

The Impacts of Verbal Advertisement and Intellectual Involvement upon Brand Selection Regarding the Alternative Mediative Role of Consumer's Perception

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Abstract Now a days, selecting a brand is of a greater importance than the product itself for consumers; therefore, the factors influencing brand selection can play a significant role in consumer's choices. This study deals with examining the impacts of verbal advertisements and intellectual involvement upon brand selection regarding the alternative mediative role of consumer's perceptions in Lorestan University. The research is both applicable and descriptive-surveying regarding the aim and data collection respectively. The statistical universe of the faculty members of Lorestan University includes 240 individuals. Besides, the sample was estimated 150 individuals by means of Cochran formula. Questionnaires have been utilized for assessing the hypotheses of the research and AMOS 18 software has been utilized for analyzing the data. On the one hand, the results demonstrated that message structure and intellectual involvement influence the consumers' perceptions. On the other hand, consumers' perceptions make a direct impact on brand selection. However, the hypothesis alleging the impact of verbal advertisement upon consumers' perceptions was rejected.

Key words: Consumer's perception, intellectual involvement, message structure, verbal advertisement, Iran

INTRODUCTION

Companies invest immensely in advertisement domain. However, this investment will fail at advertising if consumers make a mistake in facing, heeding and perceiving, or remembering the message at the time of purchasing (Moven and Minor, 2001). Advertising is considered as one of the domains toward which companies gravitate for investment since they can obtain a larger proportion of the market. The efficacy and intellectual involvement of advertisement regarding the extension of mass media has turned advertisement into a crucial subject in promoting a brand among the Iranians especially marketers. Today, verbal advertisement has been enormously heeded to an extent that some people consider it as one of the most effective advertising methods (Mangold *et al.*, 1999). Word-of-mouth advertisement (also known as verbal advertisement) has been a remarkable researching subject matter in marketing literature for 50 year. The preliminary researches demonstrated that word-of-mouth advertisement plays a significant role in determining the position in market, accepting a product and permeating process (Whyte, 1954). The results of the researches illustrate that just 14 percent of people trust what they see, read, or hear in commercial advertisement. Surprisingly, 90 percent of people trust the products or services approved by their

family members, friends and colleagues. Since they are assured that they are not exploited (Alire, 2007).

Researchers have always been accentuating the importance of verbal advertisements in shaping the attitudes in purchase decision and reducing the risks concerning consumers' purchase decision (Wangenheim and Bayon, 2004). Intellectual involvement is regarded as one of the most prominent factors in augmenting the efficacy of advertisement. If comprehensive advertising programs are neglected, the investment won't be able to lead to any interests and benefits for the company. The concept of intellectual involvement emanates from social psychology as a part of ego-involvement which refers to an individual's intellectual involvement degree in a purpose or subject. This concept is considered as a foundation for recognizing the intellectual involvement in consumer's behavior (Michaelidou and Dibb, 2006). Intellectual involvement elucidates why they receive a variety of messages during the purchase communications (Vaughn, 1986). Intellectual involvement is a notable factor in consumers' attention toward the existing information in every milieu. If intellectual involvement is taken into account in advertising it will lead to the consumers' perception and attention toward the existing information. Unfortunately, there is no criterion for classifying the brands in Iran. But if it is heeded it will be probably

effective in creating a brand and advertisements. This research aims at considering the impact of intellectual involvement and verbal advertisements upon selecting a brand regarding the alternative mediative role of consumers' perceptions in Lorestan University.

Literature of review: Lin and Chen (2006) argue that a consumer would be more inclined to search for information if the person has a vivid image of the country of origin. Ahmed *et al.* (2004) came to a conclusion that if a consumer evaluates a product with a low intellectual involvement, the subjective image of the country of origin (the producing country) influences purchase decision. But if there are other extraneous factors, the impact of the country of origin will decrease. Hollebeek *et al.* (2007) assert that the information about the country of origin is of a greater importance for those consumers having a high degree of product intellectual involvement compared with the ones having a low degree of product intellectual involvement. Fridman and Smith (1993) in their research concerning the services discovered that if a consumer selects a product with an increasing degree of involvement, he will search for more information. Jillian *et al.* (2007) elucidated that verbal advertisements not only decrease the individuals' risk but they also improve their perception about the company, improve their intellectual status (unity) and increase their interest and enthusiasm for purchasing that particular product. Stokes and Lomax (2002) observed a positive association between the parents' involvement and contribution in their children's school and their inclination to recommend the school to other families. Neese and Taylor (1994) state that an advertisement which is fraught with diverse information about a high involvement product influences attitudes toward advertisements, allegiance to commercial brands and attitudes toward commercial brands compared with low involvement product.

Consumer's intellectual involvement and message structure: There are countless definitions of intellectual involvement in consumer's behavior. Still, personal relevance centers at the heart of the concept. Besides, it is generally agreed that the level of consumer's intellectual involvement about a target is determined in terms of the significance of the target regarding the personal notion. The degree of intellectual involvement differs among consumers and it can influence consumer's decision level. Depending on the level of intellectual involvement, consumers may have an active or inactive intellectual involvement when they see a brand. Since, at this time, they start communicating with the brand little or a lot dependent on the level of intellectual involvement (Huang, 2006).

The studies of Laurent and Kapferer (1985) indicate that 5 factors influence consumers' intellectual involvement including consumer's enthusiasm and interest (personal importance or interest toward a class of products), pleasure (the believing value of a product), sign (sign value of a product), the importance of risk (the importance of the perceived negative messages concerning the selection of a poor product) and risk possibility (the possible perception of a number of poor choices). Tversky and Kahneman (1981) considered the structure of different messages as a problem of agreement or disagreement in consumer's decision and judgment.

The impact of consumer's perceptions (price and quality) upon selecting a trade name: Consumers often notice discrepancies in products price or quality which influence their choice and eventually select an appropriate brand. A number of different factors influence consumer's purchase decision. The consumer's perception of a product (price, quality) is one of the factors influencing the choice of a product (Ailawadi and Keller, 2004). In addition to the aforementioned factor, brand name (Brucks *et al.*, 2000), advertisements (Moorthy and Zhao, 2000) and the name of the store (Rao and Monroe, 1988) are influential as well. Occasionally, consumers evaluate the quality of a product before purchasing, this evaluation occurs when the consumers perceive the least degree of risk toward purchasing. While they lack expertise and ability to evaluate the quality of the product (Rao and Monroe, 1988) or they have a low degree of involvement with the product. Some studies of the association (quality, price) which concentrate on high or low quality brands demonstrated that a reduction in price of the high quality brands urges the consumers to revise and reconsider their criterion or value. On the contrary, this reduction in low quality brands coerces the consumers to stay in the same level (Allenby and Rossi, 1991). If products and services are able to mutate into significant quality signs, the distinction of the product will be perceivable and remarkable for consumers. Hence, a brand having a high image of the product quality can bring about a high level of quality observation as well. As a result, brand recognition not only improves the consumer's perceptions of low and fair price but it also influences the low price through the perceiving the quality. Consequently, the price of the product is based on consumer's perception (Dodds *et al.*, 1991; Monroe and Chapman, 1987). Product intellectual involvement is considered as the consumer's degree of sensitivity toward product classifications (Mittal and Lee, 1988).

Verbal advertisement: The term, verbal advertisement is applied as a means of describing the verbal

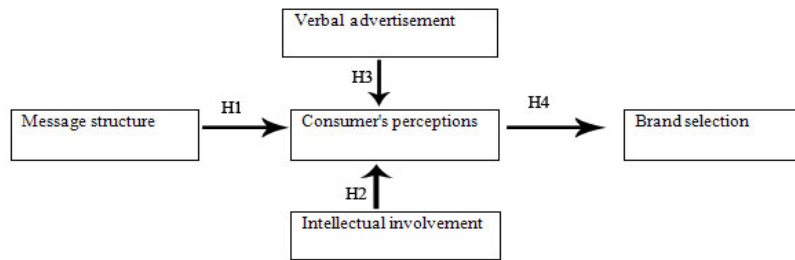


Fig. 1: Conceptual model

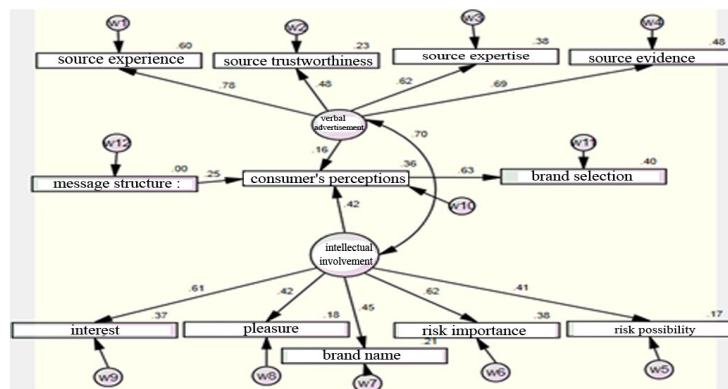


Fig. 2: Amos Software

communication (either positive or negative) among various groups such as the presenters of the product, independent experts, family, friends and acquaintances and real or potential customers. Although such groups may be involved in verbal advertisement, the researchers have mostly focused on the real or potential customers (Ennew *et al.*, 2000). Verbal advertisements can make a significant impact on consumer's purchase behavior and satisfaction about the products and services. Furthermore, consumers tend to trust the information obtained from personal sources.

Source trustworthiness: It refers to an extent that an individual believes in the reality of the statements (Pornpitakpan, 2004). Source trustworthiness is possibly the most crucial element of verbal advertisement.

Source experience: It refers to the audience's degree of familiarity with a source which emanates from the real application and consumption. For instance, people who have been involved in experiencing a product have a greater experience about the product in comparison with other individuals. The theory of information processing states that source experience, especially for consumers, pertains to their decision (Bettman, 1979).

Source expertise: It shows to what an extent the audience of word-of-mouth advertisement believes the sources possess a high degree of knowledge or skill about a particular subject (Braunsberger and Munch, 1998).

Source evidence: It shows to what an extent the audiences believe in source ability to prove the credibility of their products concerning the pertinent information. For example, individuals who can show the legality of their claim about a product have more evidences compared with those who not prove their claim (Fig. 1).

Conceptual model and hypotheses: The hypothesis are given below:

- H₁: Message structure makes a significant impact on consumers' perceptions
- H₂: Consumer's intellectual involvement makes a significant impact on consumer's perceptions
- H₃: Verbal advertisement makes a significant impact on consumer's perceptions
- H₄: Consumer's perception makes a significant impact on selecting a brand

Table 1: Kronbakh's alpha

Variables	Kronbakh's alpha
Verbal advertisement	0.82
Intellectual involvement	0.76
Message structure	0.73
Consumer's perceptions	0.75
Brand selection	0.74

Table 2: The demographic features of the statistical sample

Demographic variables	Numbers	
Gender	Male	101
	Female	49
Educational Grade	M.A	----
	PhD	150
Age	<30	34
	30-40	46
	41-50	30
	older than	40
Job experience	<5 year	41
	5-10 year	50
	11-15 year	9
	15-20	7
	>20	43

Table 3: Fitting the conceptual model

RMSE	GFI	CFI	p value	CIMN	DF
0.04	0.92	0.899	0.000	159.504	52

MATERIALS AND METHODS

The current research is both applicable and descriptive-surveying regarding the aim and data collection respectively. It is also considered a field research as well. The statistical universe of the research includes the faculty members of Lorestan University. In addition, the selected sample was calculated 150 individuals through Cochran equation.

$$n = \frac{Nz^2 \frac{a}{2} pq}{(n-1)\epsilon^z + z^z \frac{a}{2} pq} = \frac{240(1.96)^2 \times \frac{5}{10} \times \frac{5}{10}}{240 - 1 \times (0.05)^2 + (1.96)^2 \times \frac{5}{10} \times \frac{5}{10}} = 150$$

In order to collect the data, questionnaires were applied in which some items were utilized as following: 12 items for verbal advertisement, 15 items for intellectual involvement, 4 items for message structure, 4 items for consumers' perceptions and 4 items for brand selection. The contents of the questionnaire were verified by consulting with professors and experts of management. Besides, Kronbakh's alpha test has been applied for considering the perpetuity of the questionnaire (Table 1).

RESULTS AND DISCUSSION

Data analysis: In this research, deductive and descriptive statistics have been utilized for analyzing the collected data. Descriptive statistics have been applied for demographic variables. Moreover, AMOS software has been used for analyzing the data in the section of deductive statistics. The results of demographic features have been presented in Table (2).

Examining and estimating the models of measurement (confirmatory operative models):

There is a distinction between two groups of manifest and latent variables. Latent variable is a sort of variable which is created from several manifest variables. The latent variables of the research include intellectual involvement and verbal advertisement. On the contrary, the manifest variables of the research include the variables of source evidence, source expertise, source experience and source trustworthiness (concerning with verbal advertisement), along with the variables of interest, pleasure, sign, the importance of risk and risk possibility (concerning with intellectual involvement), message structure and brand selection. After collecting the data, the whole observed variables pertaining to latent variables needs to be examined so as to determine to what an extent the measurement indicators (manifest variables) are plausible for measuring the latent variables. To illustrate the chi-square value (CMIN) of the model and the significance level (p), it needs to be noted that the smaller the chi-square value is, the more satisfactory the researcher's editing pattern will be as well. If p-value is greater than 0.05, it could be concluded that CMIN value is acceptable for the pattern. Regarding the fact that p-value is greater than 0.05 for the whole measurement patterns, it is also concluded that chi-square value (CMIN) is suitable measurement patterns. Another valid indicator applied for the patterns goodness-of-fit is GFI (goodness of fit indicator). This indicator can be considered as a similar indicator to R² in multivariable regression. The closer the GFI is to 1, the data of the pattern would have a better goodness-of-fit. In measurement patterns, a GFI greater than 0.95 shows a plausible goodness-of-fit for the data of the pattern. RMSE (root-mean-square-error) is one of the other goodness-of-fit indicators in the model. RMSCE value is <0.08 in acceptable patterns. While in poor cases the value is >0.1. As it is seen in the table, the value of this indicator is less than 0.08 for measurement patterns. This indicator also shows the pattern goodness-of-fit by the available data. Regarding the aforementioned elucidations, it could be concluded that measurement patterns (manifest variables) have a plausible goodness-of-fit and it means that manifest variables can measure the latent variables accurately.

Table 4: The hypotheses of the research along with regression coefficient and the values of the partial indicators

Hypothesis	Regression coefficient	Critical value	p value	Result
H1: Message structure makes a significant impact on consumers' perceptions.	0.25	3.118	0.01	Approved
H2: Consumer's intellectual involvement makes a significant impact on consumer's perceptions.	0.42	2.264	0.24	Approved
H3: Verbal advertisement makes a significant impact on consumer's perceptions.	0.16	1.08	0.276	Rejected
H4: Consumer's perception makes a significant impact on selecting a brand.	0.63	10.457	0.000	Approved

Testing the hypotheses of the research: Structural equations have been utilized for testing the hypotheses of the research. The output of AMOS software has been illustrated in Fig. 2. For the sake of the above model fitting, AMOS software has been applied and the output of the software is illustrated in Table 3. Regarding the information of Table 3, it is perceived that the model has a great fitting. After considering and approving the pattern, two indicators of CR value and p-value were used for testing the significance of the data.

Based on 0.05 significance level, the critical value is supposed to be >1.96. In fact, a smaller parameter value is not considered significant. Moreover, a p-value <0.05 shows a significant difference of the calculated value for regression weights having a zero value in 0.95 level. Hypotheses along with regression coefficient and the values of partial indicators are presented in Table 4.

CONCLUSION

The way we evaluate and select trade names depends on the way we perceive them. This perception itself depends on a source framework through which we develop our notion. The source framework mainly originates from our experience just the same as trade names for which there is an intellectual instruction that we are reminded of a particular class of products. Intellectual involvement is a vital factor in consumers' attention toward the existing information in the milieu. If it is taken into account in advertisements, it will lead to consumers' attention and perception of the information. In this modern era, those sorts of companies which think creatively and bring about innovation in all associated domains can be prosperous and successful. Four hypotheses were applied in this research. The first hypothesis including the impact of message structure upon consumer's perception was approved in 95% certainty level. The second hypothesis stating the impact of intellectual involvement upon consumer's perception was approved. The fourth hypothesis alleging the impact

of the consumer's perception upon brand selection was approved either. However, the third hypothesis claiming the impact of verbal advertisement upon consumer's perception was rejected. The study of Gamliel *et al.* (2013) demonstrated that the consumer's perceptions makes an impact upon brand selection which is in parallel with our results stated in the fourth hypothesis.

SUGGESTIONS

These criteria can be evaluated in different cultures and spots in the world in order to assess their impact and acceptance universally. In addition, other variables can be applied to extend the researches. For instance, these variables can be the impact of brand image upon consumers' intellect or the impact of brand image of the country of origin.

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