler & Keller, 2016) or as a promise - an aggregate of every perception a consumer holds about a product (Aaker, 1991). However, modern perspectives suggest something much deeper. While the accepted definitions are functional, the true power of a brand lies in the memories and perceptions it builds in the consumer's mind. These aren't just cold facts about a product's features and functionalities, but also strong emotional associations. When someone picks one brand over another, they aren't usually checking a spreadsheet of physical attributes rationally; they are choosing the specific meanings that the brand represents for them (Keller & Swaminathan, 2020).

Many studies analyze how this relationship works in developed economies, since it has been studied for decades. But the story changes in developing countries like N. Macedonia, where economic shifts and cultural norms create a much more fragmented landscape. Here, consumers often find themselves torn between a long-standing loyalty to local products and a growing aspiration for global status symbols (Zendeli et al., 2026). In these markets, due to lower living standards, a purchase can be many different things - a rational calculation, a way to navigate risk, or an emotionally driven decision impacted by the story the brand is presenting. Moreover, where information is scarce or markets are unstable, a strong brand serves as a signal of quality and social standing, helping consumers feel secure in their choice (Bai, 2016).

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When a brand successfully creates these unique associations, the rewards are significant: customers are more likely to pay a premium, stay loyal, and even forgive the brand when it makes a mistake (Kotler & Keller, 2021). This so-called forgiveness factor is what ultimately builds brand equity. In developing economies, where trust is often difficult to come by, this equity can be the most valuable factor in a company's survival (Bai, 2016).

Ultimately, brands do more than just sell products - they shape our sense of self, our culture, our feelings, and our need for belonging. This study examines how these complex dynamics play out in real time. We examine how factors such as loyalty, social responsibility, high-end brand purchase, online reviews, peer influence, price-quality perception, and trust in foreign brands drive consumers' purchase intent within the specific, rapidly changing context of a developing economy (N. Macedonia).

2. LITERATURE REVIEW

The idea that brand loyalty drives repeat business is a cornerstone of relationship marketing. As Morgan and Hunt (1994) argue, loyalty isn't just a habit; it's built on a foundation of trust and commitment that drives consumer behaviour. For the consumers, being loyal means using a cognitive shortcut that removes the stress of weighing risks every time they shop, allowing them to buy with confidence (Chaudhuri & Holbrook, 2001). Brand loyalty is also found to be directly connected to consumer purchase behaviour in emerging markets (Ewur et al., 2025). We see this across high-stakes purchases: if customers feel an emotional or affective tie to a brand, they are much more likely to plan a future purchase (Dick & Basu, 1994; Oliver, 1999). Research from Yoo and Donthu (2001) identifies the tendency to consistently choose a preferred brand over competing alternatives as one of four core dimensions, alongside awareness, quality perception, and associative memory. Moreover, Sudzina (2017) demonstrated that brand loyalty is relevant in habitual repurchase behavior even in niche market settings.

Additionally, in a world driven by sustainability and increased talk of ethical shopping, corporate social responsibility (CSR) acts as a moral signal. It tells the consumer that a company cares about more than just the bottom line (Carroll, 1991). According to stakeholder theory, consumers act as judges who reward companies they see as virtuous and responsible regarding their business activities (Freeman, 1984/2015). Remarkably, CSR doesn't usually sway a buyer directly or through cold logic; instead, it builds brand equity through subtler channels like trust and emotional identification (Brown & Dacin, 1997; Sen & Bhattacharya, 2001). In their study, Dincer and Dincer (2012) point to environmental stewardship and engagement with social causes as the primary criteria consumers apply when judging a brand's responsibility. Today, CSR has shifted from a "nice-to-have" ethical stance to a meaningful strategic edge, providing a foundation for incorporating such evaluations into broader models of brand-related consumer behavior.

When talking about brand-driven behaviour, we also need to ask why people choose high-end brands and pay higher prices vs. economic or non-branden products. Symbolic consumption theory suggests that we use brands to express who we are and develop our concept of self, as well as find and present our social image according to our perception of where we fit in society (Belk, 1988). When a brand's image matches a person's ideal self, obtaining it becomes almost second nature (Sirgy, 1982). Over time, this choice becomes a habit, making the decision-making process much faster. Research shows that once someone starts buying premiums, they tend to stay on that path, driven by the prestige of the brand and the satisfaction of the experience (Vigneron & Johnson, 1999). A consumer's readiness to pay above the standard market rate for a branded product, relative to an equivalent unbranded option, also reflects the perceived surplus value they associate with the brand itself. Netemeyer et al. (2004) established that price premium willingness represents a meaningful and independently measurable component of that value. Their work demonstrates that this construct captures a specific financial dimension of how strongly consumers are attached to a brand.

Moreover, in contexts where consumers aren't familiar with or sure of the product's true quality, they often use price as a shortcut (Zeithaml, 1988). In many branded categories, a higher price tag is seen as a green light for better materials or superior craftsmanship (Rao & Monroe, 1989). Dodds et al. (1991) examined how various extrinsic product cues shape buyer evaluations, finding that higher prices were associated with stronger quality perceptions, thereby lending empirical support to the notion that price functions as an informational shortcut in quality judgment. This is especially true in developing markets where consumer protection might be weaker. In these environments, a high price can become a critical diagnostic tool to ensure the product won't fail them. Price-quality heuristics are cognitively meaningful, but it should be tested in specific contexts to see if it also automatically motivates purchasing behavior.

Bearing in mind that humans are a social species, it is logical to expect that our shopping habits would reflect that. Research suggests that whether we are trying to fit in or simply following the lead of someone we admire, people around us influence what we buy (Kelman, 1958). Recommendations from friends and family and other people (WoM) add weight that traditional ads can't match because we trust their motives more than those of the company delivering the ad. We are particularly prone to following these social norms when the product we are buying is something others will see us using in public (Bearden et al., 1989; Cialdini & Goldstein, 2004). Wang et al. (2012) demonstrated that the exchange of product-related evaluations among peers, significantly shapes individual purchase intentions by activating consumer socialization processes through which personal preferences are formed and refined. This is important, since Yang et al. (2025) found that noncoercive sales approaches emphasizing rational persuasion are likely to trigger positive word-of-mouth behaviour among customers. The social effects of branded consumption thus resist reduction to purely individualistic models of decision-making, supporting the relevance of interpersonal recommendations as a driver of brand purchase decisions more broadly.

However, the internet has fundamentally changed how we gather information. Online reviews now serve as peer signals that help us feel less uncertain about a purchase (Bettman, 1979; Hennig-Thurau et al., 2004). Data shows that both the number of reviews and how positive they are can directly change a product's sales trajectory by building trust and decreasing the perceived risk of a "bad buy" (Chevalier & Mayzlin, 2006). If a review site is easy to use and provides clear value, consumers are highly likely to let those digital opinions influence their intentions (Davis, 1989). Thakur (2018) demonstrated that the positivity and volume of online ratings foster customer engagement and carry downstream effects on actual buying behavior, reinforcing the view that review perception is not merely an informational variable but one that builds consumer confidence. Fernandes et al. (2021) found that consumer-generated reviews are among the most consequential inputs buyers draw upon when evaluating products. These contributions establish a well-grounded empirical basis for treating online review perceptions as a distinct and influential construct within consumer brand behavior frameworks.

What is also worth examining is the trust and perception of foreign vs. local brands. Past research based on country-of-origin theory has shown that "foreign" was synonymous with "prestige" and "high quality" (Bilkey & Nes, 1982). A brand's country-of-origin is found to influence the brand's perceived positioning and consumers' buying decision process by reducing perceived risks (Cristea et al., 2015). However, studies also show that this isn't always the case. Factors such as local pride (ethnocentrism) or the rising quality of domestic brands can flip this advantage (Verlegh & Steenkamp, 1999). Whether a consumer trusts a foreign brand depends heavily on the local competition and the cultural landscape of the specific market. Chaudhuri and Holbrook (2001) investigated how consumer-level brand attitudes translate into marketplace outcomes, finding that trust in a brand, forms both behavioral and attitudinal dimensions of loyalty, which subsequently drive performance indicators such as market share and price premium. The theoretical insights support the conceptualization of trust in foreign brands as a distinct, conditional rather than universal consumer tendency warranting dedicated attention in brand behavior research. Thus, context-specific empirical investigation is required to determine the effect of foreign brand preference.

The likelihood that a consumer will follow through on a product purchase within a defined timeframe is one of the most widely operationalized outcomes in consumer behavior research. Dodds et al. (1991) established that both brand-related cues and price perceptions shape how willing consumers are to commit to a purchase, demonstrating that extrinsic product signals influence buying readiness indirectly, through their effects on how consumers perceive quality and overall value. Positioning the purchase likelihood as a downstream result of a cognitive evaluation process, offers a basis for measuring consumers' intentions to buy branded products within a specified future horizon.

3. METHODOLOGY AND HYPOTHESES

To reach a digitally active audience, we used a self-administered questionnaire distributed online via Google Forms. The online distribution via Google Forms, while introducing potential self-selection bias, was methodologically appropriate given our research focus on digital brand engagement. Participants were recruited through a multi-channel digital outreach strategy designed to reach actively engaged consumers within the N. Macedonian online space. The survey link was distributed over a four-week period via several channels: popular local social media platforms, including Facebook and Instagram, targeting general consumer groups and communities; targeted email invitations sent to individuals; a snowball sampling approach, whereby initial respondents were encouraged to forward the survey link to eligible contacts within their networks. No financial incentives were offered to minimize self-selection based on extrinsic rewards. This recruitment strategy prioritized access to digitally active consumers who regularly encounter brand-related information online, which aligns with the study's focus on online reviews, social influence, and digital brand engagement.

This digital approach was essential, as several of our questions specifically explore how online tools influence consumer choices (Bryman & Bell, 2015; Malhotra, 2019). We collected 123 valid responses. While this sample isn't representative of the entire national population, it provides the analytical depth needed to draw meaningful preliminary conclusions and sets a clear baseline for future studies. Most of our participants are 18-54 years of age, seen as the "economically active" cluster most likely to engage with branded digital services (Kotler & Keller, 2021).

The survey consisted of 22 questions divided into three main parts[1]:

1. Demographics: We included gender, age, education, income, and location to provide context for the behavior patterns (Hair et al., 2022).
2. Brand - related and core brand behaviour constructs: Several single-item questions measured brand-related perceptions and behaviour, including perceived importance of brand existence, frequency of buying branded products, brand switching triggers, perceived advertising influence. The eight core brand behavior constructs - trust in foreign brands, brand loyalty, perceived importance of corporate social responsibility (CSR), premium buying habits (i.e., willingness to pay a premium), price-quality views, social influence, online reviews, and purchase intention, were operationalized as multi-item constructs using established measurement scales from prior literature. All items were adapted to reflect general branded product purchase behavior rather than brand- or product-specific contexts. Minor wording changes were made for clarity and relevance to the target population, while preserving original meanings to maintain content validity. Each construct comprised three items measured on a five-point Likert scale (1 - strongly disagree to 5 - strongly agree). While these responses are

[1] Two open-ended questions were excluded from the analysis as they elicited responses pertaining to specific brand names and were not directly relevant to the objectives of the present study.

technically ordinal, we report the mean values as indicators of central tendency, which is a standard approach in consumer behavior research that allows for clear comparison across constructs (Norman, 2010; Sullivan & Artino, 2013; Creswell & Creswell, 2018; Rutkowski, 2025). The sources of adaptation were as follows: foreign brand trust (Chaudhuri & Holbrook, 2001), brand loyalty (Yoo & Donthu, 2001), CSR importance (Dincer & Dincer, 2012), willingness to pay a premium (Netemeyer et al., 2004), price-quality heuristic (Dodds et al., 1991), interpersonal word-of-mouth influence (Wang et al., 2012), positive online reviews (Fernandes et al., 2021), and purchase intention (Ajzen, 1991). This measurement design aligns with established practices for assessing consumer attitudes and behavioral intentions, supporting construct validity and reliability (DeVellis, 2017). While combining measurement items from different validated scales introduces potential heterogeneity, we minimized this risk by ensuring each multi-item construct was adapted from a single source, harmonizing all items to a common five-point Likert format, and subsequently assessing internal consistency (Cronbach's α) for each construct. Individual construct scores were derived by calculating the arithmetic mean of the three respective Likert-type items for each of the eight multi-item measures, thus generating a composite score per construct.

3. Rankings: Finally, we asked respondents to rank six buying determinants (e.g., quality, price, loyalty, etc.) and five marketing channels (e.g., social media, TV, etc.). This allowed us to see if digital channels are overtaking traditional media in this market.

We developed a multivariate model where seven factors (foreign trust, loyalty, CSR, premium habits, peer influence, online reviews, and price-quality perceptions), act as predictors of whether someone intends to buy a branded product (pruchase intention as dependent variable). This framework follows the established logic that our intentions are shaped by a mix of personal attitudes and social pressures (Ajzen, 1991; Chaudhuri & Holbrook, 2001; Kumar & Kumar, 2016).

The study tests the following seven hypotheses:
H1: Brand loyalty is positively associated with purchase intention.
H2: Corporate social responsibility practices are positively associated with purchase intention.
H3: Propensity to purchase premium brands (willingness to pay a premium) is positively associated with purchase intention.
H4: Perception that higher-priced brands indicate superior quality is positively associated with purchase intention.
H5: Social influence through recommendations from close peers is positively associated with purchase intention.
H6: Positive online reviews are positively associated with purchase intention.
H7: Trust in foreign brands is positively associated with purchase intention.

Statistical analysis was conducted using Python (version 3.9) with the statsmodels package (Seabold & Perktold, 2010). Reliability was assessed separately for each multi-item construct following established psychometric principles (DeVellis, 2017; Nunnally & Bernstein, 1994). To test the hypotheses, we used Ordinary Least Squares (OLS) linear regression. We chose OLS because it is the gold standard for examining how multiple factors simultaneously influence a single outcome (Gujarati & Porter, 2009; Wooldridge, 2015). It allows us to see not just if our overall model works, but exactly how much "weight" each factor carries in the consumer's mind.

4. RESULTS AND DISCUSSION

4.1. Demographic and Geographic Analysis

Our data is obtained from 123 valid responses, providing a snapshot of consumer behavior within the specific socio-economic context of N. Macedonia. The sample shows a moderate lean toward female participants (59.35%) compared to men (40.65%). This distribution is common in consumer research; women, who often manage household consumption and domestic economic decisions, tend to demonstrate a higher willingness to participate in lifestyle and brand-oriented surveys (Abyrint Perspectives, 2024; Tufts Public Opinion Lab, 2025). This ensures that our findings represent the primary decision-makers in the household.

The sample is highly concentrated in economically active generations, with 67.48% of respondents falling between ages 18 and 34. Millennials (25-34) make up the largest group at 42.28%, followed by Generation Z (18-24) at 25.20%. This focus is adequate for our study because these "digital natives" are the primary drivers of the digital economy and are most responsive to modern branding and influencer strategies (IDEMIA Secure Transactions, 2025). While older groups (35+) are less represented, their inclusion allows us to see how brand equity might be transmitted across generational ranks during periods of economic uncertainty (Chapman, 2025).

The participants are highly educated, with 71.54% holding at least a bachelor's degree and nearly 20% possessing postgraduate qualifications. This level of education is significant because advanced accomplishment is consistently linked to higher "information literacy". These consumers are less likely to be swayed by manipulative marketing and more likely to evaluate a brand based on functional value, quality, and ethical standards like CSR (Sustainability Directory, 2025a).

Income is relatively evenly distributed, with nearly half (47.15%) falling into the middle-income bracket. This symmetrical distribution, where the below-average (26.83%) and above-average (26.02%) groups are nearly identical, enables us to detect how price sensitivity and the willingness to pay premiums change across wealth levels. Interestingly, research suggests that as certain product categories become "lifestyle staples", the direct influence of income on brand loyalty may diminish (Pechinthorn et al., 2021).

Most respondents (86.18%) live in urban areas. This concentration is typical for online research in developing economies, as urban areas benefit from superior broadband access and higher digital literacy (Pechinthorn et al., 2021). These urban consumers are the "trendsetters" in our study; they are the group most likely to prioritize social media over traditional advertising and demonstrate a willingness to pay premiums for the quality and status associated with global brands (Hutchinson et al., 2017).

From the results, we can conclude that the sample predominantly comprises young (67.5% under 35), urban (86.2%), and highly educated (71.5% with tertiary education) consumers from N. Macedonia, which reflects a specific segment rather than the entire national population. This composition is deemed relevant, since our study focuses on digitally active consumers who regularly engage with online brand information, social influence, and digital purchase channels - precisely the population to whom our core constructs (e.g., online reviews, social influence, CRS) are most related (Bryman & Bell, 2015; Malhotra, 2019).

Consequently, our findings should be interpreted as applying to "young, urban, highly educated, digitally active N. Macedonians" hereafter "consumers" - a key economic segment driving digital consumption, rather than to the entire N. Macedonian population.

4.2. Descriptive Statistical Analysis of Consumer Attitudes

The results are presented through frequency distributions, means, and standard deviations. The standard deviation values fluctuate around the 1.00 threshold, providing insight into the consistency of the dataset. Scores below 1.00 suggest a "consensus" among respondents, indicating relatively stable and homogeneous attitudes toward those specific factors. Conversely, values exceeding 1.00 reflect more divergent perceptions and varying degrees of brand involvement. These findings highlight that while some attitudinal patterns are universal across the sample, other areas manifest significant opinion variability.

TABLE 1 - ANALYSIS OF DESCRIPTIVE SINGLE-ITEM BRAND-RELATED BEHAVIORS

Question (Q)	Scale (1–5)	Frequency (N)	Percentage (%)	Mean ($\bar{x}$)	SD (σ)
Importance of brand: It is important to me that the product has a developed and well-known brand	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree Total	8 22 59 25 9 123	6.50 17.89 47.97 20.33 7.32 100.00	2.99	1.13
Purchase frequency of branded products: I often purchase products with a developed brand	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree Total	4 11 70 32 6 123	3.25 8.94 56.91 26.02 4.88 100.00	3.21	0.88
Advertising influence: Brand advertisements influence my purchase decision when buying a branded product	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree Total	12 20 57 26 8 123	9.76 16.26 46.34 21.14 6.50 100.00	2.98	1.15

**Note: Single item questions*

The discussion of the findings is presented as follows.

Our results show a market that is deeply divided on the importance of brand prominence ($\bar{x}$= 2.99). With nearly half the sample (47.97%) responding neutrally, it appears that consumers in N. Macedonia are selective brand choosers. They don't value a brand for its name alone but evaluate it based on the specific category or their current budget. This polarization suggests a split between those who see a brand as a status symbol and rationalist shoppers who prioritize utility (GeoPoll, 2025).

One of the interesting findings is the low impact of traditional advertising ($\bar{x}$= 2.98), which ranked as the least influential factor. This reflects a significant generational shift: younger, digitally active consumers are increasingly skeptical of "pushed" ads, preferring authentic, user-generated content instead. The market has become an omnichannel battlefield, where traditional promotion is losing ground to entertainment and direct engagement (GeoPoll, 2025; Kantar, 2025).

When asked if they frequently choose branded products, many of our respondents (56.91%) remained neutral. With a mean of 3.21 and a low standard deviation (σ = 0.88), it's clear that many consumers from the sample are "selective purchasers" rather than brand obsessives. They don't reject brands, but their loyalty is pragmatic. This confirms a growing trend in developing economies: even as quality becomes more important, consumers still manage "coping portfolios", balancing trusted brands with more affordable alternatives based on the situation (GeoPoll, 2025; Kantar, 2025).

For brand managers, this low variability in the data is a warning that loyalty isn't a given and fixed metric. Because the dominant consumer disposition is neutral and pragmatic, they are highly likely to switch brands if a competitor offers better value or performance (Hutchinson et al., 2017).

Additionally, in Table 2 we present the descriptive statistics for the core multi-item brand behavior constructs.

TABLE 2 - DESCRIPTIVE STATISTICS FOR CORE MULTI-ITEM BRAND BEHAVIOR CONSTRUCTS

Construct (Cronbach's α)	Item	Mean (x̄)	SD
Trust in foreign brands (α = 0.78)	I generally feel that products from well-known international brands are reliable.	3.02	0.79
	Compared to local brands, I am more confident in the quality of foreign brands.	2.95	0.83
	I trust the safety standards of foreign brands more than domestic ones.	2.99	0.80
	Construct composite	*2.99*	*0.68*
Brand loyalty and repeat purchase (α = 0.82)	I consider myself to be loyal to certain brands.	3.59	1.08
	When I need to buy a product, I try to buy my preferred brand whenever I can.	3.65	1.12
	I intend to keep purchasing my preferred brands, even if other brands are cheaper.	3.64	1.10
	Construct composite	*3.63*	*0.95*
Importance of socially responsible practices (α = 0.79)	It is important that the brands I buy are environmentally friendly.	3.25	1.04
	I prefer to buy brands that support social causes (e.g., education, health).	3.30	1.06
	I prefer brands that demonstrate ethical and responsible business conduct.	3.28	1.05
	Construct composite	*3.28*	*0.91*
Willingness to pay more for branded vs. non-branded (α = 0.85)	I am willing to pay a higher price for branded products than for unbranded ones.	3.17	1.19
	I prefer to buy branded products even if they cost more than generic ones.	3.21	1.21
	The extra cost of a branded product is worth the value I receive.	3.20	1.20
	Construct composite	*3.19*	*1.05*
Price = quality heuristic (α = 0.84)	Generally speaking, the higher the price of a product, the higher the quality.	3.20	1.23
	You get what you pay for; expensive products usually have fewer defects.	3.24	1.25
	The price of a product is a good indicator of its quality.	3.21	1.24
	Construct composite	*3.22*	*1.08*
Recommendations from close contacts (α = 0.80)	Recommendations from family and friends influence my brand choices.	3.39	1.04
	I usually trust a brand if someone I know tells me it is good.	3.40	1.06
	Before buying a brand, I often ask people I trust for their opinion.	3.37	1.05
	Construct composite	*3.39*	*0.92*
Positive online reviews (α = 0.83)	Positive online reviews make me more confident in purchasing a brand.	3.66	1.05
	I check online customer reviews before deciding which brand to buy.	3.70	1.07
	The number of positive ratings a product has online influences my purchase decision.	3.67	1.06
	Construct composite	*3.68*	*0.93*
Purchase intention (6 months) (α = 0.86)	It is very likely that I will purchase a branded product within the next six months.	3.72	1.04
	I intend to buy a well-known brand in the near future (e.g., next six months).	3.75	1.06
	I plan to spend money on a branded product within the next six months.	3.74	1.05
	Construct composite	*3.74*	*0.92*

**Note: (N = 123). For each of the eight constructs measured with three items on a 5-point Likert scale, a composite score was calculated as the arithmetic mean of the three constituent items.*

Trust in foreign brands yielded the lowest mean score among all constructs ($\bar{x}$ = 2.99). Respondents showed slight disagreement or neutrality regarding the reliability, quality, and safety standards of foreign brands compared to domestic ones. The lowest-rated item was “Compared to local brands, I am more confident in the quality of foreign brands” ($\bar{x}$ = 2.95), suggesting a preference for local brands in terms of quality perception. This might signal a maturing market where consumers judge a product on its own merits rather than its country of origin.

Respondents reported moderate to high levels of brand loyalty ($\bar{x}$ = 3.63). The highest-rated item was “When I need to buy a product, I try to buy my preferred brand whenever I can” ($\bar{x}$ = 3.65), indicating that habitual repurchase behavior is present among the sample. Once a consumer identifies a brand that delivers consistent quality, they stop searching and stick with it. This loyalty is built on a mix of cognitive trust and emotional attachment (Bisschoff, 2020).

Interestingly, while corporate social responsibility (CSR) is viewed positively ($\bar{x}$ = 3.28), it remains an indirect factor, meaning that while consumers expect it, it rarely replaces price or quality as the primary reason to buy (Bajar et al., 2024). The item “I prefer to buy brands that support social causes” received the highest rating within this construct ($\bar{x}$ = 3.30), while environmental concerns were slightly lower ($\bar{x}$ = 3.25).

Respondents showed slightly positive attitudes toward willingness to pay a premium for branded over non-branded products ($\bar{x}$ = 3.19). All three items had similar mean values, suggesting consistency in the willingness to pay more for perceived brand value. This migh mean that when quality is guaranteed, consumers would be willing to pay more, signaling that in developing economies, quality can overtake price as the primary driver, provided the brand is perceived as “meaningfully different” (Kibuacha, 2025).

The belief that higher prices indicate better quality was moderate ($\bar{x}$ = 3.22). The item “You get what you pay for; expensive products usually have fewer defects” received the highest mean ($\bar{x}$ = 3.24), however overall scores indicate that respondents don’t disagree, but also don’t strongly rely on price as a quality signal.

Word-of-mouth from close people (family and friends) is seen as slightly positive ($\bar{x}$ = 3.39). The item “I usually trust a brand if someone I know tells me it is good” was rated highest ($\bar{x}$ = 3.40), indicating that these consumers are open to interpersonal influence in brand decisions.

Respondents exhibited a more confident and positive opinion towards online reviews influece on brand purchase decisions ($\bar{x}$ = 3.68). The item “I check online customer reviews before deciding which brand to buy” received the highest mean ($\bar{x}$ = 3.70), indicating that consumers actively seek and trust digital word-of-mouth (eWOM). For the modern urban consumer, digital word-of-mouth has surpassed almost every other variable in the decision-making process (Outscraper, 2026), including personal recommendations from peers ($\bar{x}$ = 3.39).

Despite current economic pressures, purchase intention for branded products within the next six months was the highest among all constructs ($\bar{x}$ = 3.74). The item “I intend to buy a well-known brand in the near future” had the highest mean ($\bar{x}$ = 3.75), suggesting favorable future brand purchase behavior. Most respondents plan to buy branded products soon, indicating that brands still hold significant symbolic value in their long-term lifestyle aspirations (Kantar, 2025).

Overall, these results indicate that while respondents are generally willing to purchase branded products and are influenced by online reviews and loyalty, they exhibit lower trust in foreign brands relative to domestic ones. The moderate scores for price-quality heuristic suggest that price is not the dominant signal of quality for this sample.

To understand exactly what drives these selective choices, we asked respondents to rank six key factors and five channels from 1 (most influential) to 6/5 (least influential). The resulting hierarchy, based on the mean rank values (R), is shown in Table 3 below.

TABLE 3 - RANKING OF FACTORS FOR BRANDED PRODUCTS PURCHASE

Question (Q)	Factors Ranked	Mean rank value (R)*	Ranked position
Brand Purchase Factors: Factors influencing the decision to purchase a branded product	Quality	2.34	1.
	Brand loyalty	2.44	2.
	Recommendations	2.83	3.
	Price	3.24	4.
	Accessibility	4.08	5.
	Advertisement	4.40	6.
Marketing Channels: Marketing channels that most frequently motivate you to purchase a branded product	Social media (Facebook, Instagram, TikTok)	2.54	1.
	Banners and internet advertisements	3.00	2.
	Billboards and traditional advertisements	3.24	3.
	TV commercials	3.30	4.
	In-store offers	3.31	5.

**Note: Lower mean rank indicates higher valuation of the factor. Single item questions.*

The ranking of factors influencing the decision to purchase a branded product is presented below.

Our findings establish a clear hierarchy: Quality (R=2.34) and brand loyalty (R=2.44) are the primary engines of purchase intent. This indicates that in developing markets, with high uncertainty, the brand might be seen as a critical risk-mitigation tool. Remarkably, peer recommendations (R=2.83) outrank price (R=3.24), suggesting that interpersonal trust is more persuasive than financial incentives. This confirms that while price is a factor, it is a boundary rather than a motivator; consumers will pay a premium for brands that consistently deliver on their promises (Kibuacha, 2025; The Trade Desk, 2025).

In terms of reach, social media (R=2.54) has effectively replaced traditional TV and billboards as the most influential channel. Our sample's skepticism toward traditional advertising (R=4.40) and in-store discounts suggests a demand for authenticity over "hard-sell" tactics, as found in other market research as well (PepsiCo Partners, 2025).

When it comes to brand switching (table 4), the message is clear: poor experience is the core catalyst for attrition (63.41%). While price increases (42.28%) can trigger a switch, they are secondary to quality failures.

TABLE 4 – BRAND SWITCHING TRIGGERS

Switching Trigger	Frequency (N)	Percentage (%)*
Bad experience with current brand	78	63.4%
Better price	52	42.3%
Recommendation from a friend	37	30.1%
Better advertisement	36	29.3%

**Note:* N = 123. Total number of selections: 203. *Percentages sum to more than 100% because respondents could select multiple triggers. Single item questions.*

For managers, this highlights a clear "asymmetry", since advertising can have a diminished effect on winning new customers, but an identified quality failure will almost certainly drive them away (Bajar et al., 2024; Han & Balabanis, 2025).

4.2. Deductive Statistical Findings

To assess the internal consistency reliability of the eight multi-item scales, Cronbach's alpha was computed. As shown in Table 5, Cronbach's alpha coefficients ranged from 0.78 to 0.86. Specifically, purchase intention (α = 0.86), willingness to pay more (α = 0.85), and price-quality heuristic (α = 0.84) demonstrated the highest reliability. The lowest alpha was observed for trust in foreign brands (α = 0.78) and socially responsible practices (α = 0.79), which still exceed the acceptable threshold of 0.70 (Nunnally & Bernstein, 1994; George & Mallery, 2003). These results indicate that all scales possess satisfactory internal consistency, and no item deletion is necessary.

TABLE 5 - RELIABILITY ANALYSIS OF MULTI-ITEM BRAND BEHAVIOR CONSTRUCTS

Construct	Number of Items	Cronbach's Alpha (α)
Trust in foreign brands	3	0.78
Brand loyalty and repeat purchase	3	0.82
Importance of socially responsible practices	3	0.79
Willingness to pay more for branded vs. non-branded (premium buying habit)	3	0.85
Price = quality heuristic	3	0.84
Recommendations from close contacts	3	0.80
Positive online reviews	3	0.83
Purchase intention (next 6 months)	3	0.86

Following the reliability analysis, given that the multiple items measure the same underlying construct and demonstrate acceptable internal consistency (Hair et al., 2019; DeVellis, 2017), we calculated composite scores for each construct as the arithmetic mean of the constituent items, for each respondent. These composite scores were used to compute Pearson correlation matrix (Table 6) to examine bivariate relationships among the brand behaviour related constructs and their association with purchase intention. The analysis identified statistically significant positive associations between most independent variables and the dependent variable of purchase intention. Notably, no correlation coefficients exceeded the threshold of 0.70, indicating the absence of problematic multicollinearity and thereby satisfying a key assumption for the subsequent execution of multiple linear regression analysis (Field, 2018; Hair et al., 2019).

TABLE 6 - PEARSON CORRELATION COEFFICIENTS BETWEEN VARIABLES

Variables	1	2	3	4	5	6	7	8
1.Trust in foreign brands	1.00							
2. Brand loyalty	0.257893 *	1.00						
3. Social responsibility	0.258396 *	0.311068**	1.00					
4.Willingness to pay more (premium buying habit)	0.267542 *	0.31238**	0.299533**	1.00				
5. Price = quality	0.303693 * *	-0.07432	0.00899	0.386994***	1.00			
6. Recommendations	0.141314	0.205971*	-0.08376	0.11398	0.262125*	1.00		
7. Online reviews	0.096806	0.254818*	0.216893*	0.099032	-0.03587	0.309257**	1.00	
8. Purchase intention	0.151433	0.482481***	0.240422*	0.374453***	0.159513	0.292848**	0.423107***	1.00

*Note: N = 123. *p < 0.05. **p < 0.01. ***p < 0.001 (two-tailed).*

The Pearson correlation matrix (Table 6) clarifies how our brand factors interact with each other and with purchase intent.

The strongest link in our study is between brand loyalty and purchase intention (r = .48, p < .001). This confirms that once a consumer hits the “resonance” stage, their repeat patronage becomes highly predictable (Keller, 2001). Close behind is the link between online reviews and purchase intention (r = .42, p < .001). In developing economies, where institutional guarantees can be weak, peer-generated feedback acts as a critical risk-mitigator (King et al., 2014).

We found a moderate connection between loyalty and online reviews ($r = .25$, $p < .01$). For loyalists, reviews aren't about finding new brands; they are about confirmatory search, i.e., seeking social proof that their favorite brand is still the right choice (Festinger, 1957). There is also a moderate correlation between recommendations and purchase intention ($r = .29$, $p < .01$), indicating that people would buy branded products based on recommendations from close persons. Similarly, premium purchasing habit correlates with future intent ($r = .37$, $p < .01$). This suggests behavioral inertia, meaning once a consumer starts buying premium, the routine becomes automatic to avoid the cognitive cost of switching (Wood & Neal, 2009).

Corporate social responsibility (CSR) showed a modest but significant link to intent ($r = .24$, $p < .05$). While CSR builds brand warmth, it remains a secondary driver behind functional factors like quality (Bajar et al., 2024). Interestingly, CSR correlates with premium buying ($r = .30$, $p < .01$), suggesting that ethically-minded consumers view a higher price as a fair signal of the costs of responsible production (Nguyen et al., 2025).

Additionaly, we used Ordinary Least Squares (OLS) regression to estimate how our seven factors influence the intention to purchase a branded product within the next six months (Table 7). We treated the Likert scale data as interval data, supported by the approximately normal distribution and established academic precedents (Norman, 2010; Rhemtulla et al., 2012). Our sample size of 17.6 cases per predictor comfortably exceeds the required threshold for reliable results (Field, 2013). Diagnostic checks, including the Durbin-Watson (1.933) and Jarque-Bera tests (1.267), confirm that the model is free from significant autocorrelation or residual bias. The model was evaluated using the coefficient of determination (R^2), adjusted R^2, and the overall F-test. Individual predictor contributions were assessed using unstandardized regression coefficients (b), t-statistics, and associated p-values, with statistical significance set at $p < 0.05$ level.

TABLE 7 - OLS REGRESSION RESULTS PREDICTING PURCHASE INTENTION FOR BRANDED PRODUCTS

Variable	***B***	***SE***	**t**	**p**	**95% CI**
Constant	0.243	0.443	0.549	.584	[-0.635, 1.122]
Trust in foreign brands	-0.091	0.095	-0.953	.343	[-0.279, 0.098]
Brand loyalty	0.363***	0.089	4.088	< .001	[0.187, 0.539]
Social responsibility	0.041	0.085	0.481	.631	[-0.128, 0.210]
Premium buying habit (willingness to pay more)	0.172*	0.079	2.179	.031	[0.016, 0.327]
Price = quality	0.113	0.081	1.389	.167	[-0.048, 0.274]
Recommendations	0.096	0.086	1.119	.265	[-0.074, 0.267]
Online reviews	0.312***	0.085	3.656	< .001	[0.143, 0.482]
R^2	0.405				
Adjusted R^2	0.369				
F (7, 115)	11.20***				
N	123				

Residual Diagnostics

Omnibus:	1.770	Durbin-Watson:	1.933
Prob(Omnibus):	0.413	Jarque-Bera (JB):	1.267
Skew:	0.174	Prob(JB):	0.531
Kurtosis:	3.356	Cond. No.:	55.1

Note. Dependent variable: I plan to purchase a branded product within the next 6 months.

*CI = confidence interval for unstandardized coefficient (B). ***p < 0.001 (highly significant); *p < 0.05 (significant)*

The regression model is statistically significant ($F(7,115) = 11.20$, $p < .001$), explaining 40.5% of the variance in purchase intention ($R^2 = 0.405$). This indicates that our seven factors provide a solid framework for predicting the brand-related behavior of the specific consumer group in this market. Three factors emerged as the primary engines of purchase intent: brand loyalty, online reviews and willingnes to pay premium.

Brand loyalty ($p < .001$) remains the strongest predictor. It confirms that investing in customer retention is far more effective than just chasing new leads (Dick & Basu, 1994). The significant relationship between brand loyalty and purchase intention is consistent with Yoo and Donthu's (2001) conceptualization of loyalty as a tendency to favor a brand as one's primary choice. Within a brand equity framework, loyalty is not merely a behavioral residue of past purchases but an attitudinal disposition that orients future buying decisions. Consumers who have internalized a preference for branded products are more likely to act on that preference at the point of purchase. This finding reinforces the position that loyalty sits closest to the behavioral end of the consumer decision continuum and therefore constitutes one of the strongest proximal drivers of purchase intention.

Online reviews i.e. electronic word-of-mouth (eWOM) ($p < .001$) is now the primary trust signal for this consumer group. For this demographic, the social proof found in aggregated reviews reduces the perceived risk of a purchase (Chevalier & Mayzlin, 2006). The significant role of positive online reviews similarly aligns with established theory. Fernandes et al. (2021) and Thakur (2018) both position online reviews as a key source of social validation in digital environments, reducing perceived risk and increasing consumer confidence. In the context of branded products generally, where consumers may lack direct product experience or rely on peer-generated signals to navigate an increasingly cluttered marketplace, favorable online reviews appear to function as a credibility shortcut that translates meaningfully into behavioral intent.

Premium habit (willingness to pay more) ($p < .05$) is also positively associated to puchase intention. Consumers who are willing to absorb a higher price for a branded product have, in effect, already resolved much of the cognitive deliberation that precedes a purchase decision. Their elevated valuation of the brand's offering reduces the friction between evaluation and action, making the translation into purchase intention relatively direct. Thus, consumers who already buy premium or high-end brands are likely to continue doing so. This behavioral inertia proves that once a brand establishes itself as a premium choice, it can consistently command higher prices and drive purchase intention (Aaker, 1991). The finidng endorses the conceptual logic advanced by Netemeyer et al. (2004), who positioned price premium willingness as both a factor of consumer-based brand equity and a direct antecedent of brand purchase behavior.

Interestingly, factors like CSR, price-quality heuristics, interpersonal WOM and foreign brand trust did not directly predict intent in this model. These non-significant findings are theoretically informative.

The non-significance of perceived CSR importance is consistent with an emerging body of evidence suggesting a persistent gap between consumers stated valuation of corporate social responsibility and their actual purchase behavior. While consumers may value CSR in principle, an attitude-behavior gap often exists where loyalty and reviews take precedence at the moment of decision (Carrington et al., 2010).

The price-quality heuristic also failed to achieve significance. This may reflect the specific way the construct was operationalized at a general rather than product-specific level. The price-quality inference is more active when consumers encounter a specific, unfamiliar product and must use price as a proxy for quality assessment (Rao & Monroe, 1989). In a general branded-product context, this cue may be rendered less salient as a standalone predictor of intent.

The most surprising result was that personal recommendations (traditional WOM) were not significant, which may initially appear counterintuitive given the well-documented persuasive power of peer communication. This suggests that for our young, urban, educated and digitally active sample, the sheer volume and accessibility of online reviews have overshadowed the influence of close-circle advice. In the digital age, a stranger's review on a trusted platform may carry more diagnostic weight than a friend's casual suggestion, especially for this specific consumer segment. Moreover, the overlap between peer communication and online reviews in the model may have suppressed the independent contribution of the former, particularly since online review behavior increasingly blurs the boundary between peer influence and platform-mediated social proof.

Furthermore, the absence of significant effect of foreign brand trust on purchase intention may reflect that, at a general branded-product level, trust performs more as a hygiene factor i.e. a baseline condition, rather than as a differentiating driver of intent. Once a minimum threshold of trust is established, its incremental effect on intention may decrease, particularly in purchase context where consumers feel broadly familiar with the branded product landscape.

Our research marks a clear shift from transactional to relational marketing for young, urban, highly educated, digitally active consumers, in the context of a developing economy (N. Macedonia). Because brand loyalty and online reviews are the most powerful drivers of purchase intent, companies must treat loyalty and online reputation as primary strategic assets. This requires a move away from traditional mass advertising toward the cultivation of authentic user-generated content and retention-focused loyalty programs. While CSR and premium positioning remain important, they act as supporting elements rather than primary triggers for a sale.

For brand managers in developing economies, the priority must be “experience consistency”. In an environment where digital social proof is king, maintaining the quality-driven trust of existing customers can be far more critical and profitable than one-time acquisition through price discounts.

5. CONCLUSIONS

This study examined how several brand-related factors, like traditional preferences and digital information, converge to drive purchase intent in a group of young, urban, educated and digitaly active consumers, in a developing economy context. Our model explained a significant 40.5% of this specific consumer segment behavior, identifying a clear hierarchy of influence that moves away from mass-marketing toward relational trust.

Our findings establish that brand loyalty is the primary driver of intent, functioning as a relational asset built on consistent quality rather than simple transactions (Fan et al., 2025). Closely following are online reviews (eWOM), which has effectively supplanted traditional personal recommendations as the dominant social proof (Sudaryanto et al., 2025). Finally, a premium orientation serves as a tertiary driver, where consumers equate higher prices with unique value and elevated experiences (NielsenIQ, 2025; WPP Media, 2025). Taken together, these findings suggest that the most reliable pathways to purchase intention of young, urban, well educated and digitaly active consumers are those grounded in prior committed preference (brand loyalty), perceived social validation through digital channels (online reviews), and internalized brand value perceptions that justify a price premium.

Conversely, factors like CSR, foreign origin, personal recommendations and price-quality heuristcs had no direct statistical impact on purchase intent. This suggests an attitude-behavior gap where consumers may value ethics in principle but prioritize functional reliability and digital validation at the point of purchase (Tran et al., 2020). These constructs may shape their broader value system, without directly activating purchase intent in isolation.

The takeaway for managers is unambiguous - success now demands a shift from transactional to relational marketing. Since loyalty is the strongest predictor, budgets should favor customer retention and personalized after-sales service over aggressive new-customer acquisition. Likewise, because eWOM is now a primary trust signal, brands must manage their digital reputation as a core strategic asset, prioritizing rating transparency. Prior research suggests the same (Khellil & Loucif, 2025). And, as we move toward “agentic commerce”, brands are well advised to ensure their data is machine-readable for AI-powered shopping agents that will soon mediate these decisions (Kearney, 2025; Capgemini, 2025; Brohan, 2025). The findings also show that premium buyers are brand-oriented in their purchasing intentions, therefore it is advisable for companies (managers) to think about up-selling as part of their marketing strategy for a brand.

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5.1. Limitations and Future Research

Despite careful planning and execution of the research, certain limitations should be considered when interpreting the results. First, the sample was relatively limited to a specific demographic group, which reduces the generalizability of findings to broader populations. Second, the study employed only survey methodology for data collection, which may limit the depth of information obtained and potentially introduce response bias. Third, respondents who voluntarily complete lengthy brand perception surveys may be more brand-engaged and digitally literate than the average consumer, which could partially explain the relatively high purchase intention scores and the pronounced effect of online reviews observed in our data. Fourth, the research was conducted within a limited temporal framework. Additionally, external factors such as social, economic, or cultural changes, which are not controlled, may influence results. Future research can address these limitations and provide broader insight into the examined phenomena. Recommendations include: Sample expansion to include larger and more diverse populations to validate or supplement the findings; combining quantitative and qualitative methods to enable deeper analysis and understanding of the phenomena; longitudinal designs for long-term tracking of changes in respondents' attitudes or behaviors; agentic commerce implications to investigate how AI-powered shopping agents may reshape the relationships between brand loyalty, online reviews, and purchase intentions as algorithmic trust becomes increasingly important.

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APPENDIX - QUESTIONNAIRE

Section	No.	Question / Statement	Response Options
Demographic data	1.	Gender	Male/ Female/ Other
	2.	Age	18 – 24 years 25 – 34 years 35 – 44 years 45 – 54 years 55 years +
	3.	Education level	Primary Secondary Higher (Bachelor's degree) Postgraduate (Master's/Doctoral)
	4.	Monthly income	Below average (less than the average monthly salary) Average (average monthly salary) Above average (higher than the average monthly salary)
	5.	Place of residence	Urban area Rural area
Brand purchase factors	6.	Which factors most influence your decision to purchase a branded product? (Rank from 1 to 6, where 1 = most influential, 6 = least influential)	Quality Price Availability Recommendations from friends Advertising and marketing Brand loyalty
Advertising influence	7.	Advertisements for a brand influence my decision to purchase a branded product.	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree
Marketing channels	8.	Which marketing channels most often motivate you to buy a product? (Rank from 1 to 5, where 1 = most influential, 5 = least influential)	TV commercials Social media (Facebook, Instagram, TikTok) Banners and online ads Billboards and traditional ads In-store offers and discounts
Brand switching triggers	9.	What would make you switch from one brand to another? (Choose every option that fits your attitude)	Better price Better advertising Bad experience with the current brand Recommendation from a friend
Importance of brand	10.	It is important to me that the product has a well-developed and well-known brand.	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree
Purchase frequency of branded products	11.	I often buy products from a well-developed brand.	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree
Inclination to pay more for high quality	12.	I would pay more for a product with a highly recognizable brand that gives me confidence in its quality.	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree
Brand behaviour core constructs (For each of the statements, state the extent to which you agree: Strongly disagree, Disagree, Neither agree nor disagree, Agree, Strongly agree)			
Trust in foreign brands	13.	1. I generally feel that products from well-known international brands are reliable. 2. Compared to local brands, I am more confident in the quality of foreign brands. 3. I trust the safety standards of foreign brands more than domestic ones.	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree

Section	No.	Question / Statement	Response Options
Brand loyalty and repeat purchase	14.	1. I consider myself to be loyal to certain brands. 2. When I need to buy a product, I try to buy my prefferred brand whenever I can. 3. I intend to keep purchasing my preffered brands, even if other brands are cheaper.	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree
Importance of socially responsible practices	15.	1. It is important that the brands I buy are environmentally friendly. 2. I prefer to buy brands that support social causes (e.g., education, health). 3. I prefer brands that demonstrate ethical and responsible business conduct.	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree
Premium buying habit	16.	1. I am willing to pay a higher price for branded products than for unbranded ones. 2. I prefer to buy branded products even if they cost more than generic ones. 3. The extra cost of a branded product is worth the value I receive.	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree
Price = quality heuristic	17.	1. Generally speaking, the higher the price of a product, the higher the quality. 2. You get what you pay for; expensive products usually have fewer defects. 3. The price of a product is a good indicator of its quality.	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree
Recommendations from close contacts	18.	1. Recommendations from family and friends influence my brand choices. 2. I usually trust a brand if someone I know tells me it is good. 3. Before buying a brand, I often ask people I trust for their opinion.	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree
Positive online reviews	19.	1. Positive online reviews make me more confident in purchasing a brand. 2. I check online customer reviews before deciding which brand to buy. 3. The number of positive ratings a product has online influences my purchase decision.	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree
Purchase intention (6 months)	20.	1. It is very likely that I will purchase a branded product within the next six months. 2. I intend to buy a well-known brand in the near future (e.g. next six months). 3. I plan to spend money on a branded product within the next six months.	Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree
Open- ended questions			
Which brands do you most often buy?	21.	/	/
Why do you buy the brands you listed?	22.	/	/

Note: The two open-ended questions were excluded from the analysis as they elicited responses pertaining to specific brand names and were not directly relevant to the objectives of the present study.