

The Influences of Perceived Value on Consumer Purchase Intention: The Moderating Effect of Advertising Endorser

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ABSTRACT

Advertising endorser is one of the major marketing strategies for advertisers. Advertising endorser can fast build brand recognition and help consumers to understand functions and characteristics of a product or a service. In the end, consumers will memorize the product/service and produce purchase intention. The study aims to explore the effects of advertising endorser on perceived value and purchase intention. Totally, 450 copies of questionnaires were dispatched and the effective response rate was 90%. The results show that (1) perceived value is significantly affected to advertising endorser, (2) advertising endorser is significantly affected to purchase intention, (3) perceived value is significantly affected to purchase intention, and (4) advertising endorser has no moderation effect between perceived value and purchase intention.

Keywords: Advertising Endorse, Perceived Value, Purchase Intention, Moderation

INTRODUCTION

In the hyper competitive marketing environment, if a product or a service wants to be fast known to consumers, it must rely on advertising campaigns to make consumers memorize product messages. However, a consumer contacts a lot of advertisings in a day. Hence, which advertising methods can really catch consumers' preference and influence their buying decision is important to business advertisers. It appears that advertising endorser is one of important methods that attract many business advertisers' attention. Advertising endorsers are often famous celebrities or experts who hold expertise, awareness and attractiveness. They can transmit product messages to catch consumers' eyesight in a short time and further enhance consumer purchase intention. Thus, advertising endorsers become one of major advertisers' advertising strategies in their advertising plans. Endorsers must be reliable and have positive characteristics that relate with a product or a brand. So, business advertisers must evaluate whether an endorser's image matches with a product image and choose one advertising endorser. In other words, if an endorser can connect well with a product, it can intensify consumers' memory on brand awareness and image of a product. Miciak and Shanklin (1994) pointed out that a celebrity's exposure rate can stimulate consumers' familiarity on a product. When consumers' familiarity of a product increases, consumers' confident and their product preferences and attitudes on will also rise. Therefore, the aims of this study are to explore whether advertising endorser has a positive effect on perceived value, whether advertising endorser has a positive effect on purchase intention, whether perceived value has a positive effect on purchase intention, and whether perceived value has moderation effect between perceived value and purchase intention.

LITERATURE REVIEW

Advertising Endorser

In order to make consumers to memorize products, business advertisers often use famous celebrities or experts to share their expertise and experience to promote a product or a service. Advertising endorsers can produce a recommendation and endorsement effect and build customers' reliability and purchase intention. In addition, when selling a product, it can not only depend on whether a product is good or bad or focus on price to appeal customers' attention. Rather, it should apply advertising endorsers to recommend and promote a product in order to make

differential product image and influence consumers purchase behavior. Thus, endorsement marketing is able to give a product new image and extra experience to customers and further increase product recognition (MacInnis, Rao, & Weiss, 2002; Laffery & Goldsmith, 1999; Goldsmith, Lafferty, & Newell, 2000).

Over the past twenty years, celebrity recommendation advertising increased tremendously (Hsu & McDonald, 2002). According to an advertising magazine in the U.S., among billions US dollar of TV commercial advertising spending, about 10% were paid to famous celebrities. It shows that most advertisers like to use celebrities to promote their products. Indeed, celebrities do have powerful attractiveness. Celebrity advertising can transfer a celebrity's attitude and feeling from consumers to a product (Chi, Yeh, & Huang, 2009), and endorsers' credibility can also influence consumer purchase intention (Ohanian, 1990, 1991; Laffery & Goldsmith, 1999; Bower & Landreth, 2001; Chi, et al., 2009). Advertising endorser's credibility can be divided into three dimensions: expertise, credibility, and attractiveness (Ohanian, 1990). When advertising endorsers have abundant professional knowledge and experience, their influence on purchase intention is more important than attractiveness and credibility (Chi, et al., 2009). Moreover, the interaction between endorser's image and a product will affect an endorser's credibility (Chi, et al., 2009). Freiden (1984) suggested that celebrity attractiveness is best suitable to appeal consumer awareness. Maddux & Rogers (1980) commented that expert recommendation can attract consumers' trust on a product, and advertising effects come from advertising endorser's image and trustable persuasion. A high persuasive advertising endorser can stimulate consumer purchase intention and promote brand recognition and product value. Therefore, an advertising endorser's behavior will affect consumers' recognition and image of an endorser and their purchase intention.

Perceived Value

Dodds and Monroe (1985) proposed that the relationship model of price, quality and perceived value and mentioned that perceived value is an important factor in consumers' purchasing decision process, and consumers will buy a product with high perceived value. Dodds and Monroe (1985) and Zeithaml (1988) contended that consumers will evaluate what they give and what they get in their subjective perception when they are buying a product/service. According to Utility Theory, the probability of purchase intention will increase, when consumers acquire more benefits than they pay for a product (Dickson & Sawyer, 1990). Thaler (1985) also considered that perceived value is an important antecedent to influence consumer purchase intention because it is the composition of transaction utility and acquisition utility.

Swait and Sweeney (2000) used logic models to analyze the influence of customer perceived value on consumer purchase intention in retailing industry and found that different perceived value customers have different purchase behavior. In fact, many researchers considered perceived value an important factor for marketing companies (Chen and Quester, 2006; Cornin et al., 2000; Pura, 2005). It is because perceived value can be a differentiation and competitiveness to a company. (Treacy & Wiersema, 1993; Heskett et al., 1994; Ravald & Gronroos, 1996). Furthermore, consumer can transfer their attitudes and feelings from an advertising endorser to product and create perceived value. Thus, if consumers can receive trustworthy perceived value in the process of product/service consumption, it will create a good brand image, loyalty, profit and competitiveness to a business.

Purchase Intention

A consumer's attitude and assessment and external factors construct consumer purchase intention, and it is a critical factor to predict consumer behavior (Fishbein & Ajzen, 1975). Purchase intention can measure the possibility of a consumer to buy a product, and the higher the purchase intention is, the higher a consumer's willingness is to buy a product (Dodds, et al., 1991; Schiffman & Kanuk, 2000). Purchase intention indicates that consumers will follow their experience, preference and external environment to collect information, evaluate alternatives, and make purchase decision (Zeithaml, 1988; Dodds et al., 1991; Schiffman & Kanuk, 2000; Yang, 2009).

Chi, et al., (2009) proposed that an advertising endorser's popularity, expertise, and attractiveness can appeal consumers' eyesight in a short time and increase purchase intention. Anand, Holbrook, and Stephens (1988), and Laroche, et al. (1996) also testified that advertising endorser's exposure rate can change consumer preference and attitude and promote purchase intention. Advertising endorser can utilize TV commercials or Newspaper or magazine

advertisings to enforce a product's exposure rate and consumers' brand attitude and knowledge to elevate purchase intention (Miciak & Shanklin, 1994). MacInnis, et al. (2002) considered that endorser marketing can give an endorsed product a brand new image and advance consumer purchase intention. Moreover, consumers' brand attitude and purchase intention will be higher when a product has high preference image and familiarity (Kamins & Marks, 1991; Laroche, et al., 1996). Wang (2006) used brand image as independent variable, product category as moderator, and purchase intention as dependent variable and found that the higher the brand image is, the higher the purchase intention is. Fournier (1998) discovered that if a brand provides product functions that meet consumers' need, consumers will produce psychological associations and an irreplaceable relation with the brand which they will subjectively maintain interaction with the brand and raise their purchase intention accordingly.

Furthermore, consumer purchase intention comes from consumers' perception on benefits and values acquisition, and it is a important key to predict consumer purchase behavior. Monroe and Krishnan (1985) submitted that perceived value and perceived quality will influence purchase intention, and the more perceived value and perceived quality, the higher purchase intention is. Zeithaml (1988) also suggested that the higher perceived value is, the higher purchase intention is. Therefore, the study proposed hypotheses as follows:

H1: Advertising endorser will be significantly and positively affected to perceived value.

H2: Advertising endorser will be significantly and positively affected to purchase intention.

H3: Perceived value will be significantly and positively affected to purchase intention.

H4: Advertising endorser will moderate the relationship between perceived value and purchase intention.

RESEAECH METHOLODGY

Research Framework

According to motivation and purposes of the research and literature reviews on above, the study proposes the research framework as shown in Figure 1. It shows that perceived value as independent variable, purchase intention as dependent variable, and advertising endorser as moderating variable.

Figure 1: Research Framework

Questionnaire Design and Sampling

Totally, 27 questions are in the questionnaire. All measurement scales follows relative literature reviews. The study adopts 7-Likert point scale from 7 to 1 representing strong agree, agree, somewhat agree, no opinion, somewhat disagree, disagree, strong disagree. The study adopts convenience sampling to collect data and applies SPSS17.0 to analyze data. 450 copies of questionnaires are dispatched and 420 copies are returned. Excluding 12 invalid copies, 408 copies of questionnaires are used for data analysis. Thus, the effective response rate is 90%.

RESULTS

Sample

The characteristics of samples are stated as follows: 202 participants are male (49.5%) and 206 are female (50.5%). 52.2% of sample's age is between 21 and 30, and 28.9% is between 31 and 40. 145 respondents (35.5%) are married, 263 (64.5%) is single, and 44.1% are college educated. 22.3% of samples earns income between NT\$20,001 and NT\$30,000 per month, and 17.6% is between NT\$30,001 and NT\$40,000 per month.

Reliability and Correlation Analysis

The study adopts Cronbach's α to measure the internal consistence reliability of the questionnaire. The results show that Cronbach's α of perceived value, advertising endorser, and purchase intention is 0.907, 0.877, and 0.863 respectively. It indicates that the design of the questionnaire has a high internal consistence. In addition, the study uses Pearson's correlation coefficient to measure the correlation between dimensions and the results reveal that perceived value is positively correlated with advertising endorser ($r=0.609$), advertising endorser is positively correlated with purchase intention ($r=0.690$), and perceived value is positively correlated with purchase intention ($r=0.727$).

Regression Analysis

As shown in Table 1, the results indicates that advertising endorser is significantly and positively affected to perceived value ($\beta=0.611$, $R^2=0.387$, $Adj.R^2=0.378$, $p<0.001$). Thus, hypotheses H1 is sustained. Advertising endorser is significantly and positively affected to purchase intention ($\beta=0.689$, $R^2=0.501$, $Adj.R^2=0.493$, $p<0.001$). It demonstrates that hypothesis H2 is supported. Moreover, perceived value is significantly and positively affected to purchase intention ($\beta=0.720$, $R^2=0.538$, $Adj.R^2=0.531$, $p<0.001$). It represents that perceived value has a significant influence on purchase intention, and therefore, H3 is sustained.

Moderation Test

As shown in Table 1, the study uses hierarchical regression analysis to examine the moderating effect, and in order not to be influenced by the exogenous variables, the study controls demographic following variables: gender, age, education, income, and vocation. The results in Model 3 and Model 4 show that dependent variable (perceived value, $\beta= 0.720$) and moderating variables (advertising endorser, $\beta= 0.689$) are significantly affected to dependent variable (purchase intention) respectively. In addition, the results in Model 5 reveal that independent variable (perceived value, $\beta= 0.472$) and moderating variable (advertising endorser, $\beta= 0.401$) are significantly affected to dependent variable (purchase intention). However, in Model 6, the interaction effect between perceived value and advertising endorser is not significant to purchase. Therefore, hypotheses H4 is not supported. It signifies that consumers will not produce purchase intention because of the interaction effect between perceived value and advertising endorser.

Table 1: Hierarchical Regression of Brand Image and Advertising Endorser on Purchase Intention

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
	PI	PV	PI	PI	PI	PI
Control Variables						
Gender	0.187	0.023	0.049	0.057	0.046	0.047
Age	-0.246	-0.131 ^a	-0.091	-0.186	-0.124 ^b	-0.122 ^b
Vocation	-0.005	0.001	-0.064	-0.015	-0.015	-0.015
Education	-0.049	-0.095 ^a	0.010	-0.067	-0.022	-0.022
Income	0.064	0.095	0.025	0.096 ^c	0.051	0.045
Independent Variable						
PV			0.720 ^c		0.472 ^c	0.471 ^c
Moderating Variable						
AE		0.611 ^c		0.689 ^c	0.401 ^c	0.412 ^c

Interaction Effect						0.028
PV*AE						
Max VIF	1.800	1.800	1.811	1.800	1.821	1.875
F-value	2.229	42.146 ^c	77.770 ^c	67.012 ^c	100.461 ^c	87.929 ^c
R²	0.027	0.387	0.538	0.501	0.637	0.638
Adj. R²	0.015	0.378	0.531	0.493	0.631	0.631
N	408	408	408	408	408	408

Note: 1. a =p<0.05 ; b=p<0.01 ; c=p<0.001

2. PV= perceived value; AE= advertising endorser

CONCLUSION AND SUGGESTION

The results of the study reveal that when consumers buy a product, they will compare it. A product with a good brand image can make consumers have a high level satisfaction and confidence to purchase it. The higher perceived value is the higher purchase intention is. In the mention, consumer can obtain trustworthy perceived value through advertising endorser's recommendation and endorsement and a company can therefore increase its competitiveness. The influence of advertising endorser on consumers is through an idol or a celebrity to market a product. Advertising endorser can connect product value by deepening consumers' impression and transfer their feelings on a product/service. So, it is suggested that business advertisers hire a high credibility endorser (an idol or a famous athlete) to promote their products in order to advance consumer purchase intention. In addition, the study does not find that advertising endorser has a moderation effect from perceived value to purchase intention. It suggests the interaction effect between perceived value and advertising endorser does not affect purchase intention. In other words, consumers will use subjective perception and perceived value to evaluate a product/service in their purchase process, and will not be influenced by the recommendation from an advertising endorser. Accordingly, perceived value will produce a synergistic effect to advertising endorser and induce purchase intention. Consumers will follow perceived value of a product/service to make purchase decision and advertising endorser will not create purchase intention. Businesses have to rely on their products/services to obtain perceived value and present their advertising effects and ideas from advertising endorser

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