How Product Positioning Strategies Foster Consumer Brand Loyalty: The Mediating Role of Value Proposition

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ABSTRACT

Why do some well-positioned products create loyal consumers while others do not? In the highly competitive fast-moving consumer goods (FMCG) market, favourable product attributes alone may be insufficient to secure lasting consumer loyalty. What may matter more is how consumers translate these attributes into perceptions of value. Against this backdrop, this study investigates how product positioning strategies foster consumer brand loyalty through the mediating role of value proposition among FMCG consumers in Selangor, Malaysia. Drawing on Signaling Theory, the study conceptualises product quality, product pricing, and special features as market signals that shape consumers' evaluation of the value offered by a brand, which subsequently influences their loyalty. A quantitative research design was employed, and data were collected from FMCG consumers using a structured questionnaire. The proposed relationships were analysed using PLS-SEM. The findings reveal that product pricing and special features significantly and positively influence both value proposition and brand loyalty, whereas product quality does not demonstrate a significant effect. Value proposition, however, has a significant positive effect on consumer brand loyalty. The mediation analysis further demonstrates that value proposition significantly mediates the relationships between product pricing and special features towards consumer brand loyalty, while no mediating effect is found for product quality. These findings suggest that consumer loyalty is shaped not simply by the presence of favourable product attributes, but by consumers' assessment of whether the benefits offered justify the costs incurred. The study contributes by demonstrating that selected product positioning strategies operate through a value-based mechanism to foster consumer brand loyalty, thereby providing a more nuanced understanding of how product attributes are transformed into enduring consumer relationships. Practically, the findings highlight the importance of developing value-oriented positioning strategies that combine appropriate pricing with meaningful and differentiated product features.

Keywords: Consumer Brand Loyalty; FMCG; Product Positioning Strategies; Product Pricing; Special Features; Value Proposition

INTRODUCTION

The fast-moving consumer goods (FMCG) industry is one of the most dynamic and competitive sectors of the global economy, characterised by frequent purchases, relatively low product involvement, short product life cycles, and intense competition among brands (Malhotra et al., 2020; Shaari, 2020). The rapid expansion of retail channels, digital commerce, and omnichannel marketing has significantly transformed consumer purchasing behaviour, compelling FMCG firms to continuously develop effective product positioning strategies to sustain competitive advantage and retain customers. In highly saturated markets where consumers are exposed to numerous competing brands offering similar functional benefits, establishing and maintaining consumer brand loyalty has become increasingly challenging. Brand loyalty is widely recognised as a strategic asset because loyal consumers are more likely to engage in repeat purchases, recommend brands through positive word-of-mouth, demonstrate lower price sensitivity, and contribute to long-term organizational profitability (Kotler & Keller, 2022). Consequently, understanding how product positioning strategies cultivate consumer brand loyalty remains an important research priority for both academics and practitioners.

Product positioning strategy refers to the deliberate efforts undertaken by firms to establish a distinctive and desirable position in consumers' minds relative to competing brands (Gul et al., 2021). Rather than competing solely on product availability, firms increasingly differentiate themselves through superior product quality, competitive pricing, meaningful value offerings, distinctive product features, and memorable brand communications (Asgharizadeh et al., 2023; Madhani, 2022). Product quality represents consumers' perceptions regarding a product's reliability, durability, functionality, and overall excellence (Amalia & Budiono, 2022), whereas product pricing influences consumers' judgments concerning affordability, fairness, and economic sacrifice (Darmawan & Grenier, 2021). Further, special product features provide functional differentiation that enhances product attractiveness (Zulfikar, 2022). Collectively, these positioning elements serve as important signals that shape consumers' evaluations before, during, and after purchase decisions. Effective positioning enables firms to distinguish their offerings from competitors, strengthen brand recognition, and establish stronger relationships with consumers in increasingly competitive marketplaces (Kaur et al., 2022; Kotler & Keller, 2022; Tsele et al., 2021).

Although previous studies consistently acknowledge that product positioning strategies influence consumer behaviour, the mechanisms through which these strategies foster long-term brand loyalty remain insufficiently understood (Xu et al., 2024). Many firms continue to invest heavily in improving product quality, implementing competitive pricing strategies, introducing innovative product features, and designing attractive promotional messages with the expectation that these initiatives will directly translate into loyal customers. However, such investments do not always produce the anticipated outcomes because consumers rarely develop loyalty solely based on individual marketing attributes. Instead, consumers evaluate whether a brand delivers meaningful benefits relative to the costs incurred before establishing enduring relationships with that brand (Williams et al., 2022). This evaluation reflects consumers' perceived value proposition, which represents their overall assessment of the benefits received compared with the monetary and non-monetary sacrifices made during consumption (Monfort et al., 2025). Consequently, value proposition may represent an important psychological mechanism through which product positioning strategies influence consumer brand loyalty.

In this study, value proposition is conceptualised from the consumer perspective as consumers' evaluation of the value communicated and delivered by a brand. This conceptualisation requires a distinction between value proposition and perceived value. Value proposition traditionally refers to the bundle of benefits and value promises that a firm offers to its target customers, whereas perceived value refers to consumers' subjective assessment of the benefits received relative to the monetary and non-monetary sacrifices associated with obtaining and consuming a product. Accordingly, the present study does not treat value proposition solely as a firm-level strategic statement. Instead, it focuses on the extent to which consumers perceive the brand's offered benefits as meaningful and worthwhile. For conceptual precision, value proposition in this study is therefore understood as a consumer-perceived evaluation of the brand's value offering.

The importance of understanding consumer value proposition has become particularly evident within Malaysia's FMCG industry. Malaysia's retail sector has experienced substantial transformation due to rapid urbanisation, increasing digitalisation, rising consumer expectations, and the expansion of modern retail formats such as supermarkets, hypermarkets, convenience stores, and e-commerce platforms. Consumers in urban regions such as Selangor have become increasingly informed and discerning, comparing brands based not only on product quality and price but also on the overall value delivered by the brand. Furthermore, the proliferation of private-label products and international brands has intensified competition, making product differentiation increasingly difficult. Consumers can now easily compare prices, product specifications, online reviews, and promotional campaigns before making purchase decisions. These developments suggest that traditional positioning strategies alone may no longer guarantee sustained consumer loyalty unless they successfully communicate and deliver superior value to consumers.

Despite extensive research on product positioning and consumer behaviour, several important research gaps remain. First, previous studies have predominantly examined individual positioning variables independently (Han et al., 2021; Xu et al., 2024), particularly product quality or pricing, while giving relatively limited attention to the combined influence of multiple positioning dimensions. Such fragmented approaches may fail to capture the holistic nature of product positioning, where consumers simultaneously evaluate various product and brand attributes before making purchasing decisions. Second, many existing studies primarily investigate the direct relationships between product positioning strategies and consumer brand loyalty (Hira et al., 2025), implicitly assuming that positioning elements directly generate loyal behaviour. However, consumer decision-making is often more complex, involving cognitive evaluations that determine whether positioning strategies are perceived as genuinely valuable. Consequently, overlooking the mediating role of consumers' perceived value proposition may provide an incomplete explanation of how product positioning strategies influence brand loyalty.

State	Agriculture	Mining & quarrying	Manufacturing	Construction	Services	GDP 2024	GDP 2023
Johor	4.2	11.3	4.2	42.7	6.0	6.4	4.1
Selangor	6.6	11.8	5.1	13.2	6.3	6.3	5.4
W.P. KL*	-0.04	2.9	4.3	21.1	5.5	6.2	3.8
Pahang	8.4	-3.9	3.5	12.9	4.9	5.7	5.1
W.P. Labuan	2.3	-	-0.7	5.3	6.4	5.4	1.8
Malaysia	3.1	0.9	4.2	17.5	5.3	5.1	3.5
Pulau Pinang	0.1	5.5	4.0	14.4	5.0	4.8	3.2
Negeri Sembilan	9.8	-5.2	3.9	9.1	4.3	4.6	1.9
Terengganu	3.9	13.6	3.9	17.5	4.0	4.5	2.2
Melaka	-1.0	6.6	3.8	30.6	4.8	4.44	2.8
Perak	3.6	-2.9	5.1	11.5	4.1	4.36	2.7
Kedah	4.0	-3.0	6.6	-11.1	3.8	4.2	1.7
Sarawak	0.5	4.1	1.3	18.7	4.9	3.9	1.3
Kelantan	2.8	8.2	2.2	20.7	3.4	3.6	2.6
Perlis	2.9	2.7	1.4	16.9	3.3	3.3	2.0
Sabah	-3.4	-5.0	1.2	18.8	4.2	1.1	1.4
SUPRA	-	1.0	-	-	-	1.0	2.9

*Includes W.P. Putrajaya

Source: Department of Statistics Malaysia (2024)

Figure 1. Economic Growth by State and Kind of Economic Activity, 2024

Third, empirical evidence examining value proposition as a mediating mechanism remains relatively limited, particularly within the FMCG context. While value proposition has frequently been discussed as a strategic concept from an organisational perspective, fewer studies have conceptualised it from the consumer perspective as an evaluative perception that translates product positioning into loyalty outcomes (Febriani et al., 2022). Investigating value proposition as a mediator offers deeper theoretical insights by explaining the psychological process through which consumers convert product signals into long-term loyalty. Such an approach extends beyond identifying whether positioning strategies are effective by explaining why they are effective. Finally, although consumer brand loyalty has been widely investigated across various countries and industries (Chan et al., 2024), empirical evidence from Malaysia's FMCG sector remains comparatively limited, particularly within Selangor, which represents one of Malaysia's largest and most economically significant consumer markets. Figure 1 shows that Selangor is widely recognised as the economic powerhouse of Malaysia, contributing the largest share to the national Gross Domestic Product (GDP). Besides, Selangor is characterised by high purchasing power, rapid urban development, diverse consumer demographics, and intense retail competition, making it an appropriate setting for examining contemporary consumer behaviour. Given the increasing competitiveness of the Malaysian FMCG market and evolving consumer expectations, further empirical investigation is required to understand how product positioning strategies influence consumer loyalty through consumers' perceived value proposition.

Against this background, the present study investigates how product positioning strategies foster consumer brand loyalty through the mediating role of value proposition among FMCG consumers in Selangor, Malaysia. Specifically, the study examines the effects of product quality, product pricing, and special features on consumers' perceived value proposition, evaluates the influence of value proposition on consumer brand loyalty, and determines whether value proposition mediates the relationships between product positioning strategies and consumer brand loyalty. By integrating multiple positioning dimensions within a single mediation framework, this study contributes to the growing marketing literature by providing a more comprehensive explanation of the mechanisms through which product positioning strategies translate into consumer loyalty.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Theoretical Foundation: Signaling Theory

Signaling Theory provides an appropriate theoretical foundation for explaining how product positioning strategies influence consumer perceptions and subsequent loyalty behaviours. Originally introduced by Spence (1973), Signaling Theory explains how individuals make decisions under conditions of information asymmetry by relying on observable signals to evaluate the quality, reliability, and value of an offering. In consumer markets, firms often possess greater information about their products than consumers; therefore, consumers depend on product-related signals to reduce uncertainty and assess whether a product can satisfy their needs and expectations.

Within the FMCG context, product positioning strategies function as important market signals that communicate product superiority, economic attractiveness, and differentiated benefits. Product quality signals a brand's capability to deliver reliable performance, while pricing signals the fairness and economic value associated with consumption decisions. Similarly, special features communicate uniqueness and additional benefits that differentiate a product from competing alternatives. These signals influence consumers' cognitive evaluations, particularly their perceptions regarding the overall value delivered by a brand. The value proposition represents consumers' assessment of the benefits obtained from a product relative to the costs and sacrifices associated with purchase and consumption (Leroi-Werelds et al., 2021). When consumers perceive that product attributes provide meaningful benefits exceeding the associated costs, they are more likely to develop favourable attitudes and stronger behavioural commitment toward the brand. Therefore, Signaling Theory provides a theoretical explanation of how product positioning strategies influence consumer brand loyalty through the formation of perceived value proposition.

Based on the theoretical arguments above, this study proposes a framework explaining how product positioning strategies contributes to consumer brand loyalty through perceived value proposition. Figure 2 illustrates the proposed framework that advances existing marketing research by arguing that consumer brand loyalty is not achieved through product positioning strategies alone. Instead, perceived value proporsition creates brand loyalty when supported by superior product quality, affordable price, and distinguished features that enable firms to effectively deliver its product positioning strategies. Next sub-sections discusses the hypotheses development for this study.

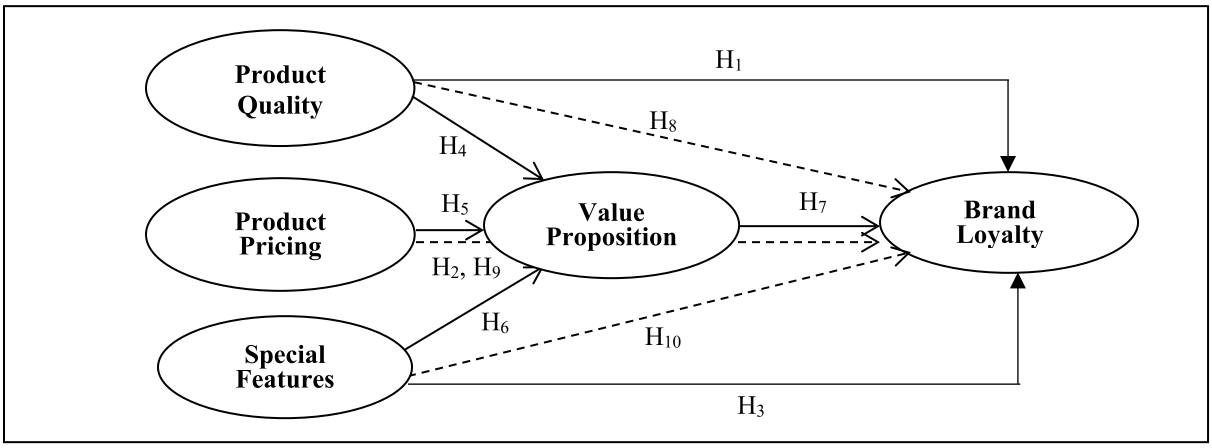

Figure 2. Conceptual Framework

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Product Quality and Brand Loyalty

Product quality represents the core benefit delivered by a product and serves as a key basis for consumer evaluation and satisfaction. Previous studies have consistently found a positive relationship between product quality and customer brand loyalty in FMCG contexts (Fasiha et al., 2022; Gerea et al., 2021; Ikramuddin & Mariyudi, 2021; Mamuaya, 2024). Ikramuddin and Mariyudi (2021) emphasised that consumers expect products to meet standards such as freshness, taste, reliability, and safety. When these expectations are consistently met or exceeded, consumer satisfaction increases, which subsequently strengthens brand loyalty. Similarly, Keller (2021) argued that consistent delivery of high-quality products builds trust and credibility, which are essential components of customer-based brand loyalty. In competitive FMCG markets where products differentiation is often limited, product quality serves as a key differentiating factor influencing consumer choice and loyalty (Fasiha et al., 2022). However, some studies highlight boundary conditions where this relationship may weaken or turn negative. For instance, when product quality is inconsistent or fails to meet expectations, consumers experience negative disconfirmation, leading to reduced satisfaction and lower loyalty (Ferenčić & Wölfling, 2025). Accordingly, this study proposes the following hypothesis.
H_1: Product quality positively influences consumers' brand loyalty

Product Pricing and Brand Loyalty

Brands that effectively align their pricing with perceived value and consumer preferences are better positioned to attract and retain loyal customers (Kotler & Keller, 2022). Brands that offer competitive pricing or discounts can attract price-sensitive consumers and build loyalty through perceived affordability (Kumar & Sathish, 2021). Slack et al. (2020) found that pricing has a significant influence on consumer loyalty, particularly when consumers perceive the price as fair and appropriate. Singh et al. (2021) also reported a positive and significant relationship between pricing and consumer loyalty, suggesting that effective pricing strategies enhance consumers' ability and willingness to purchase. On the contrary, Xia et al. (2024) explained that perceptions of price unfairness have strong negative effects on trust and repurchase intentions, eventually resulting in reduced brand loyalty. Moreover, Han et al. (2021) demonstrated that when price sensitivity is high, loyalty declines as consumers become more responsive to competitive pricing. This suggests that when price becomes the primary evaluation criterion, relational and emotional connections with the brand may weaken. This contradictory discussion has led to the assumption of the following hypothesis.
H_2: Product pricing positively influences consumers' brand loyalty

Special Features and Brand Loyalty

Features such as resealable packaging, easy-to-use designs, or added functionalities improve the user experience and contribute to higher levels of satisfaction and loyalty (Ali & Muhammad, 2021). When consumers perceive special features as valuable, relevant, and beneficial, they are more likely to develop preferences for the brand's products over others, leading to strengthened brand loyalty (Kegenbekov et al., 2021). Al Hamdany (2023) found that perceived uniqueness features have an effect on brand loyalty, which means that when consumers feel a unique features perception, consumers will have trust and repurchase the brand. Similarly, Ramdan et al. (2021) revealed that when consumers perceive a brand as having a high degree of unique features, they will have a much stronger favourable brand loyalty. However, Thompson et al. (2025) found that overly complex features reduce usability and user satisfaction, which in turn diminishes repurchase intention and brand loyalty. This phenomenon is often referred to as "feature bloat," where additional features provide minimal value but increase cognitive effort and frustration. Thus, the following hypothesis is assumed.
H_3: Special features positively influences consumers' brand loyalty

Product Quality and Value Proposition

Product quality is one of the fundamental dimensions influencing consumers' evaluation of a brand's value. It reflects consumers' perceptions regarding a product's ability to deliver expected performance, reliability, durability, and satisfaction (Hoyer et al., 2020). In competitive FMCG markets, where consumers frequently encounter similar products from multiple brands, superior product quality becomes an important differentiation mechanism that strengthens perceived product benefits (Ikramuddin & Mariyudi, 2021). From

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a consumer perspective, high-quality products reduce uncertainty and perceived risk because consumers believe that the brand can consistently fulfil their expectations (Ikramuddin & Mariyudi, 2021). According to Signaling Theory, quality serves as a credible signal of a firm's commitment and capability to provide superior value (Widjaja, 2025). When consumers perceive that a product demonstrates better quality compared with alternatives, they are more likely to evaluate the product as offering greater benefits relative to the costs incurred. Previous studies have demonstrated that perceived quality significantly contributes to consumers' perceived value because quality enhances functional and emotional benefits associated with product consumption (Misra et al., 2022). In the FMCG industry, consumers often associate higher-quality products with improved satisfaction, reliability, and purchasing confidence (Gerea et al., 2021). Therefore, superior product quality strengthens consumers' perceptions that a brand provides a compelling value proposition. Accordingly, this study proposed the following hypothesis.
H_4: Product quality positively influences consumers' perceived value proposition

Product Pricing and Value Proposition

Product pricing represents another important positioning strategy that influences consumers' perceptions of value. Price is not merely a monetary sacrifice but also serves as an evaluative cue through which consumers assess whether the benefits received justify the cost paid (Niemeier & Pospisil, 2025). Consumers frequently use price information to determine whether a product represents good value (Singh et al., 2021), particularly in FMCG markets where frequent purchasing decisions require continuous evaluation of affordability and benefits. According to value-based marketing perspectives, consumers evaluate products based on the relationship between perceived benefits and perceived sacrifices (Nurmalasari et al., 2025). Appropriate pricing strategies enhance consumers' perceptions of fairness and value (Jain, 2023), whereas inappropriate pricing may reduce perceived benefits and weaken purchase intentions. Signaling Theory further suggests that pricing communicates important information regarding product positioning, where premium pricing may signal superior quality while competitive pricing may signal affordability and accessibility (Widjaja, 2025). Previous study found that price has a positive and significant effect on perceived value, suggesting that customers perceive fair prices as an important aspect of their overall experience (Aycock et al., 2023; Darmawan et al., 2025; Walia & Kumar, 2022). In the FMCG environment, consumers are increasingly price-conscious due to economic uncertainty, inflationary pressures, and the availability of alternative brands. Therefore, firms must ensure that pricing strategies communicate acceptable value rather than merely offering low prices. When consumers perceive that the price paid is reasonable compared with the benefits obtained, they are more likely to perceive a stronger value proposition. Therefore, the following hypothesis is assumed.
H_5: Product pricing positively influences consumers' perceived value proposition

Special Features and Value Proposition

Special features refer to unique product attributes, functions, or characteristics that distinguish a product from competing alternatives (Kegenbekov et al., 2021). In highly competitive FMCG markets, product differentiation through additional features has become increasingly important because consumers often encounter products with similar basic functions (Ali & Muhammad, 2021). Special features allow firms to communicate additional benefits and create stronger reasons for consumers to select one brand over another (Zulfikar, 2022). From a Signaling Theory perspective, special features provide consumers with observable evidence of product uniqueness and enhanced benefits (Song & Lehdonvirta, 2026). These features may include improved functionality, convenience, packaging innovation, health-related benefits, sustainability attributes, or other characteristics that increase product attractiveness. When consumers perceive that special features provide meaningful advantages, they are likely to evaluate the product as delivering higher value (Felix & Rembulan, 2023). Moreover, special features contribute to perceived value by enhancing both functional and experiential benefits (Yum & Kim, 2024). Consumers may perceive products with superior features as providing greater utility, convenience, and satisfaction compared with competing alternatives. Thus, special features strengthen consumers' evaluation of the brand's overall value proposition. Hence, the following hypothesis is suggested.

H_6: Special features positively influence consumers' perceived value proposition

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Value Proposition and Consumer Brand Loyalty

Value proposition represents consumers' overall evaluation of whether a brand delivers meaningful benefits that justify their investment (Monfort et al., 2025). It reflects the perceived relationship between what consumers receive and what they sacrifice when purchasing and using a product (Kotler & Keller, 2022). In consumer markets, perceived value is a critical determinant of behavioural outcomes because consumers are more likely to maintain relationships with brands that consistently provide superior value. Further, consumer brand loyalty refers to consumers' commitment to repeatedly purchase, recommend, and maintain a favourable attitude toward a particular brand despite competing alternatives (Singh et al., 2021). Loyal consumers provide significant strategic advantages to firms because they contribute to repeat purchases, positive word-of-mouth, and stronger resistance against competitor offerings (Gerea et al., 2021). The relationship between value proposition and brand loyalty can be explained through consumer value theory. When consumers perceive that a brand consistently provides superior value, they develop stronger satisfaction, trust, and commitment toward that brand (Swait & Sweeney, 2000). In the FMCG context, where switching costs are generally low, delivering superior value becomes particularly important because consumers can easily change brands based on perceived differences in benefits and costs. Therefore, brands that successfully communicate and deliver a compelling value proposition are more likely to cultivate stronger consumer loyalty. Thus, this study proposed the following hypothesis,

H_7: Perceived value proposition positively influences consumer brand loyalty

Mediating Role of Value Proposition

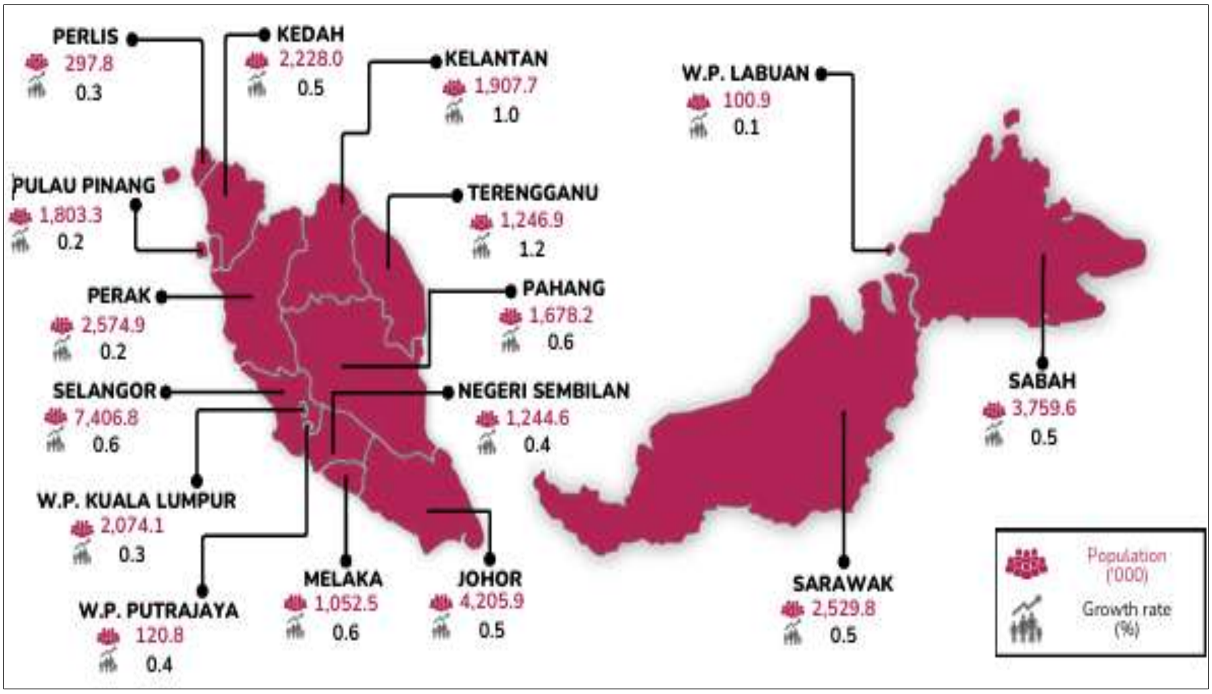
Although product positioning strategies are important determinants of consumer perceptions, their influence on brand loyalty may not occur directly. Consumers do not automatically become loyal simply because a product possesses superior quality, competitive pricing, or unique features. Instead, consumers first interpret and evaluate whether the benefits associated with these attributes provide sufficient value relative to the costs and sacrifices involved (Al Hakim et al., 2022). This evaluative process constitutes the consumer-perceived value proposition, which subsequently influences the likelihood of maintaining a loyal relationship with the brand. Thus, value proposition functions as a consumer-level mediator because it captures the evaluative mechanism through which product positioning attributes are translated into consumer brand loyalty (Darmawan et al., 2025). Through the lens of Signaling Theory, product quality, pricing, and special features act as signals that influence consumers' value assessments (Song & Lehdonvirta, 2026; Widjaja, 2025). When these signals successfully communicate superior benefits relative to costs, consumers develop stronger perceptions of value, which subsequently encourage loyalty behaviours. This mediation perspective provides a more comprehensive explanation of consumer decision-making because it acknowledges that loyalty emerges from consumers' interpretation and evaluation of positioning strategies rather than from product attributes alone. Therefore, value proposition is expected to mediate the relationships between product positioning strategies and consumer brand loyalty. Accordingly, the following hypotheses are assumed.

- H_8: Value proposition mediates the relationship between product quality and consumer brand loyalty
- H_9: Value proposition mediates the relationship between product pricing and consumer brand loyalty
- H_{10}: Value proposition mediates the relationship between special features and consumer brand loyalty

RESEARCH METHODOLOGY

Research Design

This study adopts a quantitative research approach with cross-sectional survey design to examine the relationships between product positioning strategies, value proposition, and consumer brand loyalty among FMCG consumers in Selangor, Malaysia. The research context of this study is the FMCG market in Selangor, Malaysia. The FMCG sector represents an important component of Malaysia's consumer economy due to its broad range of frequently purchased products, including food and beverages, personal care products, household products, and other daily necessities. Selangor was selected as the study setting because it represents one of Malaysia's largest and most economically developed states, characterised by high population density (as shown in Figure 3), urbanisation, diverse consumer demographics, and extensive retail activities. The state also represents a highly competitive FMCG environment where consumers are exposed to numerous domestic and international brands across traditional retail outlets, supermarkets, hypermarkets, convenience stores, and digital commerce platforms.



Source: Department of Statistics Malaysia (2024)

Figure 3. Total Population and Annual Population Growth Rate by State, 2025

The population of this study comprised FMCG consumers residing in Selangor, Malaysia, who had purchasing experience with FMCG products. A purposive sampling technique was employed to recruit respondents who met predetermined eligibility criteria relevant to the research objectives. Purposive sampling was considered appropriate because the study required respondents with direct experience of purchasing and evaluating FMCG products. Specifically, respondents were required to meet four screening criteria, which are (a) Malaysian citizens currently residing in Selangor; (b) aged 18 years or above; (c) having purchased at least one FMCG product within the previous six months; and (d) being familiar with at least one FMCG brand. Data were collected through an online structured questionnaire between 1st March 2026 and 31st March 2026. Respondents were recruited through social media like Facebook groups and Instagram. Online data collection is particularly suitable for contemporary consumer research because Malaysian consumers increasingly engage with digital platforms for product information, comparison, and purchasing activities. The survey invitation included a brief explanation of the study, eligibility requirements, voluntary nature of participation, and a link to the questionnaire. To minimise the possibility of responses from ineligible participants, screening questions were presented at the beginning of the questionnaire. Respondents who did not satisfy any of the predetermined eligibility criteria were screened out and did not proceed to the main questionnaire.

The sample size determination table developed by Krejcie and Morgan (1970) was used to determine the minimum sample required. Taking into account the population of this study which is undecided due to large population because as of December 2025, the population of Selangor was estimated at approximately 7.4 million, then this study needs at least 384 consumers as a sample size to be representative of the population in this study. A total of 380 questionnaire responses were received during the data collection period. Following the screening and data-cleaning procedures, five responses were excluded due to duplicate responses, resulting in 375 valid and usable responses for subsequent analysis. The response rate was 98% based on the number of completed usable questionnaires relative to the number of questionnaires distributed. No predetermined demographic quotas were imposed because the objective was to obtain eligible FMCG consumers from across Selangor rather than to achieve proportional representation of specific demographic categories. Nevertheless, respondents' demographic characteristics were recorded and reported to describe the composition of the final sample.

Measurement Development

The questionnaire included multiple-item measurement scales that have been adapted from the literature and help to ensure the validity of measurement scales for all constructs: seven items for brand loyalty (Atulkar, 2020; Cuesta-Valiño et al., 2022), seven for product quality (Atulkar, 2020; Nguyen et al., 2019), seven for product pricing (Yasri et al., 2020), seven for special features (Lee & Kang, 2022), and seven for value proposition (Atulkar, 2020; Kaewkhav et al., 2023). The scale used for these 35 items was a five-point Likert-type response format, in which respondents could rate the items from 1 ("strongly disagree") to 5 ("strongly agree").

Data Analysis Method

A structural equation model (SEM) was employed, specifically the analysis of Partial Least Square (PLS) program to analyse the data. SEM has been employed for a relatively long time, and in recent years has gained a place as one of the most widely used statistical tools in certain areas of social science research (Hair et al., 2021). As stated by Kock (2023), one reason for this is because it offers great potential for furthering theory development. Basically, PLS-SEM is described as a statistical methodology that takes a confirmatory (hypothesis testing) approach to analyse proposed study frameworks. PLS-SEM tests the entire model, not just part of it. The complete model is therefore either accepted or rejected; in other words, the model either fits the data or does not.

In short, PLS-SEM was selected for this study for several reasons. First, it permits the operation of multiple indicators to measure constructs and to condense measurement errors by having multiple indicators for each latent construct (Vaithilingam et al., 2024). Second, it is able to assess causal relationships between multiple constructs concurrently (Hair et al., 2024). Third, SEM can generate awareness in the direction among study constructs, and to test how and to what degree constructs affect each other (Sarstedt et al., 2022). Basically, there are two phases in PLS-SEM. The first phase is known as the measurement model, which is tested using construct reliability, indicator reliability, convergent validity, and discriminant validity. On the other hand, the second phase is the structural model, which is measured using path analysis. This study followed Hair et al.'s (2021) recommendation whereby the assessment of the structural model was built on the results of the standard model estimation, the bootstrapping routine, and blindfolding procedure.

A method for deciding mediation effect was created by Zhao et al. (2010), who distinguished between three forms of mediation (competitive, complementary, and indirect-only mediation) and two types of non-mediation (direct-only and no-effect non-mediation). According to their arguments, two requirements must be met in order to support a hypothesised mediation relationship: (a) there must be a significant relationship between the independent and dependent variables via the mediator, and (b) zero cannot be included in the lower or upper levels of the 95% bootstrapped confidence interval (Hayes & Rockwood, 2016; Zhao et al., 2010).

FINDINGS AND DISCUSSION

The demographic profile reveals that 63% of research participants were female as compared to 37% of male. Further, almost one-third of the respondents (36.5%) are in the age group of 21 to 30 years old. There are 62% of the respondents have been married, while another 38% are single. According to the respondents' educational background, majority of them (46.9%) holds Bachelor Degree or Master Degree, followed by Diploma

(29.2%). The occupational status of the respondents shows that one-fourth (25%) of them worked in government agencies with monthly income of between RM2,500 to RM3,500 (45.1%). Finally, the result reveals that majority of the respondents opted for food and beverages (42.3%), followed by cosmetics products (21.9%) as part of their frequent buying of FMCG products.

The Extent of Consumer Brand Loyalty

This section presents the findings pertaining to the extent of consumer brand loyalty with FMCG products. One sample t-test was used to find out whether the overall mean of the extent of brand loyalty is significantly different from or equal to a given constant. The mean score of 4.795 for brand loyalty in Table 1 is statistically significant at the 1% level, indicating that respondents generally demonstrated a strong tendency to maintain favourable attitudes and behavioural preferences towards their preferred FMCG brands. The high level of brand loyalty may be associated with the nature of FMCG consumption, where consumers frequently purchase familiar products and may develop stable preferences based on previous consumption experiences. Repeated positive experiences can strengthen consumers' confidence in a brand and reduce the perceived need to switch to alternatives. In addition, familiarity with a preferred brand may simplify purchasing decisions in a market characterised by numerous competing products.

Table 1. The Extent of Consumer Brand Loyalty

	n	Mean	One Sample T-Test	
			t-statistic	**p value**
Brand Loyalty	375	4.795	**130.641**	**.000*****

Note: Result is significantly different at *** 1% level and ** 5% level, respectively, using two-tailed tests.

In general, majority of respondents revealed that the chosen FMCG product is reliable in meeting their expectations, indicating that reliability represents a particularly salient aspect of product quality among FMCG consumers in Selangor. FMCG products are purchased and consumed frequently, often as part of consumers' routine activities. Consequently, consumers may place considerable importance on whether a product consistently delivers the expected performance. This finding is consistent with the broader conceptualisation of perceived quality, whereby consumers assess quality based on the product's ability to provide expected performance and satisfy their requirements (Tahir et al., 2024). Besides, respondents justified that they preferred to buy a FMCG product because it performs well for its intended purpose, reinforces the importance of functional performance in consumers' quality evaluations. Rather than evaluating quality solely through abstract perceptions, consumers appear to place substantial emphasis on whether the product performs effectively for its intended purpose.

PLS-SEM Results

The study's measurement model was examined using PLS-SEM software through SmartPLS 4.0. According to Henseler et al. (2021), PLS-SEM consists of two-step processes. Initially, the measurement model assessment specifies the examination of individual item reliability, ascertaining the internal item consistency, ascertaining the convergent validity and finally the discriminant validity of the model. After the assessment of measurement model, next step is to analyse the structural model through various findings such as checking the significance of the path coefficients, examining the explained variation of endogenous constructs which is reflected through R^2 of the model, determining the effect size of the model, and predictive relevance or Q^2 as well.

Assessment of Measurement Model

Table 2 shows the measurement model of the construct's research results. Cronbach's alpha and composite reliability (γ) were applied for evaluating the reliability of the data. Cronbach's alpha (α) values of the notions should be greater than 0.70 (Hair et al., 2020), and the composite reliability (γ) values must be bigger than 0.70 (Ramayah et al., 2018), expressing enough internal consistency of the constructs. Table 2 depicted that Cronbach's alpha values and the composite reliability (γ) values of the all constructs were above 0.70. Accordingly, these notions had internal consistency reliability. Next, this study performed the factor loading of all items values and the average variance extracted (AVE) to estimate convergent validity. The factor loading should be more than 0.7 (Ramayah et al., 2018) and the AVE should be higher than 0.50 (Hair et al., 2021). In this present research, the factor loading of all items and the AVE values were above 0.70 and 0.50, respectively. Therefore, the findings provide good evidence to claim that there is no issue for the internal loading for each of the items as reflected under Table 2.

Table 2. The Measurement Model Statistics

Indicators & Items	**OL**	**AVE**	**γ**	**α**	**VIF**
Product Quality		0.591	0.909	0.886	2.275
PQ1: I enjoyed shopping when I perceived the product is consistently of high quality.	0.711				
PQ2: I prefer to buy a product because it performs well for its intended purpose.	0.847				
PQ3: I prefer to buy a product that has high quality control and standards.	0.717				
PQ4: The product is reliable in meeting my expectations.	0.858				
PQ5: The product maintains consistent standards over time.	0.781				
PQ6: The overall quality of the product is excellent.	0.806				
PQ7: Compared with similar products, this product offers superior quality.	0.829				
Product Pricing		0.611	0.915	0.888	2.913
PP1: I feel that the price of a product offered is quite reasonable.	0.723				
PP2: Though much more expensive, I prefer a product that has better value for money.	0.804				
PP3: I prefer to buy a product that would be economical.	0.856				
PP4: I prefer to buy a product with the price that represents its quality.	0.857				
PP5: The benefits I get from this product are equivalent to or even better than the amount of money I spend.	0.794				
PP6: I perceived that the seller has consider the price of a product sold by competitors in setting their price.	0.915				

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PP7: I perceived that the price is symbolic perception of the brand image.	0.751				
Special Features		0.592	0.910	0.885	1.946
SF1: This product has distinctive features that differentiate it from competing products.	0.835				
SF2: This product offers features that are not commonly found in competing products.	0.737				
SF3: The special features of this product provide additional benefits to me.	0.837				
SF4: The special features of this product make it more useful to me.	0.792				
SF5: This product offers unique characteristics that distinguish it from other brands.	0.732				
SF6: The special features of this product enhance its overall usefulness.	0.798				
SF7: Compared with competing products, this product provides more distinctive features.	0.745				
Value Proposition		0.584	0.907	0.881	2.035
VP1: I perceive more value when I get this product in competitive price.	0.791				
VP2: I perceive purchasing this product increases my emotional attachment with the brand.	0.755				
VP3: It is worth purchasing this product based as it affects my own feelings of a pleasant experience.	0.794				
VP4: It is really good value for money to purchase this product’s brand with respect to the time, energy, and cost.	0.803				
VP5: This product meets my demand and personal preferences.	0.793				
VP6: I believe this product’s brand won’t damage consumers’ benefits.	0.740				
VP7: I feel this product’s brand has some level of social responsibility.	0.765				
Brand Loyalty		0.692	0.871	0.829	2.631
BL1: I am always loyal towards the brand when I get the required values.	0.701				
BL2: The products’ brand would be my first choice.	0.786				
BL3: My experience with the brand has been very good.	0.799				

BL4: I am always loyal towards the brand which creates emotional attachment.	0.707				
BL5: I would not buy another brand if this brand were not available.	0.717				
BL6: I protect the product brand when someone else tarnish their image.	0.713				
BL7: I will continue to buy this specific brand in the future.	0.774				

Note: AVE = Average Variance Explained; γ = Composite Reliability; α = Cronbach's Alpha; *p <.05.

The variance inflation factors (VIF) statistics has been examined to verify the multicollinearity between each independent construct. Hair et al. (2021) stated that the model's VIF values ought to be less than 5. Table 2 shows that none of the VIF values exceeded 5. In short, there is no serious multicollinearity issue. Overall, the findings of this measurement model show that the items are valid, reliable, and have a sufficient level of internal consistency. Furthermore, this study estimated discriminant validity through the Fornell-Larcker criterion (Fornell & Larcker, 1981). According to Hair et al. (2020), the goal of the discriminant validity evaluation is to attest that a reflective concept has the strongest correlations with its indicators in the PLS path model. Comparing the square root of the AVE of each construct with its connection with other constructs is equivalent to comparing the AVE with the squared correlations of the constructs when evaluating discriminant validity (Hair et al., 2020). Specifically, the AVE's square root should be higher than its highest correlation with any other construct (Hair et al., 2020). Table 3 indicates that AVE's square root of reflective constructs brand loyalty, product quality, product pricing, special features, and value proposition was higher than the corresponding latent constructs correlation. Consequently, the results of this study demonstrate that the constructs are attaining discriminant validity.

Table 3. Fornell-Larcker Criterion Discriminant Analysis Results

	BL	**PP**	**PQ**	**SF**	**VP**
BL	**0.781**				
PP	0.714	**0.813**			
PQ	0.614	0.769	**0.809**		
SF	0.489	0.726	0.700	**0.870**	
VP	0.673	0.783	0.635	0.696	**0.864**

Note: The diagonal (bold) value is a square root of the AVE of each latent variable, and the element off-diagonal value is the inter-correlation value between latent variables.

BL denotes Brand Loyalty; PP denotes Product Pricing; PQ denotes Product Quality; SF denotes Special Features, VP denotes Value Proposition

Ramayah et al. (2018) recommended the use of the heterotrait-monotrait ratio (HTMT) approach to assess discriminant validity, which reveals the correlations of indicators across latent constructs. Ringle et al. (2023) recommended HTMT of 0.90 as the threshold value.

Thus, if the HTMT value is less than 0.90, then the discriminant validity between two constructs is established, whereas if the HTMT value is greater than this threshold, discriminant validity does not exist. In this study, a cutoff value of 0.90 recommended by Ringle et al. (2023) was used and the result of HTMT is tabulated in Table 4. The results reveal that the HTMT value for all the constructs are below 0.90, indicating adequate

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discriminant validity, meaning that the constructs are empirically distinct from one another. This suggests that there is no critical issue of multicollinearity or construct overlap within the measurement model.

Table 4. Heterotrait-Monotrait Ratio (HTMT) Discriminant Analysis Results

	BL	**PP**	**PQ**	**SF**	**VP**
BL					
PP	0.839				
PQ	0.562	0.799			
SF	0.708	0.653	0.804		
VP	0.785	0.795	0.787	0.871	

Note: BL denotes Brand Loyalty; PP denotes Product Pricing; PQ denotes Product Quality; SF denotes Special Features, VP denotes Value Proposition

Assessment of Structural Model

Once the reflective measurement model has been validated successfully, the PLS algorithm was conducted to compute the model parameter estimates (Cheung et al., 2024). Structural model assessment is used to determine whether the structural model's hypotheses are supported by the data in a particular study. This study evaluates the structural model in accordance with the recommendations of Hair et al. (2021).

The coefficient of determination (R^2) was the general effect extent measure for the structural model (Garson, 2016). The R^2 index is between 0 and 1, with higher levels indicating more predictive accuracy. The R^2 estimate of 0.25, 0.50, and 0.75 could be presented as weak, moderate, and substantial (Hair et al., 2021). In this present study, the R^2 value for the overall model was 0.576 (as depicted in Table 5), considered as a moderate impact. This indicates that product quality, product pricing, special features, and value proposition collectively explained 57.6% of the variance in brand loyalty. Next, the R^2 value for value proposition is also moderate with a value of 0.688, indicating that product quality, product pricing, and special features explained 68.8% of the variance in value proposition.

Table 5. Coefficient of Determination (R^2) Results

Endogenous Constructs	**R^2**	**Remarks**
Value Proposition	0.688	Moderate
Brand Loyalty	0.576	Moderate

Note: Strong >0.75; Moderate > 0.50; Weak > 0.25 (Hair et al., 2021)

The effect size (f^2) enabled estimating the independent factor contributing to the dependent construct. The f^2 estimate 0.02 was small, 0.15 was medium, and 0.35 was high (Ramayah et al., 2018).

Table 6 displays the f^2 values results that shows all product positioning strategies which consists of product quality ($f^2 = 0.039$), product pricing ($f^2 = 0.092$), and special features ($f^2 = 0.032$) were having small effect on consumer brand loyalty. Further, product pricing ($f^2 = 0.530$) construct was having a significant large impact on value proposition. On the other hand, the impact of product quality ($f^2 = 0.023$) and special features ($f^2 = 0.091$) constructs on the value proposition is relatively small.

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Table 6. Path Coefficients of Structural Model

H	Path Estimate	β	t-stat	p-value	f^2
H_1	Product Quality → Brand Loyalty	0.226	1.188	$.235^{NS}$	0.039
H_2	Product Pricing → Brand Loyalty	0.446	2.261	$.024^{**}$	0.092
H_3	Special Features → Brand Loyalty	0.184	1.959	$.050^{NS}$	0.032
H_4	Product Quality → Value Proposition	0.146	0.947	$.344^{NS}$	0.023
H_5	Product Pricing → Value Proposition	0.742	4.676	$.000^{***}$	0.530
H_6	Special Features → Value Proposition	0.255	2.028	$.043^{**}$	0.091
H_7	Value Proposition → Brand Loyalty	0.673	8.328	$.000^{***}$	0.064
H_8	Product Quality → VP → Brand Loyalty	0.101	0.943	$.346^{NS}$	
H_9	Product Pricing → VP → Brand Loyalty	0.503	3.818	$.000^{***}$	
H_{10}	Special Features → VP →Brand Loyalty	0.174	1.997	$.046^{**}$	

Note: NS = Not Significant; β = Standardized Beta Coefficient; f^2 = Effect Size

Q^2 is a metric for determining the predictive relevance of the inner model and how well the model estimates missing data (Hair et al., 2021). The nonparametric Stone-Geisser test (Geisser, 1975; Stone, 1974) can be used as a criterion for predictive relevance in addition to estimating the size of R^2 (Ramayah et al., 2018). To obtain the Q^2 value, the blindfolding technique is used, which is only applied to latent constructs with a reflective measurement model specification. As a general rule, the Q^2 value must be greater than zero ($Q^2 > 0$), indicating that the model is predictive for a specific endogenous construct (Hair et al., 2021). In contrast, a Q^2 value of zero or less indicates that the model is not predictive. Positive Q^2 values confirm the model's predictive relevance of a specific construct, and the higher the Q^2 value, the better the tested model's predictive relevance (Henseler et al., 2021). Table 7 reveals that the Q^2 values for consumer brand loyalty and value proposition are greater than zero, indicating that all constructs provide unequivocal support for the model's predictive relevance for the endogenous constructs.

Table 7. The Predictive Relevance (Q^2) Results

	Q^2 (= 1-SSE/SSO)
Brand Loyalty	0.218 > 0
Value Proposition	0.372 > 0

Hypotheses Testing

The causal relationships of the structural model are presented in Table 6. The finding reveals that product quality did not significantly influence brand loyalty (β = 0.226, t-statistic = 1.188, p-value > $.05^{NS}$). Therefore, this finding leads to rejection of H_1.This finding suggests that, among FMCG consumers in Selangor, perceived product quality alone may not be sufficient to generate stronger brand loyalty. One possible explanation is that quality has become a fundamental expectation within the FMCG market rather than a distinctive basis for maintaining loyalty. Consumers are frequently exposed to numerous competing brands that offer products with comparable levels of quality, making it difficult for quality alone to differentiate one brand sufficiently from another. The finding may also reflect the relatively routine and frequently purchased nature of FMCG products. Unlike high-involvement products, FMCG purchases often involve lower financial and perceived risk, and consumers can readily switch between competing brands. Consequently, consumers may consider acceptable product quality as a basic requirement for purchase rather than a factor that independently determines continued loyalty. A product may therefore be perceived as sufficiently reliable or

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satisfactory without necessarily creating a strong preference that prevents consumers from considering alternative brands.

Next, positive and significant effect can be seen in the relationship between product pricing and brand loyalty ($\beta = 0.446$, t-statistic = 2.261, p-value < .05**), and it is significant at 5 percent level. This result leads to acceptance of hypothesis H_2. The finding indicates that consumers who perceive a brand's pricing more favourably are more likely to demonstrate loyalty toward that brand. In the FMCG context, where consumers make frequent purchasing decisions and can easily compare prices across competing brands, pricing represents an important positioning signal. Consumers may be more willing to repeatedly purchase a brand when its price is perceived as appropriate, reasonable, and commensurate with the benefits received. This finding supports the perspective of Brand Equity Theory, which suggests that marketing activities, including pricing, can influence consumers' perceptions and associations with a brand and consequently contribute to the development of brand equity. Appropriate pricing can strengthen favourable brand associations when consumers perceive that the brand provides worthwhile benefits without requiring an excessive sacrifice. In contrast, a price that is perceived as unfair or disproportionate to the benefits provided may weaken consumers' evaluations and encourage switching to competing brands. Thus, the present finding suggests that pricing is not merely a transactional consideration but can contribute to the development of a favourable consumer–brand relationship..

Moreover, the finding shows that special features contributed to the brand loyalty as there is a positive and significant relationship between these two constructs ($\beta = 0.184$, t-statistic = 1.959, p-value < .05**). Therefore, hypothesis H_3 was supported. This result may indicate that consumers develop a deep positive connection with brand as of its attractive brand identity, uniqueness, and relatively enduring characteristics. For instance, in respect of food and beverage products, consumers will perceive about products' special attributes such as a nutritional value, taste, quality control and standard, safety, price, impact on the environment, and value for money. This result is consistent with an argument by Ramdan et al. (2021) that said consumers who are branded are looking for quality or specific features that make it special or unique.

The result shows that product quality did not significantly influence perceived value proposition ($\beta = 0.146$, t-statistic = 0.947, p-value > .05^{NS}), resulting in the rejection of H_4. One possible explanation is that product quality may have become a baseline expectation rather than a distinctive source of value among FMCG consumers. FMCG products are frequently purchased and consumed, and consumers may expect a minimum acceptable level of quality from established brands. Consequently, differences in perceived quality may not be sufficiently salient to alter consumers' overall evaluation of whether a product provides good value. In a market where consumers can readily compare competing brands, value perceptions may instead be driven more strongly by the economic sacrifice associated with purchasing the product. The finding also suggests that consumers may distinguish between quality and value. High quality does not necessarily translate into high perceived value if consumers perceive that the additional quality requires an excessive price premium. In other words, consumers may recognise a product as being of good quality without necessarily concluding that it provides superior value. This interpretation is consistent with the conceptualisation of value as a trade-off between perceived benefits and perceived sacrifices (Zeithaml, 1988). Therefore, while quality may contribute to consumers' product evaluation, it does not necessarily constitute a sufficient condition for establishing a strong value proposition.

Next, the result showed that product pricing positively and significantly influenced perceived value proposition ($\beta = 0.742$, t-statistic = 4.676, p-value < .05***), thus supporting H_5. The effect size is also substantial ($f^2 = 0.530$), indicating that product pricing makes a meaningful contribution to explaining variation in consumers' perceived value proposition. This finding indicates that FMCG consumers in Selangor place considerable emphasis on the relationship between the price paid and the benefits received when evaluating whether a brand offers meaningful value. Since FMCG products are purchased frequently, even relatively small differences in price can accumulate over repeated purchases. Consumers may therefore be particularly attentive to whether the price of a product is reasonable, affordable, competitive, and justified by the benefits obtained. The result is consistent with the consumer value perspective, which conceptualises perceived value as an assessment of what is received relative to what is given (Nurmalasari et al., 2025). From this perspective, pricing is directly connected to the sacrifice component of the consumer value evaluation. A price perceived as fair or reasonable can strengthen the perception that the benefits offered by the brand justify the expenditure (Jain, 2023). This is in consonance with research works done such as Aycock et al. (2023), Darmawan et al. (2025), as well as Walia and Kumar (2022), who reported that price has a positive and significant effect on perceived value, suggesting that customers perceive fair prices as an important aspect of their overall experience.

Further, this study found that special features positively influence consumers' perceived value proposition ($\beta = 0.255$, t-statistic = 2.028, p-value $< .05^{**}$), with a small effect size ($f^2 = 0.091$). Therefore, H_6 is supported. Special features can enhance the benefits component of consumers' value evaluation by providing additional functionality, convenience, differentiation, or experiential benefits. When consumers perceive that a product offers meaningful features beyond basic functionality, they may regard the additional benefits as justification for choosing the brand over competing alternatives. However, the comparatively smaller coefficient relative to product pricing suggests that special features are less influential than pricing in shaping perceived value. This may reflect the nature of FMCG consumption, where many products are relatively standardised and consumers may prioritise affordability and practical benefits over sophisticated differentiation. Nevertheless, the significant relationship demonstrates that meaningful differentiation remains capable of strengthening the value proposition. Consistent with Song and Lehdonvirta (2026) from the perspective of Signaling Theory, special features provide observable signals of product differentiation and additional benefits. When these features are relevant to consumers' needs, they can increase the perceived benefits associated with a brand and consequently strengthen its overall value proposition.

The results further revealed that perceived value proposition positively and significantly influenced consumer brand loyalty ($\beta = 0.673$, t-statistic = 8.328, p-value $< .05^{***}$), and therefore supporting H_7. This finding demonstrates that consumers who perceive stronger value from a brand are substantially more likely to demonstrate brand loyalty. In the FMCG context, where switching between competing brands is generally easy, consumers are unlikely to remain loyal merely because a brand is familiar. Instead, loyalty is strengthened when consumers consistently perceive that the brand provides benefits that justify the costs associated with purchasing and consuming it. The finding supports the customer value perspective, which emphasizes that consumers' value evaluations play an important role in subsequent behavioural responses (Swait & Sweeney, 2000). When consumers perceive that a brand provides worthwhile benefits relative to the sacrifices required, they have greater motivation to continue purchasing the brand and maintain their relationship with it.

With respect to the indirect effect, the findings indicate that perceived value proposition failed to establish mediation effect in the relationship between product quality and consumer brand loyalty ($\beta = 0.101$, t-statistic = 0.943, p-value $> .05^{NS}$). Therefore, H_8 is not supported and no mediation is established for the relationship between product quality and consumer brand loyalty. This conclusion is further supported by the absence of significant direct relationships between product quality and both value proposition and consumer brand loyalty. The finding suggests that, within the present FMCG context, consumers' perceptions of product quality alone may not be sufficient to create a stronger value proposition and, consequently, stronger loyalty. Consumers may consider quality important as a basic requirement, but they may evaluate value based more heavily on whether the benefits received are justified by the price paid. This finding provides an interesting theoretical insight. It suggests that product quality does not automatically translate into consumer value. A high-quality product can still be perceived as offering weak value if consumers believe that the price is excessive or that competing products provide comparable benefits at lower costs. Thus, quality may function as an expected product attribute rather than a differentiating value-generating mechanism in the FMCG market.

The finding confirmed that value proposition mediates the relationship between product pricing and consumer brand loyalty ($\beta = 0.503$, t-statistic = 3.818, p-value $< .05^{***}$). Because both the direct and indirect effects are statistically significant, the mediation is classified as partial mediation. This indicates that product pricing influences consumer brand loyalty through two pathways: directly and indirectly through consumers' evaluation of the value offered by the brand. Therefore, hypothesis H_9 is supported. The strongly significant indirect effect demonstrates that consumers' perceptions of pricing are translated into loyalty largely through their assessment of the overall value delivered by the brand. The result suggests that consumers do not necessarily become loyal simply because a product is inexpensive. Rather, loyalty develops when the price is perceived as appropriate relative to the benefits obtained (Song & Lehdonvirta, 2026; Widjaja, 2025). This distinction is important because it indicates that price competitiveness should not be interpreted simply as low pricing. Instead, FMCG firms should focus on establishing a price–benefit relationship that consumers perceive as fair and worthwhile. The finding extends the conventional understanding of pricing by demonstrating its importance as a pathway to loyalty through value evaluation. It also reinforces the theoretical argument that product signals influence consumer responses through consumers' interpretation of the benefits and sacrifices associated with the offering.

Finally, this study revealed that perceived value proposition fully mediates the relationship between special features and consumer brand loyalty ($\beta = 0.174$, t-statistic = 1.997, p-value $< .05^{**}$). Since the direct relationship between special features and consumer brand loyalty was not statistically significant, thus the mediation is classified as full mediation, or indirect-only mediation. This finding indicates that distinctive product features do not independently generate consumer brand loyalty. Instead, their contribution to loyalty occurs through consumers' evaluation of the value generated by those features. Accordingly hypothesis H_{10} is supported. This finding suggests that distinctive product characteristics can strengthen loyalty when consumers perceive those characteristics as providing meaningful additional benefits. Special features therefore contribute to the benefit side of the consumer value equation. When the additional features provide greater convenience, functionality, differentiation, or usefulness, consumers may perceive that the brand offers superior value, thereby increasing their likelihood of remaining loyal (Darmawan et al., 2025). The implication is that FMCG firms should not introduce additional features merely for differentiation; rather, features should provide benefits that consumers recognise as meaningful and worthwhile.

CONCLUSION

This study examined how product positioning strategies foster consumer brand loyalty through the mediating role of value proposition among FMCG consumers in Selangor, Malaysia. The findings reveal a differentiated pattern in the effects of product positioning strategies. Product pricing and special features were found to positively and significantly influence consumers' perceived value proposition, whereas product quality did not demonstrate a significant effect. Furthermore, value proposition was found to have a significant positive effect on consumer brand loyalty. The mediation analysis further demonstrated that value proposition significantly mediated the relationships between product pricing and consumer brand loyalty, as well as between special features and consumer brand loyalty. However, the mediating effect of value proposition in the relationship between product quality and consumer brand loyalty was not supported. Among the examined product positioning dimensions, product pricing demonstrated the strongest influence on value proposition and the strongest indirect effect on consumer brand loyalty. These findings suggest that, in the FMCG context of Selangor, consumers' brand loyalty is shaped not merely by the presence of desirable product attributes but by their evaluation of whether the benefits offered by a product justify the costs associated with its purchase and consumption.

This study offers several theoretical contributions to the literature. First, the study provides a more nuanced understanding of Signaling Theory to the FMCG consumer context by suggesting that the effectiveness of market signals depends on how consumers interpret their relevance and value within a particular consumption context. Second, the study contributes to the product positioning literature by moving beyond the conventional direct-effect perspective. The present findings demonstrate that the relationship between product positioning strategies and consumer brand loyalty can be explained through consumers' value evaluations. This highlights value proposition as an important intervening mechanism that explains how product-related positioning attributes (product pricing and special features) are translated into longer-term consumer behavioural outcomes. Third, the findings contribute to the consumer value literature by distinguishing between product quality and perceived value. Insignificant impact of product quality on perceived value proposition suggests that consumers may regard an acceptable level of product quality as a basic expectation rather than an additional source of value. Consequently, the study provides a more contextually bounded understanding of the quality–value relationship by demonstrating that the translation of product quality into perceived value cannot be assumed universally.

Further, the findings of this study provide several practical implications for FMCG managers and marketers. Most importantly, the results demonstrate that product pricing and special features play a particularly important role in shaping consumers' perceptions of value. FMCG firms should therefore avoid viewing pricing solely as a mechanism for generating sales or competing through lower prices. Instead, managers should develop pricing strategies that consumers perceive as fair, reasonable, and commensurate with the benefits provided by the product. This may involve maintaining transparent pricing, offering appropriate product sizes and price points, and ensuring that promotional activities reinforce rather than undermine consumers' perceptions of product value. Besides, FMCG firms should focus on developing product characteristics that provide meaningful and relevant benefits to consumers. Such features may include greater convenience, improved functionality, innovative packaging, enhanced product performance, or other distinctive attributes that address specific consumer needs. However, the findings suggest that differentiation alone may not be sufficient. Special features are more likely to contribute to brand loyalty when consumers recognize them as providing additional value rather than merely representing superficial product modifications.

An important practical implication arises from the non-significant relationship between product quality and value proposition. Although this finding does not suggest that product quality is unimportant, it indicates that quality alone may not be sufficient to differentiate a brand or strengthen perceptions of value. FMCG managers should therefore maintain a consistent and acceptable level of product quality while avoiding the assumption that investments in quality improvements will automatically increase consumer loyalty. Instead, quality improvements should be communicated and integrated with pricing and value strategies so that consumers clearly understand the benefits associated with the product. More broadly, the study suggests that FMCG managers should adopt an integrated value-oriented positioning approach. Rather than positioning products independently based on quality, price, or unique features, firms should consider how these attributes collectively influence consumers' assessment of whether a product is worthwhile. Marketing strategies should emphasize the relationship between the benefits consumers receive and the sacrifices they make. By aligning pricing with meaningful product benefits and communicating distinctive features effectively, FMCG firms may strengthen their value proposition and develop more sustainable consumer loyalty.

LIMITATIONS AND RECOMMENDATION FOR FUTURE RESEARCH

Despite its contributions, this study has several limitations that should be considered when interpreting the findings. First, the study employed a cross-sectional research design, and consequently, the relationships identified in this study reflect associations among consumers' perceptions and do not provide definitive evidence of causal relationships. Future studies may employ longitudinal designs to examine how changes in product positioning strategies and value perceptions influence the development of consumer brand loyalty over time. Second, this study focused exclusively on FMCG consumers in Selangor, Malaysia, which may limit the generalisability of the findings to other states or national contexts. Future research could replicate the study in other regions of Malaysia or conduct cross-country comparisons to determine whether the observed relationships differ according to economic, cultural, or market conditions. Third, although the three dimensions of product positioning strategies explained a substantial proportion of the variance in brand loyalty, other positioning attributes may also influence consumers' perceptions of value and loyalty. Future studies should therefore consider incorporating additional variables, such as brand image, product convenience, packaging, sustainability attributes, or promotional strategies. Such research could provide a broader understanding of the factors that contribute to consumer value perceptions.

Fourth, the study relied on self-reported consumer perceptions, which may be subject to common method bias and respondents' subjective evaluations. Future studies could strengthen the research design by combining survey data with behavioural indicators, such as actual purchase frequency, repeat purchasing records, expenditure patterns, or loyalty programme data. The use of multiple data sources could provide a more comprehensive assessment of the relationship between product positioning, value proposition, and actual

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consumer loyalty. Finally, future research could further investigate why product quality did not significantly influence value proposition in the present study. One possible explanation is that consumers may regard product quality as a minimum expectation rather than a source of differentiation. However, this interpretation requires further empirical examination. Future studies could investigate potential boundary conditions by examining whether the quality–value relationship differs according to product category, consumer involvement, price sensitivity, income level, or the perceived risk associated with purchasing a particular FMCG product. Such research could provide a more detailed understanding of when and under what conditions product quality contributes to perceived value and consumer brand loyalty.

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