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The Impact of Brand Value on Business Performance: An Analysis of Moderating Effects of Product Involvement

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Abstract

The purposes of this study are to investigate the impact of brand value on business performance and to examine whether the impact of brand value on business performance differs between high and low product involvement. Based on the top 100 brands ranked by Interbrand in 2021, linear regression analysis and moderation analysis by SPSS and AMOS were used to examine our proposed hypotheses. The results showed that brand value had a significantly positive effect on business performance. The findings imply that stronger brand valuation impacts are associated with companies that do better financially. In other words, business revenue is significantly determined by a higher brand valuation. The result of the moderation effect reveals that product involvement moderates the effect of brand value on business performance in such a way that the association between brand value and business performance is stronger in low-involvement products than in high-involvement products. The findings validate the notion that a marketer's endeavors toward brand investments constitute a noteworthy origin of activity that adds value. Our study is one of the first to investigate, using empirical data on leading brands across several industries, the impact that brand value can have on business performance. It also broadens the scope of existing understanding regarding the moderating effect of product involvement in regulating a brand's effectiveness.

Keywords: Brand Value; Business Performance; Product Involvement.

1. Introduction

Since brands are a company's most important intangible asset, managers at many companies have prioritized brand development over the last ten years [1]. Intangible brand attributes, including brand awareness, brand loyalty, perceived brand quality, and positive brand symbols and connections, are all included in the concept of brand equity. Building a company's competitive edge through the development of its brand equity is crucial for future revenue streams. Numerous scholars have contended that effective branding has observable results because companies with high brand equity find it easier to increase demand for their goods and services through globalization and brand extensions [2].

The worth of a brand has grown in importance in recent years as a component of business valuation. Intangible assets have restricted integration into the balance sheet since they lack a clear physical value, unlike factories or equipment. Examples of these include the value of a brand. They can, however, be extremely beneficial to a company and crucial to its long-term success or failure. Strong brands can give businesses a competitive edge that helps them flourish in the

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