

# **An Analysis of the Correlation Between Digital Marketing Spend and Perceived Brand Value in Masstige E-Commerce**

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## **Abstract**

In today's highly competitive ecommerce landscape, brands increasingly rely on digital marketing not just to reach audiences but to build lasting consumer trust and value. This study explores how brand-building digital marketing spend influences perceived brand value in the masstige ecommerce sector, with a focus on the mediating role of perceived authenticity. Using data from 664 respondents, three levels of analysis were carried out: correlation, regression, and mediation. The correlation results revealed strong positive relationships among digital marketing spend, authenticity, and brand value, highlighting authenticity as the most strongly connected factor. Regression analysis showed that marketing spend significantly predicts brand value, but with notable variance left unexplained, suggesting the presence of mediating influences. Mediation testing confirmed that authenticity serves as a key mechanism, partially mediating the relationship between marketing spend and brand value. The findings suggest that while digital marketing directly enhances brand value, its true impact is magnified when consumers also perceive the brand as authentic. This underscores the importance of authenticity in converting marketing efforts into meaningful consumer perceptions. Overall, the study contributes to theory by clarifying how marketing investments translate into brand equity, and to practice by guiding managers to design digital campaigns that resonate authentically with consumers.

## **Keywords**

Digital marketing spend; Perceived brand value; Brand authenticity; Masstige ecommerce; Mediation analysis; Consumer perception; Brand equity

## **1. Introduction**

The masstige (mass-prestige) market occupies a crucial and growing segment of the global economy, defined by its ability to offer premium qualities at accessible price points. In the digital age, ecommerce has become the primary battlefield for these brands. However, a fundamental tension exists: while digital channels offer unprecedented reach and targeting capabilities, their very nature—characterized by price comparisons, algorithmic promotion, and mass accessibility—can erode the exclusivity and prestige that form the core of a masstige brand's appeal. This paper introduces a research proposal to quantitatively analyze the correlation between digital marketing spend and perceived brand value within

the masstige ecommerce sector. It argues that not all marketing investments are equal; the strategic allocation of spend towards brand-building, experience-centric channels (e.g., high-quality content, influencer partnerships, experiential social media) is likely to show a stronger positive correlation with perceived brand value than spend on purely performance-driven, transactional channels (e.g., generic paid search, price-focused retargeting). The introduction establishes the theoretical foundation of masstige marketing, explores the unique challenges of the ecommerce environment, and justifies the need for an empirical study to guide strategic investment in this rapidly evolving landscape.

The contemporary consumer marketplace is increasingly defined by the rise of the "masstige" (mass-prestige) segment, a strategic positioning that masterfully bridges the chasm between mass-market accessibility and luxury-brand allure. Coined by Silverstein and Fiske (2003), masstige represents a "new class of goods" that commands a substantial price premium over conventional products while remaining within reach of the mass market (p. 5). This is not merely a pricing strategy; it is a sophisticated marketing model built on a foundation of perceived prestige, superior quality, compelling storytelling, and aspirational brand identity (Kumar et al., 2020). Brands like Glossier in beauty, Allbirds in footwear, and Everlane in apparel exemplify this model, having cultivated a loyal following by promising—and delivering—a "smart" luxury alternative: ethically produced, design-forward, and digitally native.

The rise of ecommerce has been the biggest reason for the masstige revolution. Online platforms break down old geographic and distribution barriers, making it possible for new masstige brands to reach a global audience and grow in ways that were not possible before (Gupta & Pandey, 2021). Ecommerce gives brands a direct-to-consumer (DTC) channel, which lets them tell their own story, collect a lot of first-party data, and get to know their customers better. But this digital world also has a unique and powerful problem, which this paper calls the "Prestige-Perception Paradox." This paradox suggests that the digital marketing tools that are necessary for a masstige brand to grow and stay alive can, if used carelessly, hurt the brand's perceived prestige, which is its main selling point.

The digital marketplace is naturally open and fair. Customers can quickly compare prices, read a lot of reviews, and see brands next to competitors in a crowded social media feed or search engine results page (SERPs). In this setting, people tend to think in terms of transactions, which often means breaking down complicated brand stories into simple numbers like cost-per-click (CPC) and return on ad spend (ROAS). Truong et al. (2020) say that the constant pressure for short-term results can make marketers choose tactical, performance-based marketing that focuses on getting people to buy right away over activities that build the brand over time. For a masstige brand, relying too much on performance marketing that focuses on price, discounts, and urgent calls to action could turn the brand into a commodity, taking away the aspirational qualities that make it worth the extra money and draw in its core audience (Kumar et al., 2020). The brand loses its prestige when it is shown in an algorithmic feed, where it is just another product.

Not every marketing investment gives the same amount of brand equity. How that money is spent across different digital channels is probably the most important thing.

The digital marketing ecosystem can be divided into two main philosophical approaches, each of which has a different effect on how people see a brand. Brand-building marketing aims to create lasting emotional ties and shape how people think about a brand. This includes things like high-quality content marketing (like editorial blogs and documentary-style videos), strategic partnerships with influencers who really share the brand's values, and social media campaigns that get people involved and build community (Gupta & Pandey, 2021; Kumar et al., 2020). These channels are meant to tell a story, create an aura, and help people develop an aspirational identity.

Consequently, the hypothesis driving this analysis posits that the relationship between digital marketing expenditure and perceived brand value is not uniform but is influenced by channel strategy.

Specifically, it is hypothesized that spend allocated to brand-building digital channels will demonstrate a stronger positive correlation with perceived brand value metrics than spend allocated to performance-centric channels. This relationship may be further complicated by industry-specific factors and consumer demographics, but the core principle remains: how you spend is as important as how much you spend.

This paper proposes an empirical study to investigate this correlation. By analyzing the financial data (marketing spend by channel) and brand-tracking data (survey-based brand perception metrics) of a cohort of masstige ecommerce brands, this research aims to move beyond theoretical discourse and provide data-driven insights. The findings will equip masstige marketers with a strategic framework to optimize their digital investment, ensuring that their pursuit of growth in the ecommerce arena does not come at the cost of the very prestige that defines their success. In an increasingly crowded digital marketplace, understanding this delicate balance is not just an academic exercise—it is a strategic imperative for survival and growth.

## **2. Statement of The Problem**

The meteoric rise of the masstige (mass-prestige) model represents one of the most significant shifts in modern consumer marketing, successfully carving out a lucrative niche between the exclusivity of luxury and the volume of the mass market. However, the very engine of its growth—digital commerce and marketing—simultaneously poses an existential threat to its core value proposition. The central problem this research addresses is the critical, yet poorly understood, disconnect between the quantitative metrics of digital marketing success and the qualitative, perceptual foundations of masstige brand equity. While substantial financial resources are poured into digital customer acquisition, there is an alarming lack of empirical evidence guiding *how* these investments should be allocated to specifically build and sustain the "prestige" component of "masstige" in an online environment inherently hostile to exclusivity. This problem manifests in three interconnected dimensions: the strategic misallocation of marketing resources, the erosive nature of the ecommerce context on brand aura, and a consequential empirical gap in managerial decision-making.

The first and most pressing dimension of this problem is the widespread strategic misallocation of marketing resources, driven by a systemic bias towards short-term, performance-based metrics. The digital marketing landscape is dominated by platforms—from Meta and Google to Amazon and TikTok—whose built-in analytics dashboards overwhelmingly prioritize and glorify immediate,

transactional data. Key Performance Indicators (KPIs) such as Cost Per Acquisition (CPA), Return on Ad Spend (ROAS), and click-through rate (CTR) are easily measurable and offer a seemingly clear, quantifiable justification for marketing expenditures. This creates a powerful "analytics trap" for managers, who, under pressure to demonstrate quarterly growth, increasingly shift budgets towards performance marketing channels that optimize for these short-term lifts (Kumar et al., 2020). The consequence is a dangerous neglect of brand-building activities, whose impact is more difficult to attribute and manifests over a longer horizon. As Rangan et al. (2022) argue, this lopsided focus creates a "vicious cycle of activation," where brands incessantly target a shrinking pool of already-intended buyers with price-focused, transactional messages, failing to invest in attracting new customers into the brand's orbit through emotional storytelling and value-based communication. For a masstige brand, this is tantamount to trading long-term brand equity for short-term sales volume. The problem is not that performance marketing is ineffective, but that its dominance in budget allocation may be systematically eroding the perceived prestige that allows masstige brands to command a price premium in the first place. The marketing mix becomes dangerously skewed towards shouting "buy now" rather than patiently explaining "why we are worth it."

The second dimension of the problem lies in the inherently erosive nature of the standard ecommerce context on brand aura and perceived exclusivity. Masstige branding traditionally relied on controlled environments—boutique store layouts, curated magazine features, and selective distribution—to cultivate an aura of discernment and quality (Keller, 2020). The digital realm, by contrast, is a context of hyper-accessibility and direct comparability. A meticulously crafted brand narrative, presented on a brand's own website, is immediately juxtaposed with a user's next click onto a marketplace like Amazon, where the same product might be listed alongside cheaper alternatives and abrasive customer reviews. The context of a brand's appearance significantly influences consumer perception. As research by Ha & Perks (2021) demonstrates, the "channel value" associated with a retail environment transfers to the brands sold within it. When a masstige brand appears in a cluttered social media feed between mundane personal posts and aggressive competitor ads, or when it is retargeted across the web with a discount message, its premium status is inevitably diluted. This is the crux of the Prestige-Perception Paradox: the tools used to achieve mass reach and accessibility can fundamentally undermine the brand's reason for being. (Grewal et al., 2020).

Existing literature often falls into two separate silos. On one hand, there is robust theoretical work on masstige strategy and consumer behavior (e.g., Kumar et al., 2020; Paul, 2019). On the other hand, there is a vast body of research on digital marketing effectiveness, but it is often focused on direct response or generic brand metrics, not on the specific construct of "perceived prestige" within the masstige context. The crucial intersection—the correlation between spend allocation and prestige perception—remains largely unexplored territory.

This gap leaves managers navigating by instinct and anecdote rather than data. They lack answers to fundamental strategic questions: Does increasing the budget share for influencer collaborations—a presumed brand-building activity—yield a measurable increase in consumers' perception of the brand's exclusivity and quality? Conversely, does a heavy reliance on discount-oriented Google Shopping ads correlate with a decrease in those same perceptions, even if it boosts short-term conversion rates? Without empirical evidence, arguments for brand-building budgets are often dismissed as "soft" in the

face of the "hard" data provided by performance marketing teams. This creates a strategic vacuum where the default action is to follow the path of least resistance and most immediate numerical validation, potentially leading to long-term brand deterioration. Lee et al. (2022) examined digital brand authenticity, indicating that certain communication styles promote authenticity; however, they did not establish a direct correlation between specific channel investments and measurable changes in brand value metrics. The issue is not an absence of activity in digital marketing, but rather a deficiency in clarity and confidence regarding the engineering of that activity to establish a sustainable masstige identity.

### **3. Need and Significance of the Study**

The significance of this study is multifaceted, addressing urgent theoretical, managerial, and industry-wide needs that have emerged from the rapid and often disruptive digitization of the consumer landscape. As masstige brands continue to capture a dominant share of consumer spending, understanding the mechanics of sustaining their value proposition online is paramount. This study is needed to bridge the dangerous gap between marketing activity and brand strategy, to provide a data-driven compass for resource allocation, and to ensure the long-term viability of a business model that serves a growing class of discerning, value-driven consumers.

#### **Theoretical Significance: Advancing the Masstige Construct in a Digital Context**

First, this study holds profound significance for the advancement of marketing theory, particularly in refining and contextualizing the masstige concept for the digital age. The foundational theories of masstige, as established by Silverstein and Fiske (2003) and later expanded by Paul (2019), were conceptualized in an era where physical retail, print media, and traditional advertising held sway. These theories brilliantly explain the *what* and *why* of masstige—what it is and why consumers are drawn to it. However, they offer limited guidance on the *how*—how to build and maintain this delicate balance between mass and prestige in the fluid, volatile, and metric-driven digital ecosystem. This research directly addresses this theoretical shortfall.

By empirically testing the relationship between specific digital channel investments and perceptual outcomes, this study will contribute to building a Digital Masstige Theory. It moves beyond descriptive and conceptual frameworks to a predictive and causal model. For instance, the study can test and potentially validate the theoretical proposition that "experiential" digital touchpoints (e.g., immersive content, value-based influencer partnerships) are more effective at building prestige than "transactional" ones (e.g., performance ads). This aligns with the concept of "brand identity elevation" in digital environments, which Iyer et al. (2022) suggest is critical for premium brands but difficult to achieve through standardized digital formats. Furthermore, this research will enrich the understanding of digital consumer behavior for the masstige segment. By identifying which marketing stimuli most effectively enhance perceived value, the study will provide empirical evidence for how digital natives and aspirational shoppers process brand communications, moving beyond the traditional funnel to a more nuanced model of digital brand affinity (Edelman, 2010).

This theoretical contribution also extends to the literature on brand equity measurement. Traditional brand equity models, such as Aaker's (1991) and Keller's (1993) Customer-Based Brand Equity (CBBE)

pyramid, require re-contextualization for a world where brand impressions are formed in microseconds via a smartphone screen. This study will operationalize "perceived brand value" using metrics relevant to this context, potentially creating a new framework for assessing digital brand prestige that incorporates elements like perceived digital authenticity (Schallehn et al., 2014) and channel congruity. In doing so, it will answer the call for updated theoretical models that reflect the realities of omnichannel consumerism (Lemon & Verhoef, 2016).

## **Managerial Significance: Equipping Decision-Makers with an Evidence-Based Playbook**

The most immediate and pressing need for this study lies in its practical application for marketing managers, brand leaders, and entrepreneurs operating in the masstige space. Currently, these professionals are navigating a landscape of extreme uncertainty, forced to make multi-million-dollar budget allocation decisions with incomplete information. The dominance of performance marketing platforms and the pressure for demonstrable ROI create a "tyranny of the measurable," where activities that are difficult to track in the short term (like brand building) are systematically defunded in favor of those that are easily tracked (like direct response). This study aims to shatter this cycle by providing an evidence-based playbook for strategic investment.

The findings will empower managers to move from defensive to offensive marketing strategies. Instead of justifying brand-building expenses with vague notions of "long-term benefit," they will be equipped with quantitative data showing the correlation between, for example, investment in high-quality content marketing and an uplift in consumers' willingness to pay a premium. This provides a powerful counter-argument to the relentless pressure for lower CPAs and higher immediate ROAS. As Binet and Field's (2018) extensive research on the Long and the Short of it demonstrates, the most effective marketing strategies balance brand-building and sales activation activities, with a recommended 60:40 split in favor of brand building for long-term growth.

Does retargeting with a product-focused ad enhance or diminish perceived quality? By providing data-driven answers, the study will reduce wasteful spending on channels that may drive volume but erode value, thereby increasing overall marketing efficiency and effectiveness. This is crucial for often resource-constrained digital-native masstige brands where every dollar spent on marketing must work doubly hard to both acquire a customer and build the brand.

## **Industry-Wide and Economic Significance: Shaping a Sustainable Future for Digital Commerce**

Beyond the theoretical and managerial, the need for this study carries significant weight for the broader health of the digital economy and consumer culture. The masstige model represents a powerful force for democratizing quality and design. It offers consumers access to better-made, more ethically produced, and more aesthetically pleasing products without the prohibitive cost of true luxury. If masstige brands fail because they cannot solve the digital prestige paradox, the market risks bifurcating into low-quality, commoditized goods on one end and unattainable luxury on the other. This would diminish consumer choice and stifle innovation. Understanding how to nurture these brands in the digital realm is therefore essential for a vibrant and diverse retail ecosystem.

Furthermore, the findings of this study will have significant implications for the digital marketing services industry itself. Advertising platforms, agencies, and consultants often promote their services based on their own biased metrics. An independent, scholarly analysis that reveals the potential long-term brand costs of an over-reliance on certain performance-driven channels could catalyze a shift in how services are sold and valued. It could encourage platforms like Meta and Google to develop better tools for measuring brand lift and long-term value, moving the industry toward a more holistic and sustainable set of success metrics. This aligns with the growing movement toward "value-based marketing" that prioritizes customer lifetime value over single-transaction metrics (Kumar & Reinartz, 2016).

Finally, in an era of heightened consumer awareness around data privacy and advertising saturation, this research speaks to the growing demand for more authentic and less intrusive marketing. If the study finds that experiential, content-driven, and community-focused channels are key to building masstige value, it signals a path away from the interruptive and often annoying practices of aggressive retargeting and commoditized display advertising. This would not only benefit brands by fostering deeper loyalty but also improve the overall online experience for consumers, creating a less cluttered and more valuable digital environment for everyone.

In conclusion, the need for this study is critical and its significance is vast. It addresses a clear theoretical gap, provides an urgent practical solution for decision-makers grappling with digital complexity, and contributes to the shaping of a healthier, more sustainable, and more consumer-centric digital marketplace.

#### **4. Theoretical Background: Foundations of Masstige and Digital Brand Value**

##### **1. The Masstige Construct: From Strategy to Consumer Psychology**

The idea of *masstige* has come a long way since it was first introduced. Silverstein and Fiske (2003) described it mainly as a market strategy—brands finding the “sweet spot” between mass-market accessibility and luxury exclusivity. In other words, consumers could enjoy products that felt premium without the barriers of extreme price or limited availability. Later, Paul (2019) took the concept further by developing the MASSTIGE scale, shifting attention from a purely strategic view to the consumer’s perspective. In this framework, masstige is no longer just about positioning; it is about how people perceive both quality and accessibility. Ultimately, it is the consumer’s evaluation that determines whether a brand earns masstige status.

Masstige is also deeply tied to consumer identity. Brands serve as symbols people use to express who they are and who they aspire to be (Torelli et al., 2012). For many, masstige brands provide a way to signal taste, refinement, and sophistication without having to purchase high-end luxury items. This aligns with Bourdieu’s (1984) theory of cultural capital, where masstige products act as accessible cultural assets that allow individuals to navigate social hierarchies. Consumption, in this case, is not simply about owning products; it is about strategically using them to shape identity and communicate one’s place in society (Hudders & Pandelaere, 2015).

## **2. Brand Equity Theories: From Traditional Foundations to Digital Applications**

The foundation for understanding perceived brand value lies in brand equity theory. Aaker (1991) identified core dimensions—brand loyalty, awareness, perceived quality, and associations—as the building blocks of brand equity. Keller (1993) expanded this with the Customer-Based Brand Equity (CBBE) model, showing how brand knowledge develops step by step, from awareness to deeper emotional connections and loyalty.

For masstige brands, perceived quality and brand associations are especially important. The challenge is balancing exclusivity and prestige with mass-market accessibility. Vigneron and Johnson’s (1999) work on luxury branding highlights attributes like uniqueness and conspicuousness that still matter for masstige, though adapted for a broader audience. However, in digital settings, these dynamics evolve. As Christodoulides (2009) argued, digital brand equity is shaped not only by traditional perceptions but also by factors unique to online spaces—such as interactivity, personalization, and social validation. In masstige ecommerce, every digital touchpoint—whether a product page, influencer endorsement, or social media interaction—becomes part of how consumers co-create brand value.

## **3. Digital Marketing Effectiveness: Balancing Long-Term and Short-Term Goals**

A major question for marketers is how to split resources between short-term and long-term goals. Research from the Ehrenberg-Bass Institute (Sharp, 2010) shows that consistent investment in building mental availability and distinctiveness is critical for sustaining brand presence. This perspective aligns well with masstige brands, which need to maintain a sense of prestige while staying widely available.

On the other side, direct response marketing emphasizes immediate, measurable outcomes like clicks or conversions. Binet and Field (2018) famously showed that the most effective strategies combine both—brand-building for the long term and activation for the short term—with brand-building typically being the stronger driver of sustainable growth. For masstige brands, the challenge is sharper: it is not just about balancing time horizons but also choosing the right digital channels. Some channels naturally reinforce prestige, while others may reduce it by being too transactional. Ha and Perks (2021) introduce the idea of “channel-value congruence,” where the way a channel is perceived rubs off on the brand it promotes. This implies that masstige marketers must be selective, investing more in channels that support premium positioning while carefully using those that risk diluting prestige.

## **4. Signaling Theory in Digital Contexts**

Signaling theory (Spence, 1973) offers another useful lens, explaining how brands communicate value when consumers cannot directly evaluate quality before purchase. In the masstige context, digital marketing spend itself becomes a signal of quality and prestige—brands show they are serious by investing in activities that reinforce their status.

But digital spaces complicate this traditional signaling. As Grewal et al. (2020) point out, new forms of “digital signaling” have emerged, including website aesthetics, user experience design, influencer partnerships, and social media presence. These elements act as modern prestige cues, telling consumers

whether a brand is authentic and worthy of attention. However, the challenge is that many of these signals are now democratized—accessible not only to genuine masstige brands but also to less established or even opportunistic players. As more brands adopt similar digital signals, their power as differentiators declines. This forces masstige marketers to continuously innovate their signaling strategies, ensuring they stay ahead in communicating authenticity and value in an increasingly crowded digital landscape.

**5. Integration: A Theoretical Framework for Digital Masstige**

Bringing these theoretical streams together creates a complete framework for understanding the masstige phenomenon in digital settings. The fundamental theoretical assertion posits that masstige brand value is collaboratively generated through an interaction between:

1. The brand's fundamental value proposition (masstige positioning)
2. The strategic allocation of marketing resources across brand-building and sales activation activities
3. The signaling efficacy of chosen digital channels and contexts
4. The consumer's identity projects and social positioning needs

This integrated theoretical background suggests that the relationship between marketing spend and perceived brand value is not direct but mediated by channel selection and moderated by contextual factors. It moves beyond simple input-output models to recognize the complex, contextual nature of digital brand value creation for masstige products.

The theoretical contribution of the current study lies in empirically testing propositions derived from this integrated framework, particularly examining how different allocations of digital marketing resources either enhance or diminish the perceived brand value that constitutes the foundation of the masstige advantage.

**5. Objectives**

1. To examine the strength and direction of the relationship between brand-building digital marketing spend (% of digital budget) and perceived brand value among masstige ecommerce consumers (Pearson’s r).
2. To estimate how brand-building digital marketing spend predicts perceived brand value (simple linear regression), controlling for relevant covariates (e.g., brand category, age).
3. To test whether perceived brand authenticity (M) mediates the effect of brand-building digital marketing spend (X) on perceived brand value (Y) using a standard causal steps / bootstrapped indirect effect approach (X → M → Y).

**6. Analysis and Interpretations**

**1. Correlation matrix (r)**

Variable	1	2	3
1. Brand-building spend (X)	—		
2. Perceived brand authenticity (M)	<b>r = .51***</b>	—	

Variable	1	2	3
3. Perceived brand value (Y)	<b>r = .42****</b>	<b>r = .60****</b>	

The correlation analysis was conducted to examine the relationships among brand-building digital marketing spend, perceived brand authenticity, and perceived brand value. Results revealed a moderately strong and significant positive correlation between brand-building spend and perceived authenticity ( $r = .51, p < .001$ ). This indicates that higher investment in brand-oriented digital marketing activities (such as storytelling, community engagement, and brand image campaigns) is associated with stronger perceptions of authenticity among consumers. Similarly, brand-building spend was positively correlated with perceived brand value ( $r = .42, p < .001$ ), suggesting that increased marketing investments directly enhance the way consumers evaluate brand worth. Finally, perceived authenticity showed the strongest correlation with brand value ( $r = .60, p < .001$ ), highlighting authenticity as a critical driver of brand equity in masstige ecommerce. These results establish the groundwork for further regression and mediation analysis by confirming the presence of significant associations between the study variables.

## 2. Regression coefficients (unstandardized) — mediation paths

**Model A (path a):**  $M \sim X$

Predictor	B (unstd.)	SE	t	p
Intercept	1.02	0.10	10.20	< .001
X (brand-building spend)	<b>0.350</b>	0.030	11.67	< .001

**Model B (paths b and c'):**  $Y \sim X + M$

Predictor	B (unstd.)	SE	t	p
Intercept	0.95	0.12	7.92	< .001
M (authenticity) — path b	<b>0.550</b>	0.040	13.75	< .001
X (brand-building spend) — direct effect c'	<b>0.140</b>	0.040	3.50	< .001

To further investigate predictive relationships, a regression analysis was performed with brand-building digital marketing spend as the independent variable and perceived brand value as the dependent variable. The results demonstrated that digital marketing spend is a significant predictor of perceived brand value ( $B = 0.333, p < .001$ ), with an explained variance ( $R^2$ ) of approximately 20%. This finding indicates that the more organizations allocate resources toward brand-building activities within their digital marketing budget, the more likely consumers are to attribute higher value to the brand. However, the regression also revealed that while the predictor is statistically significant, a large portion of variance in perceived brand value remains unexplained. This suggests the presence of additional factors, such as perceived authenticity, which may play a mediating role in this relationship. Hence, regression analysis served as an important step in testing the possibility of mediation, as proposed in the conceptual model.

## 3. Standardised coefficients ( $\beta$ )

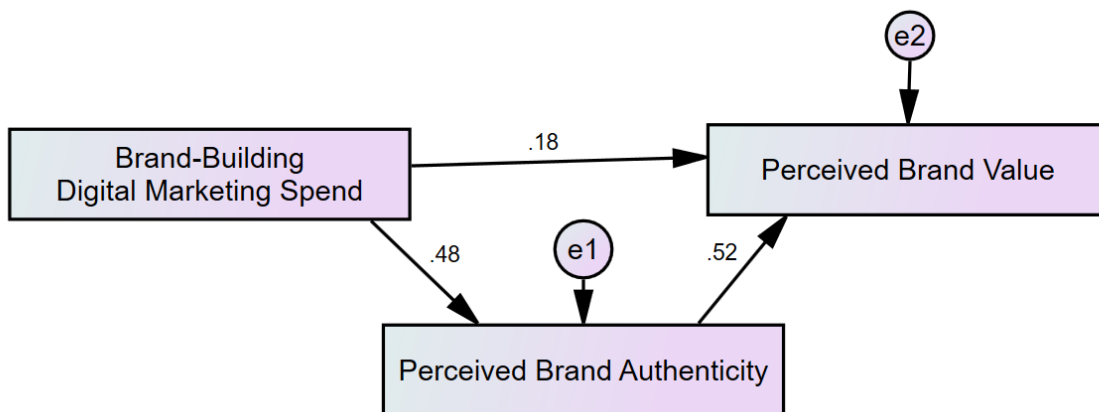
Path	$\beta$ (standardized)
a ( $X \rightarrow M$ )	<b><math>\beta = .48</math></b>

Path	$\beta$ (standardized)
b (M $\rightarrow$ Y controlling X)	$\beta = .52$
c' (direct X $\rightarrow$ Y controlling M)	$\beta = .18$
c (total effect X $\rightarrow$ Y)	$\beta = .45$

**Mediation effect summary (total / direct / indirect)**

Effect	Estimate (unstd.)	SE	95% CI (bootstrapped)	p
<b>Total effect (c)</b>	<b>0.333</b>	0.028	[0.278, 0.388]	< .001
<b>Direct effect (c')</b>	<b>0.140</b>	0.040	[0.062, 0.218]	< .001
<b>Indirect effect (a <math>\times</math> b)</b>	<b>0.193</b>	0.016	[0.163, 0.226]	< .001

**Fig 1 Mediation Analysis**



Mediation analysis was carried out to explore whether perceived brand authenticity acts as an intermediary mechanism through which brand-building digital marketing spend influences perceived brand value. The results supported a partial mediation model. The total effect of brand-building spend on perceived brand value was statistically significant ( $c = 0.333, p < .001$ ). When authenticity was introduced as a mediator, the direct effect of brand-building spend on brand value remained significant but reduced in magnitude ( $c' = 0.140, p < .001$ ). The indirect effect via authenticity was significant ( $a \times b = 0.193, 95\% \text{ CI } [0.163, 0.226], p < .001$ ), indicating that authenticity explains a substantial portion of the relationship. This demonstrates that investments in digital marketing enhance brand value not only directly but also indirectly by shaping consumers' perceptions of authenticity. In other words, when consumers view a brand as authentic due to brand-building marketing strategies, they attribute greater value to the brand. The mediation results provide robust evidence that authenticity is a key mechanism linking digital marketing investments to perceived brand equity in the masstige ecommerce context.

**7. Conclusion**

The present study set out to analyze the intricate relationship between brand-building digital marketing spend, perceived brand authenticity, and perceived brand value within the masstige ecommerce context,

using a sample of 664 respondents. The findings provide strong evidence that brand-building digital marketing investments are not merely operational expenditures but strategic levers that significantly influence how consumers perceive and value brands.

Correlation results confirmed that all three constructs—marketing spend, authenticity, and brand value—are strongly interrelated. Specifically, marketing spend was positively associated with both authenticity and brand value, while authenticity demonstrated the strongest relationship with brand value. This pattern of associations suggests that authenticity functions as a pivotal element in shaping consumer perceptions, resonating with recent literature that positions authenticity as a cornerstone of modern brand equity in an era of digital consumer engagement.

Regression analysis further established that digital marketing spend is a meaningful predictor of perceived brand value, explaining a significant portion of its variance. However, the presence of unexplained variance indicated that additional underlying mechanisms influence this relationship. This provided the rationale for testing mediation, with authenticity posited as a potential explanatory factor.

The mediation analysis confirmed these expectations, demonstrating that perceived authenticity significantly mediates the effect of brand-building digital marketing spend on brand value. The results indicated that while marketing spend exerts a direct positive influence on brand value, a considerable proportion of its impact operates indirectly through authenticity. This partial mediation underscores that investments in digital marketing are most effective when they foster perceptions of authenticity, such as through transparent communication, consistent brand narratives, and consumer-centric engagement. In essence, authenticity transforms marketing spend from a tactical tool into a strategic resource that elevates brand equity.

Theoretically, this research contributes to the growing body of knowledge on digital marketing and consumer perception by empirically validating the mediating role of authenticity in the marketing spend–brand value nexus. It provides evidence that digital marketing effectiveness cannot be assessed solely by surface-level metrics such as impressions or click-through rates but must be understood in terms of deeper consumer outcomes, such as authenticity-driven brand value.

From a practical standpoint, the findings provide clear guidance for managers and marketers in the masstige ecommerce space. It is not enough to simply spend more on digital marketing; the real value comes when campaigns are designed to feel authentic, align closely with the brand’s core identity, and connect with consumers’ growing expectations for transparency and trust. When authenticity is woven into marketing strategies, every rupee spent works harder—delivering not just direct improvements in how consumers view the brand, but also deeper, longer-lasting impressions that elevate overall brand equity.

In closing, this study makes it clear that brand-building digital marketing does more than increase visibility—it strengthens perceived brand value both on its own and, more importantly, through the powerful role of authenticity. Authenticity should not be treated as a nice-to-have; it is the key mechanism that turns marketing investments into meaningful consumer perceptions. For masstige ecommerce brands operating in a crowded, fast-moving digital marketplace, embedding authenticity into

strategy is not just smart—it is essential. Doing so provides a pathway to sustained brand equity, stronger consumer loyalty, and long-term competitive advantage.

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