Brand awareness, word-of-mouth and willingness-to-pay (WTP) high price: The role of herbal brand image in Ghana

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Abstract

A high level of brand awareness and brand image enhances customers’ favourable word-of-mouth referrals which in turn, strengthens their WTP a high price for a brand. Despite the increasing importance of brand awareness and brand image to customers’ word-of-mouth referrals and their WTP a high price, there are limited studies on the mediated role of brand image in the influence of brand awareness on customers’ word-of-mouth referrals and their WTP a high price, particularly in the herbal industry. Hence, this study aimed to investigate the mediated role of brand image in the impact of brand awareness on word-of-mouth referrals and WTP a high price in the herbal industry. Using a systematic sampling strategy, data were collected from 265 samples of customers in the Cape Coast herbal market. The research hypotheses were statistically tested via structural equation modelling with the help of smart PLS 3.3.3. The study establishes that the relationship between brand awareness, word-of-mouth and WTP a high price is partly attributed to the influence of brand image. Besides, the study found that word-of-mouth contributes partially to the influence of brand awareness and brand image on WTP a high price. The study confirmed that brand image is critical in developing brand awareness to strengthen customers’ word-of-mouth referrals and their WTP a high price in the herbal industry.

Introduction

Enhanced brand awareness and image are regarded as key elements of building strong brands with powerful equity. Brands that have strong and enduring equity protect a business against competitive pressures and marketing uncertainties, command higher profits, and create an avenue for licensing which can generate predictable revenue (Farquhar, 1989; Keller, 2013). People all over the world utilise herbal remedies as a main or complementary source of health care. Research has reported that roughly 80 – 90% of Ghanaians use plant medicinal products for the treatment of their ailments (WHO, 2019). Herbal medicines consist of “herbs, herbal materials, herbal preparations, and finished herbal products that contain, as active ingredients, parts of plants, or other plant materials or a combination thereof” (ibid). Responding to the growing needs of Ghanaians for herbal remedies, the number of firms in the industry has increased tremendously, giving rise to keen rivalry and hence, low-profit margins. Empirical evidence demonstrates that strong brand awareness (Sofiane, 2019; Utami & Jannah, 2019) and image (Sharma & Nagpal, 2017; Yodpram & Intalar, 2020) enhance customers’ favourable word-of-mouth referrals and their intentions to pay more for the brands which can increase market share and hence, profitability. Extant literature also indicates that close to 67% of a consumer’s decision to buy a product is affected by word-of-mouth referrals, which can impact a firm’s growth (Mothersbaugh & Hawkins, 2016).

The importance of brand awareness to brand image (e. g., Mulyono, 2016; Oppong, Yeboah & Gyawu, 2020), word-of-mouth (Liao, Wu, Widowati & Chen, 2012; Sofiane, 2019) and WTP a high price (Ansellmsson, Bondesson & Johansson, 2014; Utami & Jannah, 2019) has received attention in the brand management literature. Again, the role of brand image in building word-of-mouth (Ismail & Spinelii, 2012; Sharma & Nagpal, 2017) and WTP a high price (Monavarian, Asgari & Hoseinabadi, 2015; Yodpram & Intalar, 2020), and in turn, the influence of word-of-mouth on WTP a high price (Xu, Niu, Li & Bai, 2020; Farzin, Abbassalikosh, Sadeghi
& Makvandi, 2021) have been documented in the literature. This implies that brand image can mediate the effect of brand awareness on word-of-mouth and WTP a high price. Likewise, word-of-mouth can act as a mediator in the effect of brand awareness and brand image on WTP a high price. Prior studies investigated the relationship between brand awareness and word-of-mouth via the mediating role of brand loyalty ( Büyükdag, 2021), and the mediating effect of brand image on the relationship between electronic word-of-mouth and willingness to pay more (Yodpram & Intalar, 2020). Furthermore, the mediating role of word-of-mouth in the path between brand equity and WTP a high price has been studied (Farzin et al., 2021).

However, studies on the mediation influence of brand image on the role of brand awareness in enhancing word-of-mouth and WTP a high price are relatively scarce. Again, there are limited investigations on the image and awareness effect on WTP a high price via the intervening role of word-of-mouth, particularly in the herbal industry. Moreover, research on word-of-mouth’s role in supporting WTP a high price is well-documented in the electronic market settings (e.g., Nieto-García, Muñoz-Gallego & González-Benito, 2017; Xu et al., 2020; Farzin et al., 2021), but little is empirically known in the non-electronic marketplace. As a result, this paper sought to explore the intervening influence of brand image on the role of brand awareness in enhancing word-of-mouth and WTP a high price. Hence, the objectives to achieve the goal of the paper are to assess; (1) the effect of brand awareness on brand image, word-of-mouth and WTP a high price (2), the effect of brand image on word-of-mouth and WTP a high price, and (3) the influence of word-of-mouth on WTP a high price in the herbal industry.

The next section of the research is structured as follows: First, the relevant literature underpinning the research is provided, followed by the research model, hypotheses and methodology. Finally, the results and discussion of the data analysis also are presented, followed by the implications, conclusion, and limitations and future direction of the research.

Literature Review

Theoretical Background and Hypotheses Development

Customer-based Brand Equity

The notion of brand equity has intrigued researchers and practitioners in today's competitive business environment because of its critical role in a company's success. The brand name associated with a company's offering is, in essence, one of its key assets. Farquhar (1989) highlighted that brand equity is related to the incremental value gained by an offering as a result of its branding. Keller (1993) also described brand equity as differences in the marketing effects which can be uniquely traced from branding. The author also proposed CBBE and explained it as “the differential effect of brand knowledge on consumer responses to the marketing of the brand” p.2. A brand, therefore, has a favourable and enduring value if buyers react positively to the product and its marketing programs in comparison with a similar non-branded version. Brand knowledge underpins the CBBE model and is defined in terms of brand awareness and brand image.

Aaker (1991) also suggested that brand equity relates to assets and liabilities associated with its name which enhances or reduces the worth of offering to a firm and its customers. These brand assets include brand loyalty, awareness, associations, perceived quality and other proprietary brand assets such as patents, etc. The author also stated that brand awareness, association, quality and loyalty are the main determinants of CBBE. Aaker’s (1991) CBBE framework has been criticised based on the fact that brand loyalty is recognised as one of the behavioural outcomes of CBBE (Erdem & Swait, 1998; Lassar, Mittal & Sharma, 1995). Likewise, perceived quality is also considered one of the aspects of brand image (Keller, 2013; Campbell, 2002). In this respect, this paper is guided by Keller’s (1993) CBBE model.

Willingness to Pay (WTP) High Price

The WTP a high price indicates the amount a customer is prepared to pay for a favourite brand over comparable or lesser brands of the same quantity or size (Netemeyer et al., 2004). Alternatively, WTP a high price is defined as a customer’s readiness to pay extra for a product because of branding (Rambocas, Kirpalani & Simms, 2018). The authors emphasized that customers are prepared to pay more when they anticipate equal and higher benefits in return and hence, the extra benefits they obtain from consumption, the more likely they will pay a higher price. Extant literature demonstrates that WTP a high price is one of the important dimensions of behavioural responses of loyal customers (Cronin, Brady & Hult, 2000), and can be the key summary indicator of a healthy brand (Aaker, 1996; Netemeyer et al., 2004). It has also been noted that a strong brand simplifies consumer-buying decisions because it reduces perceived risks by providing emotional and cognitive trust to consumers. Consequently, healthy brands serve as a signal of higher credibility and a greater degree of resistance to price competition (Rambocas et al., 2018). Empirical research also shows that satisfied customers demonstrate the desire to pay an extra amount for a preferred brand compared to a rival brand (ibid).

Research Hypotheses

Based on the study’s conceptual model, the proposed hypotheses to achieve the aim of this paper are discussed in this section.

Brand Awareness

Strong customers’ awareness of a brand is considered an element that enhances brand equity (Aaker, 1996; Keller, 2013). Keller (1993) explained brand awareness as the strength of its information in mind and is manifested in the ability to notice it in different
settings. In the author’s view, brand awareness comprises recognition and recall performance. Brand recognition measures the buyer’s capacity to testify his/her prior encounter with the brand, whereas brand recall relates to the buyer’s capacity to instantly retrieve the brand from memory.

Keller (2013) noted that increased awareness can influence buyers’ decisions to consider a brand in a set of alternative brands they want to buy in the future. Again, enhanced brand awareness forms the basis of and health of brand association. More so, consumers’ brand awareness generates a sense of familiarity and serves as an indicator of substance and loyalty (Aaker, 1991). Studies have also revealed that brand awareness positively affects brand image (Oppong et al., 2020; Mulyono, 2016), word-of-mouth (Sofiane, 2019; Liao et al., 2012) and WTP a high price (Utami & Jannah, 2019; Anselmsson et al., 2014; Monavvarian et al., 2015).

Hence, the following hypotheses are proposed:

H1: Brand awareness has a significant and direct influence on WOM referral
H2: Brand awareness has a significant and direct influence on brand image.
H3: Brand awareness has a significant and direct influence on WTP a high price.

Brand Image

Brand image is well-recognised as a core brand attribute that provides value for a business in the marketplace (Keller, 2013). Keller (1993) proposed that brand image relates to customers’ impressions about a brand, and is reflected in the associations of the brand in their minds. In contrast, brand association relates to anything linked to the brand by consumers (Aaker, 1991). Brand association can be anything but in most cases, it relates to the attributes related to or unrelated to the product itself. However, a brand association may consist of brand features and benefits. Brand features are those characteristics of a product that can easily be identified which defines it, whilst the benefit reflects the value and meaning created by the product’s features (Keller, 2013). A favourable and unique brand image can drive brand differentiation, extension, buying decisions, product information processing and retrieval, and support favourable attitudes and behaviours toward a product (Aaker, 1991). Past investigations also reported that image exerts a strong influence on word-of-mouth (Ismail & Spinelli, 2012; Sharma & Nagpal, 2017), WTP a high price (Yodpram & Intal, 2020; Monavvarian et al., 2015). In turn, brand image is positively affected by awareness (Oppong et al., 2020; Mulyono, 2016).

Hence, the following hypotheses are postulated:

H4: Brand image has a significant and direct influence on WOM referral
H5: Brand image has a significant and direct influence on WTP a high price
H6: Brand image has an intervening effect on the relationship between brand awareness and WOM referral
H7: Brand image has an intervening effect on the relationship between brand awareness and WTP a high price.

Word-of-Mouth

WOM advertising has gained considerable attention of late due to its vital role in eliciting customers’ behavioural responses. Word-of-mouth has been explained as “informal, person-to-person communication between perceived non-commercial communicator and a receiver regarding a brand, a product, an organisation or a service” (Harrison-Walker, 2001, p. 63). It has also been noted that WOM communications are more credible and believable than a company’s promotional messages (Kardes, Cronley & Chine, 2011). The basic notion is that the person who provides WOM is maybe an acquaintance and as a result, their judgements are trusted and without ulterior motives. It has also been highlighted that WOM has a dominant influence on consumer buying behaviour compared to print or broadcast media and is more effective than personal selling (Hoyer & Maclnnis, 2010). Mothersbaugh and Hawkins (2016) suggested that WOM drives more than half of all consumer purchases which can drive business success.

Research revealed that favourable WOM provides recipients relief, excitement, confidence, hopeful, and ultimately, enhances their perceptions about a firm and its products (Sweeney, Soutar & Mazzarol, 2008). Likewise, studies also found that positive WOM has a significant impact on customers’ WTP a high price (Nieto-Garcia et al., 2017; Xu et al., 2020; Fazin et al., 2021), and in turn, word-of-mouth is positively influenced by brand awareness (Sofiane, 2019; Liao et al., 2012) and brand image (Ismail & Spinelli, 2012; Sharma & Nagpal, 2017).

Hence, the hypotheses formulated are as follows:

H8: Word-of-mouth has a significant and direct influence on WTP a high price
H9: Word-of-mouth has an intervening effect on the relationship between brand awareness and WTP a high price
H10: Word-of-mouth has an intervening effect on the relationship between brand image and WTP a high price.

Research Model

Here, the conceptual model discusses the main variables and their proposed inter-relationships using a narrative and graphical form (Miles, Huberman & Saldána, 2014). In this paper, brand awareness is an independent variable, brand image is an intervening variable, whilst WTP a high price and word-of-mouth are dependent variables. The research model in Figure 1 reveals that brand awareness and brand image have a positive relationship with word-of-mouth referrals and WTP a high price. Besides, WOM referral directly impacts WTP a high price. In this paper, brand awareness is concerned with buyers’ capacity to identify and recall a brand.
Furthermore, brand image denotes customers’ impressions of a brand (Keller, 1993), whilst word-of-mouth referral indicates personal and informal communication about a brand or an organisation transmitted from one person to another (Harrison-Walker, 2001). Finally, WTP a high price measures the customer’s intention to pay an extra amount for a favourite brand over a comparable version (Rambocas et al., 2018; Netemeyer et al., 2004).

Research and Methodology

In order to achieve the main objective of this research, the methodology adopted is discussed below.

Population and Sampling

26 herbal shops and 854 customers found in the Cape Coast metropolis constituted the study’s population. The information about herbal shops was sourced from the Cape Coast Traditional Medicine Practice Council, a body mandated to supervise the commercialisation of herbal medicines, and the data on the customers were collected from the herbal shops' sales transactions in a day. Two hundred and sixty-five (265) samples of customers were selected from the sample size table developed by Krejcie and Morgan (1970). The respondents’ profile shows that a greater percentage of them were males, found at the age of 26 and 35 years, and had graduated from senior secondary school. Thus, the males were 51.6% (115), those between the age of 26 and 35 years were 39.7% (89) and with senior high school education were 35.5% (78).

Questionnaire Design and Data Collection Method

A questionnaire with a 5-point Likert scale, where 1 was strongly disagree to 5 strongly agree was used to conduct the survey. The scale items of the constructs were adopted from past researchers. The test instruments of the brand image were adapted from Yoo, Donthu and Lee (2000) and Gil, Andrés and Salinas (2007) and that of brand awareness was adapted from Yoo et al. (2000). The test instruments of word-of-mouth were borrowed from Zeithaml, Berry and Parasuraman (1996), while scale items of WTP a high price were from Zeithaml et al. (1996) and Chaudhuri and Holbrook (2001). Using the survey questionnaire assisted the researcher to generate data that allow for statistical analysis (Creswell, 2014). A systematic sampling technique was followed to distribute the questionnaires to the participants after shopping in front of the herbal stores. The first respondent who took part in the survey was randomly selected and thereafter, a third of every respondent completed the questionnaire. This sampling technique was used as it created an opportunity for the researcher to choose the participants without first-hand knowledge of the respondents (Malhotra, Nunan & Birks, 2017). Out of the 265 questionnaires administered, 230 were received but 226 were suitable for the analysis.

Data Analysis and Results

Descriptive statistics were used to examine the participants’ views and experiences with brand awareness, brand image, WOM and WTP a high price in the herbal market. Besides, the hypothesised relationship between the variables was examined by using structural equation modelling (SEM) with the help of a smart PLS software 3.3.3. The PLS-SEM was employed because of the multiple reflective indicators, relatively small sample size (265) and non-normality of the data (Hair, Sarstedt, Hopkins & Kuppelwieser, 2014). A two-stage procedure was used to conduct the SEM analysis as proposed by Byrne (2016).

Descriptive Statistics of Latent Variables

Table 1 presents the participants' view of the brand awareness, image, word-of-mouth and WTP a high price in the herbal industry. The results indicate that the participants are satisfied with the experiences and perceptions they have with brand awareness, image, word-of-mouth and WTP a high price. The results further show that participants' exposure with word-of-mouth referrals is the best with the highest mean score of 4.243, followed by brand awareness with a mean score of 3.995 and brand image with 3.905 and WTP a high price with the lowest of 3.902.
Table 1: Results of Descriptive Statistics

<table>
<thead>
<tr>
<th>Latent Variables</th>
<th>No. of Observation</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Awareness</td>
<td>226</td>
<td>1.50</td>
<td>5.00</td>
<td>3.995</td>
<td>.785</td>
</tr>
<tr>
<td>Brand Image</td>
<td>226</td>
<td>1.00</td>
<td>5.00</td>
<td>3.905</td>
<td>.727</td>
</tr>
<tr>
<td>Word-of-Mouth</td>
<td>226</td>
<td>1.67</td>
<td>5.00</td>
<td>4.243</td>
<td>.606</td>
</tr>
<tr>
<td>WTP Price Premium</td>
<td>226</td>
<td>1.50</td>
<td>5.00</td>
<td>3.902</td>
<td>.787</td>
</tr>
</tbody>
</table>

Measurement Model

The research model comprises reflective multiple indicators and hence, a reflective model was performed. The measurement analysis was conducted to examine the individual item’s reliability, composite reliability, convergent validity and discriminant validity (Hair, Hult, Ringle and Sarstedt, 2017). The findings of the model suggest good reliability and validity of the constructs because all the standardised loadings are significant at a p < .05, as displayed in Table 2 (Hair et al., 2017). The psychometric properties comprising individual items’ reliability, composite reliability, convergent validity and discriminant validity is presented in Table 3. Cronbach’s alpha was estimated to determine the individual items’ reliability. The findings indicate that the coefficients of all the indicator items are above .70 which indicates good reliability (Tavakol & Dennick, 2011). Again, the composite measure of the reliability of the constructs is above .70, suggesting good construct reliability (Hair et al., 2017). Furthermore, the convergent validity was examined by using AVE and the results suggest that the convergent validity is acceptable because all the values exceeded the recommended threshold of .50 (Bagozzi & Yi, 1988). Besides, the square root of AVEs were above the inter-construct correlations, indicating satisfactory discriminant validity (Fornell & Lacker, 1981). Finally, the heterotrait-monotrait (HTMT) correlations were estimated to provide further proof of discriminant validity. The results show that the HTMT correlations were less than the suggested threshold of .90, suggesting good discriminant validity (Henseler, Ringle & Sarstedt, 2015). These findings show that all the constructs are reliable and valid to provide better results for the structural model.

Table 2: Results of Measurement Model

<table>
<thead>
<tr>
<th>Latent Variables and Indicators</th>
<th>M</th>
<th>SD</th>
<th>Standardized loadings</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand Awareness</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BW1 I am aware of X</td>
<td>4.018</td>
<td>.965</td>
<td>.680</td>
<td>6.406</td>
</tr>
<tr>
<td>BW2 I can easily recognize X among other competing brands</td>
<td>4.088</td>
<td>.938</td>
<td>.912</td>
<td>54.675</td>
</tr>
<tr>
<td>BW3 I know what X looks like</td>
<td>3.965</td>
<td>.970</td>
<td>.871</td>
<td>30.485</td>
</tr>
<tr>
<td><strong>Brand Image</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BI1 X is different from its competing brands</td>
<td>3.898</td>
<td>1.012</td>
<td>.799</td>
<td>20.353</td>
</tr>
<tr>
<td>BI2 I can quickly recall the symbol or logo of X</td>
<td>3.770</td>
<td>1.099</td>
<td>.721</td>
<td>11.167</td>
</tr>
<tr>
<td>BI3 I like the image of X in the marketplace</td>
<td>3.832</td>
<td>1.027</td>
<td>.739</td>
<td>11.668</td>
</tr>
<tr>
<td>BI4 I respect and admire people who consume X</td>
<td>4.119</td>
<td>.793</td>
<td>.657</td>
<td>8.109</td>
</tr>
<tr>
<td><strong>Word-of-Mouth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WOM1 I would say positive things about X to other people</td>
<td>4.305</td>
<td>.794</td>
<td>.664</td>
<td>9.092</td>
</tr>
<tr>
<td>WOM2 I would recommend X to someone who asks for my advice</td>
<td>4.212</td>
<td>.685</td>
<td>.855</td>
<td>31.01</td>
</tr>
<tr>
<td>WOM3 I would encourage my friends and relatives to buy X</td>
<td>4.212</td>
<td>.799</td>
<td>.877</td>
<td>39.711</td>
</tr>
<tr>
<td><strong>WTP Price Premium</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WTPP2 I would be willing to pay a higher price for X than the other brands</td>
<td>3.827</td>
<td>.948</td>
<td>.810</td>
<td>21.723</td>
</tr>
<tr>
<td>WTPP3 The price of X would have to go up quite high before I would switch to another brand</td>
<td>3.938</td>
<td>.940</td>
<td>.840</td>
<td>20.029</td>
</tr>
<tr>
<td>WTPP4 I am committed to X</td>
<td>3.991</td>
<td>.879</td>
<td>.843</td>
<td>34.418</td>
</tr>
</tbody>
</table>

Notes: X = Focal brand; M = Mean; SD = Standard Deviation; All the Outer loadings are significant @ p < 0.5.

Table 3: Psychometric Properties

<table>
<thead>
<tr>
<th>Variables</th>
<th>α</th>
<th>rho_A</th>
<th>CR</th>
<th>AVE</th>
<th>BA</th>
<th>BI</th>
<th>WOM</th>
<th>WTP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Awareness (BA)</td>
<td>.773</td>
<td>.843</td>
<td>.865</td>
<td>.684</td>
<td>.827**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Image (BI)</td>
<td>.710</td>
<td>.706</td>
<td>.820</td>
<td>.534</td>
<td>.349</td>
<td>.731**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Word-of-Mouth (WOM)</td>
<td>.718</td>
<td>.737</td>
<td>.844</td>
<td>.647</td>
<td>.280</td>
<td>.310</td>
<td>.804**</td>
<td></td>
</tr>
<tr>
<td>WTP a high price (WTP)</td>
<td>.779</td>
<td>.794</td>
<td>.870</td>
<td>.691</td>
<td>.312</td>
<td>.353</td>
<td>.461</td>
<td>.831**</td>
</tr>
</tbody>
</table>
Table 4: Results of Heterotrait-Monotrait Ratio

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Brand Awareness</th>
<th>Brand Image</th>
<th>Word-of-Mouth</th>
<th>WTP high price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Awareness</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Image</td>
<td>.443</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Word-of-Mouth</td>
<td>.357</td>
<td>.399</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>WTP a high price</td>
<td>.379</td>
<td>.454</td>
<td>.609</td>
<td>1</td>
</tr>
</tbody>
</table>

Structural Model

The structural model was utilised to evaluate the hypotheses developed. The analysis was conducted using a bootstrapping approach with 5 000 subsamples and bias-corrected and accelerated bootstrap (BCa) at a t-value of 1.96 and a significance level of .05. The model’s predictive power was examined through a coefficient of determination (R²). The outcomes show that R² of brand image, word-of-mouth and WTP a high price are .122, .129 and .279, which demonstrate a weak explanation of the constructs (Hair et al., 2017).

In addition, to check the predictive relevance of the model, a cross-validated redundancy measure (Q²) was employed. The findings reveal the Q² of brand image, WOM and WTP a high price are .062, .075 and .170, respectively. These coefficients exceed zero (0) and hence, the constructs have predictive relevance in the structural model. The findings also show that the brand image and word-of-mouth have small, whilst WTP a high price has medium predictive relevance in the model (ibid). More so, the effect size (f²) was utilized to examine the degree of influence of the exogenous variables on the endogenous variables. It has been noted that f² values of .02, .15 and .35 suggest that an exogenous variable has a small, medium and large effect, respectively on the endogenous latent variable (Cohen, 1988; Hair et al., 2017).

Furthermore, f² values lower than .02 indicate that the exogenous variable does not affect the endogenous variable. The findings in Table 5 reveal that brand awareness has less impact on WOM and WTP a high price but has a moderate impact on the image. The results further indicate that brand image has small effects on WOM and WTP a high price and in turn, WOM has a medium effect on WTP a high price. Besides, the variance inflation factor (VIF) was employed to identify the levels of collinearity of the predictor variables in the path model. The outcomes in Table 5 indicate that all the predictors have a VIF lower than 5, testifying to the absence of collinearity (Hair et al., 2017).

The results of the path analysis in Table 6 and Figure 2 show that brand awareness directly influences WOM, image and WTP a high price at a probability level of .05, supporting H1, H2 and H3 respectively. Likewise, the brand image has a significant and positive relationship with WOM and WTP a high price at a probability level of .05, confirming H4 and H5 respectively. Lastly, it was found that WOM significantly influences WTP a high price at a probability level of .05, supporting H6.

Table 5: Results of Collinearity Statistics

### Latent Constructs

<table>
<thead>
<tr>
<th>Latent Constructs</th>
<th>Brand Awareness</th>
<th>Brand image</th>
<th>Word-of-Mouth</th>
<th>WTP a high price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Awareness</td>
<td>1.00</td>
<td>1.139</td>
<td>1.183</td>
<td></td>
</tr>
<tr>
<td>Brand Image</td>
<td>1.139</td>
<td>1.206</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Word-of-Mouth</td>
<td></td>
<td></td>
<td>1.148</td>
<td></td>
</tr>
<tr>
<td>WTP a high price</td>
<td></td>
<td></td>
<td></td>
<td>1.148</td>
</tr>
</tbody>
</table>

Table 6: Results of Structural Model

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Structural Relations</th>
<th>f²</th>
<th>Beta Estimate</th>
<th>t-value</th>
<th>p-value</th>
<th>Supported</th>
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<tr>
<td>H1</td>
<td>Awareness --&gt; WOM</td>
<td>.038</td>
<td>.195</td>
<td>2.931</td>
<td>.003</td>
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<td>H2</td>
<td>Awareness --&gt; Image</td>
<td>.139</td>
<td>.349</td>
<td>5.364</td>
<td>.000</td>
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<td>H3</td>
<td>Awareness --&gt; WTP High Price</td>
<td>.024</td>
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<td>.014</td>
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<td>H4</td>
<td>Image --&gt; WOM</td>
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<td>.002</td>
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<td>H5</td>
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<td>.015</td>
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<td>H6</td>
<td>WOM --&gt; WTP High Price</td>
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<td>.362</td>
<td>4.837</td>
<td>.000</td>
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Mediation Model

This paper further sought to examine the brand image’s mediating role in the effect of brand awareness on WOM and WTP a high price. The analysis of the mediation model was guided by Baron and Kenny’s (1986) framework, involving (1) the regressing of the mediators on the predictors, (2) the outcome variables on the predictors, and (3) the outcome variable on the predictors and mediators. The mediation analysis was conducted using a bootstrapping approach of subsamples of 5000 and a BCa bootstrap at T-statistics of 1.96 and a probability level of .05, through a smart PLS 3.3.3.

The analysis of the direct effects without the mediators (brand image and word-of-mouth) in Table 7 demonstrates that they are all significant at a p < .05. The results of the indirect effect of brand awareness on word-of-mouth (β = .084, t = 2.417) and WTP a high price (β = .066, t = 2.070) is significant at p < .05, supporting H7 and H8 respectively. These results demonstrate that brand image functions as a partial mediator in the impact of awareness on WOM and WTP a high price. Again, the indirect effects of awareness (β = .071, t = 2.53) and image (β = .088, t = 2.479) on WTP a high price are significant at p < .05, confirming H9 and H10 respectively. These outcomes indicate that WOM partially mediates the influence of awareness and image on WTP a high price.

Findings

The purpose of the current research was to explore the intervening influence of brand image in the role of brand awareness in enhancing WOM referrals and WTP high a price. The study also aimed to determine the impact of awareness and image on WTP a high price through the intervening role of WOM referral in the herbal product market. It was revealed that awareness positively impacts word-of-mouth referrals of customers. This result is in agreement with previous investigations (Sofiane, 2019; Liao et al., 2012), suggesting that brand awareness positively impacts word-of-mouth referrals. This implies that consumers recommend and encourage others to patronise a brand of which they are well-known. This result is also contrary to past studies (Virvilaite, Tumasonyte & Sliburyte, 2015; Vinh, Thanh, Ngan & Phuong, 2021), which indicate that word-of-mouth referrals significantly support brand awareness. Besides, in accordance with past research (Oppong et al., 2020; Mulyono, 2016), the study revealed that awareness has a positive influence on brand image. This means consumers develop positive perceptions about brands to which they are exposed and can spontaneously generate the brand from their minds. The research also confirms that brand awareness has a positive impact on WTP a high price. This outcome is in agreement with other studies (Utami & Jannah, 2019; Anselmsson et al., 2014) which revealed that brand awareness potentially strengthens customers’ WTP a high price. This indicates that consumers are willing to pay more for a well-known brand because they are considered to be reputable.
Besides, brand image was found to exert a direct influence on customers' favourable WOM behaviours. This result concurs with earlier authors (Ismail & Spinelli, 2012; Sharma & Nagpal, 2017) who reported that a healthy image of a brand enhances customers' word-of-mouth referrals. Customers are willing to say positive things about the brand if they have good perceptions of it. This outcome is also in sharp contrast with prior investigations (Virvilaitė et al., 2015; Vinh et al., 2021), suggesting that favourable WOM significantly strengthens the brand's image. Moreover, similar to other studies (Yodpram & Intalar, 2020; Monavvarian et al., 2015), this study revealed that brand image directly impacts customers' WTP a high price. Thus, the customers' favourable perceptions of a brand induce their willingness to pay more for it.

The research also revealed that customers' favourable word-of-mouth referrals positively affect their intentions to pay more for a brand. This result concurs with previous research (Nieto-García et al., 2017; Xu et al., 2020; Farzin et al., 2021) which indicates that customers' favourable word-of-mouth referrals reinforce their intentions to pay more for a brand. Because word-of-mouth communications are more credible compared to advertising or personal selling, customers rely on such information to develop behavioural intentions to pay a price premium. The study also found that the effect of awareness on WOM and WTP a high price is partially influenced by brand image. This suggests that image partially contributes to supporting the role of awareness in building WOM and WTP a high price. Finally, the data analysis also suggests that WOM partially mediates the impact of brand awareness and image on WTP a high price. This outcome indicates that word-of-mouth plays a partial role in enhancing the relationship between brand awareness, brand image and WTP a high price in the herbal industry.

Implications

Managerial Implications

This research contributes to the policy decisions of the management of herbal companies that are facing keen competition in the market. Findings from the research indicate that brand awareness positively impacts brand image, WOM and WTP a high price. This suggests that developing healthy brand awareness has the potential to contribute to supporting brand image, favourable WOM and willingness to pay more. A favourable brand image can provide a basis for brand differentiation and reinforce a positive attitude towards the brand, whilst positive word-of-mouth can increase product choice because of its credibility compared with advertising or other marketing communications tools. The customers' behavioural intentions to pay more for a brand can also be translated into actual payment of a high price which may increase a firm’s profitability. In this regard, the management of herbal companies should channel their marketing efforts to create a high level of brand awareness to enhance the image, customers' word-of-mouth referrals and WTP a price premium.

Furthermore, the research points out that word-of-mouth referrals and WTP a high price are positively influenced by brand image. In turn, word-of-mouth referral contributes to enhancing WTP a price premium. Favourable word-of-mouth referrals do not only reinforce WTP a high price but can also drive sales and hence, higher profit margins in both online and in-store market environments. Therefore, any efforts by the management of herbal companies to develop a positive brand image will increase favourable WOM referrals which not only support customers' willingness to pay more but can also increase sales. Again, building a strong brand image will enhance the customers' willingness to pay more for their brands which can drive higher profit margins for the companies.

The paper also confirms that brand image has a partial influence on the role of brand awareness in supporting WOM and WTP a high price. This implies that brand image partially contributes to improving the effect of brand awareness on favourable word-of-mouth referral and WTP a high price. Consequently, the management of herbal companies should consider the brand's image as a critical factor in developing brand awareness to enhance customers' WOM referrals and willingness to pay more in the industry. The research also confirmed that the impact of brand awareness and image on WTP a high price is mediated by WOM. This means that WOM partially contributes to the influence of awareness and image on WTP a price premium. Recognising, the essential role of WOM in the impact of awareness and image on WTP a high price, the management of herbal companies should include the customers' word-of-mouth referrals in building brand awareness and image to strengthen WTP a high price.

Theoretical Implications

The research does not only contribute to the knowledge and understanding of management to the role brand image plays in building brand awareness to strengthen WOM and WTP a high price but also expands the CBBE theory. Although the importance of image and awareness to WOM and WTP a high price has been expansively investigated in the marketing literature, the results of this study further enrich the previous research and hence, CBBE theory. Again, studies on the mediating effect of image on the relationship between awareness, WOM and WTP a high price, particularly in the herbal industry are lacking. It is also pertinent to understand the underlying impact of brand image on the path between awareness, WOM and WTP a high price in the CBBE theory. Consequently, this study advances the current CBBE literature by highlighting the partial role of brand image in the influence of brand awareness on behavioural responses to provide word-of-mouth referrals and WTP a high price. Not only this but studies on the impact of brand image on WTP a high price through the mediating role of word-of-mouth communications is also limited. This research, therefore, contributes to increasing the existing brand equity theory. Furthermore, the importance of customers' WOM referrals to their WTP a high price has been extensively studied in the electronic market world (e.g. Nieto-García et al., 2017; Xu et al., 2020; Farzin et al., 2021). However, few studies have been conducted in the in-store marketplace and hence, this study extends the existing brand equity theory to provide a holistic view of the significance of word-of-mouth referral to WTP a high price. The study also offers a fresh
research model which presents a new insight into the relationship between brand awareness, image, WOM and WTP a high price. This model is sound because its validity and reliability have been ascertained and hence, can be adopted in future brand management research.

Conclusions

This research aimed to identify the brand image’s mediating influence on the relationship between brand awareness, WOM and WTP a high price. The study also sought to test the effect of image and awareness on WTP a high price via the mediated role of word-of-mouth referral in the herbal industry. The research shows that brand awareness positively impacts brand image, WOM referral and WTP a high price in the herbal industry. This outcome establishes that brand awareness is a critical factor when creating a positive brand image, favourable WOM referrals and WTP a high price in the herbal industry. It was also found that the relationship between brand awareness, word-of-mouth and WTP a high price is partly attributed to the influence of brand image. Thus, the development of brand awareness to enhance the customers’ WOM and their WTP a high price requires creating a favourable image for the brands in the herbal industry. Again, the influence of awareness and image on WTP a high price is partly contributed by the role of word-of-mouth. Building and tracking the customers’ word-of-mouth referrals is critical in deciding to develop brand awareness and brand image to strengthen their WTP a high price in the industry. In effect, brand awareness and brand image are crucial elements in formulating strategic branding decisions to strengthen customers’ favourable behavioural responses in the herbal industry. The current paper has some limitations which future studies can look into to improve the generalisation of its findings. Herbal medicines are not distributed in in-store markets only but also in the electronic market space. This study focused on the in-store market setting and therefore, it is suggested that future research should include herbal medicines sold in the online environment. Moreover, herbal medicine encompasses herbs, herbal materials, herbal preparations and finished herbal products. The current paper concentrated on only the finished packaged herbal products. Future studies should consider all the various aspects of herbal medicinal products. Additionally, this paper evaluated brand awareness, image, WOM referrals and WTP a high price in Cape Coast, Ghana. Future research should widen the geographical scope by gathering data from the entire country and beyond to support the generalisation of the study’s findings.

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Conflicts of Interest: The authors declare no conflict of interest.

References


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