Brand Credibility and Brand Prestige on Influencing Purchase a Mobile Brand

Fariz Taheri Kia
Department of Business Administration (Marketing Trend), Islamic Azad University,
(Firouzkouh Branch), Tehran, Iran

Abstract: Studies in recent years have been under the influence of brand. The main objective of this study investigates how the impact of brand credibility and brand prestige on willingness to purchase it and experimentally researches that how the combined mechanism of prestige and credibility of the brand is conducted in the group of mobile phone productions.The proposed modelis influenced by Two independent variables (brand credibility and brand prestige) on five mediator variables (commitment, perceived quality, trust, and perception of current risk, information leading to cost saving) anda dependent variable (the willingness to purchase the brand). The research methodhas been applied objectively and methodologically has been survey-experimental. Used analysis method isused to investigate the relationships between the model components of the structural equation modeling method. The research consisted of 13 hypotheses; population has beenthe undergraduate and graduate students in business management. The sample size has been 363 people and research is conducted in 2012. The 4 hypotheses are rejected, eight hypothesesis accepted of raised hypotheses. Impact of brand credibilityon the elements of the model has been accepted. But, the prestige of brand has had a positive impact. Among the media TOR variables just commitment, perceived quality and information leading to cost saving have had an impacton the willingness of customer to repurchase.

Key words: Marketing, brand, brand credibility, brand prestige, intent to purchase

INTRODUCTION

Brands potentially play many roles in affecting consumer choice behavior. An important factor that underlies many of these roles is consumer uncertainty about product attributes and/or benefits. Consumer uncertainty about products arises from the condition of imperfect and asymmetric information that characterizes many product markets because firms are more informed about their own products than are consumers. In such environments, brands may play key roles in how consumers learn, encode and evaluate brand information (Aaker, 1997). As pointed out by Keller (2009) an important role played by a brand is that it enables consumers to identify a firm's products/services and can differentiate them from those of competitors. Indeed, consumers are facing an increasingly varied range of products on the market, while firms always know more about their products than do consumers. This asymmetric information availability may cause confusion or uncertainty in consumers' minds when they make a purchase. In such cases, brands can serve as symbols or signals for product positioning (Aaker, 1991).

The objectives of this study are twofold: first, to examine the effect of brand credibility and prestige on consumers` purchase intention, second to investigate the moderating role commitment, perception of quality,

perception of risk, information leading to cost saving and trust. We organize the rest of the article as follows: In the first section, we review the relevant literature and discuss the conceptual framework. Then, we develop several hypotheses to be tested and describe the empirical approach and the data collection. The last section outlines the implications of our findings and discusses avenues for further research.

Literature review
Brand credibility: This concept of brand credibility is based on Hovland et al.(1953), Erdem and Swait (1998a) and Erdem et al. (2006). Based on these, brand credibility comprises two key facets: trustworthiness (i.e., the belief that the firm is willing to deliver on its promises) and expertise (i.e., the belief that the firm is capable of delivering on its promises). Note that trustworthiness is distinct from trust and can be described as a characteristic of an entity (e.g., person or brand). Brand credibility define as the believability of the product position information contained in a brand, which entails "consistently delivering what is promised" (Erdem and Swait, 1998b).

Firms can use various individual marketing mix elements to signal product quality, such as higher prices, offering extended warranties or distributing via highend channels. Such mix actions may or may not be credible

depending on market conditions (e.g., competitive and consumer behavior) but the signal conveyed by a "brand" differs from other mix elements because a brand embodies and represents a firm's past and present marketing mix strategy, activities and brand investments (Klein and Leffler, 1981). Similarly, brand credibility differs from the credibility of individual marketing mix signals (e.g., advertising as a quality signal) because brand credibility represents the cumulative effect of the credibility of all previous marketing actions taken by that brand, 4 or as Kapferer (1997) put it, the "living memory of acts taken by a brand".

The brand adds value to the firm in two ways: it first attracts new customers by developing andfocusing awareness and recognition but then also serves asa reminder to current customers to think about the firm and to do so favorably (Rust *et al.*, 2000). It is in this lattercase that the concept of furthering the relationship with the brand becomes meaningful. The brand can be described as a mechanism to engage both buyer and seller in a long-term relationship and play a key role in building this relationship (Olmo and Chernatony, 2000; Davis *et al.*, 2000).

Building the credibility of a brand is recognized by consumers to be a long-term and continuing investment by the firm (Erdem and Swait, 1998).A few studies have investigated the effect of brand credibility. For companies, a credible brand means that marketing efforts in receiving and accepting message is cost-effective and can lead to more sales for the companies. Studies show that advertising alone has limitations in forming the equity of the credible and effective brand. But, it can promote its equity by increasing more expectations. So that when the customer purchases the brand and uses it approves it.

Credibility may decrease perceived risk which may affect price sensitivity. Under high levels of uncertainty about product attributes, consumers may want to minimize expenses or losses which Kahneman and Tversky (1979) refer to as "risk aversion". On the other hand credibility may decrease information costs which in turn may decrease price sensitivity due to cost reductions in information search and processing that is if consumers can save on "information gathering and processing costs" they may derive less disutility from a given price.

Deighton (1984) stated that theories of satisfactory confirmation show a significant role in assessing the performance and brand credibility clearly. Another important feature to build a credible brand is existing considerable value in the brand. But, there is an awareness that pleasure and social value and the brand

prestige that is defined as relatively strong standard of positioning to product with brand (Steenkamp *et al.*, 2003).

Brand credibility shows amore tangible and more desirable part of value. But another competitive investigation different from the perceived value of the brand (e.g., prestige of brand) as well as brand credibility will show a balanced and greater picture of the customer decision-making process. On the surface, purchasers in the market show that more spend for luxury brands and credible.

Despite, there cognition to the increase of brand credibility and brand prestige importance as the main features but very few studies have investigated how impact of brand credibility and the brand prestige on the behavior of customer choice. Understanding the combined mechanism of equity and prestige of brand will be very important in the forming of willingness to purchase of the brand for advertisers and merchants because it provides the necessary guidance in the development, brand positioning, proper advertising and strategies of making brand. Moreover, little information about whether the current conditions in the combined mechanism of equity and prestige of brand and brand personality in customer decision making for category of different products is more effective or not?

Brand prestige: Brand prestige can represent the relatively high status of product positioning associated with a brand (Steenkamp *et al.*, 2003).Consumers often receive benefits from marketing exchanges that go beyond basic economic benefits. For example, consider the two epigraphs. Although, the motivation for buying a car is transportation, consumers often derive noneconomic benefits (e.g., prestige, security). Prestige is a subjective evaluative judgment about the high social status of people or in animate objects such as brands. Research on affect shows that evaluative judgments (appraisals) are often followed by emotional reactions (Bagozzi *et al.*, 1999). A higher price (Truong *et al.*, 2009) and the influence of reference groups on the consumption of prestige or luxury brands are often used as proxies for brand prestige, even though they are not equivalent to brand prestige.

By prestige is meant the perceptions that other people, whose opinions are valued, believe that the organization or brand is well regarded, i.e., respected, admired or well-known (Bergami and Bagozzi, 2000). These research further add that to the extent that important others regard the brand a person associates himself with as well-regarded, positive identification is generated, assuming other factors remaining constant. This search

for sources of prestige leads people to associate themselves with prestigious organizations/brands to increase their self-esteem by "basking in reflected lory" (Campbell and Keller, 2003).

Alden and Batra argue that consumers tend to perceive the consumption of prestige brands as a signal of social status, wealth or power since prestige brands are infrequently purchased and are strongly linked to an individual's self-concept and social image. Nevertheless, brand prestige does not affect all individuals to the same degree. In other words, consumption of prestige brands may vary according to the susceptibility to others (Vigneron and Johnson, 1999).

People to maintain their self-enhancement and satisfy their self-esteem, the need to identify with prestigious organizations can be accepted as a key factor for consumers (Kuenzel and Halliday, 2008).

Consumers tend to perceive the use of credible brands as a sign of social status, wealth or power, socredible brands purchased as non-recurrent and deeply"connected with an understanding of the individual and the his social image. However, brand prestige does not affect everyone the same on the other hand, use of credible brands may vary based on apabilitie (Vigneron and Johnson, 1999).

Conversely, privately self-conscious people are more focused on their inner thoughts and feelings and thus would be less likely to purchase prestige brands (Fenigstein *et al.*, 1975). According to O'Cass and Frost (2002), prestige brands differ from non-prestige brands in some ways that may affect consumers' purchasing motives to improve their social standing and self-expression.

Brand prestige appears to be linked directly with perceived quality. Some researcher found that consumer value of a global brand is positively associated with both brand prestige and perceived brand quality. Furthermore, their results indicated that brand prestige has a significant impact on purchase intention (Steenkamp *et al.*, 2003).

Stinkamp and colleagues stated that consumer valuation about a famous brand, itispositively associated withe quity and quality. Moreover, the obtained results show that the brand prestige has great effect on purchasing. Vigneron and Johnson (1999) synthesized the literature and said that brand prestige can provide prestige-seeking consumers five values that they may want: perceived conspicuous value (to signal the brand owner's wealth, status, etc. to society), perceived unique value (based on scarcity), perceived social value (because the brand is highly regarded by the social group the consumer is affiliated with), perceived hedonic value and perceived quality value.

Intent to repurchase: There is a lot of literature drawing attention to the fact that the issue of retaining customers is of significant importance sometimes even more so than attracting new customers. Thus, since the late 1980's more research has been directed at customer retention issues. As, Alexandris and Palialia (1999) mentioned it is widely accepted among practitioners that it is easier to lose a customer than to win one.

Loyalty as an attitude is the consumer's relatively enduring affective orientation for a product, store or service (Parasuraman *et al.*, 2002). According to the definition of loyalty as an attitude, different feelings create an individual's overall attachment to a product, service or organisation and these feelings define the individual's purely cognitive degree of loyalty (Hallowell, 1996).

Other researchers defined loyalty in behavioural terms. According to these definitions the level of brand loyalty is measured by monitoring the frequency of purchases (Raj *et al.*, 1997).

Other researchers argued that loyalty must be measured as a combination of attitudinal and behavioural dimensions. Customer loyalty, according to the marketing literature, can be defined as an attitude and as behavioural loyalty (Hallowell, 1996). Baldinger and Rubinson (1996) stated that the definition of loyalty should include components of attitudinal and behavioural. They argued, that the attitudinal component refers to the attitude (positive/negative) of the buyers towards the company/organisation and the behavioural component to their buying behaviour.

Hallowell (1996) state that customer loyalty in the service management literature is defined according to the behavioural view and behavioural loyalty is customers' intent to repurchase. Thus, for the purposes of this study on the mobile telephony industry, loyalty will be examined according to the behavioural view.

According to the above cases, the question is: Dobrand prestige and brand credibility have the simultaneous impacton the willingness to purchase a brand?

Hypotheses or research questions:
- H_1: Brand credibilityhas effect ontrust
- H_2: Brand credibilityhas effect on commitment
- H_3: Brand credibilityhas effect on perceived quality
- H_4: Brand credibilityhas effecton theinformation leading tocost saving
- H_5: Brand credibilityhas effect on the perce ption of risk
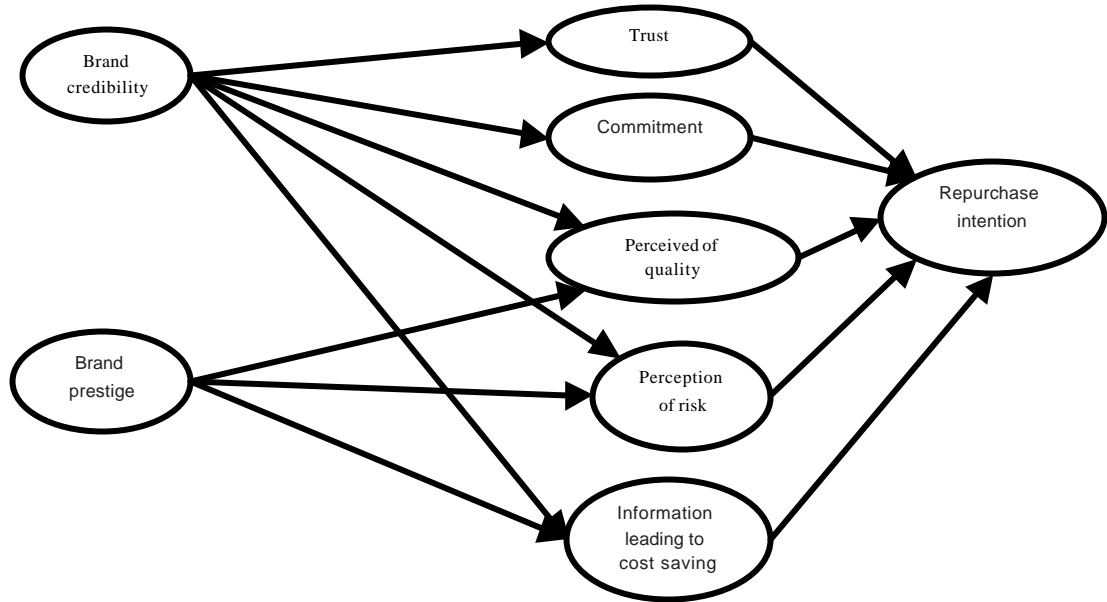- H_6: Brand prestige has effect onproductquality

Fig. 1: Research conceptual model

- H_7: Brand prestige has effect on informationleading tocost saving
- $H_{/8}$: Brand prestige has effect on perception of risk
- H_9: Trust has effect on repurchase intention
- H_{10}: Commitment has effect on repurchase intention
- H_{11}: The perceived quality has effect on repurchase intention
- H_{12}: Information leading to cost saving has effect on purchase intention
- H_{13}: The perception of risk has effect o repurchase intention

MATERIALS AND METHODS

This research is applied objectively and in terms of method and natureis experimental and survey. The population includes undergraduate and graduate student in business management sin Azad University. We choose this population because this group of people know the concepts that used in questionnaire. The sample size with respect to the model and according to LISREL software that will do the data analysis will be 350 people. For every relationship in the model must be collected 15 samples. The total sample size according to the number of questions in the questionnaire and the number of current relationship in model are estimated 350 people. However, given the possible loss of respondents or failure to respond, 400 questionnaires were distributed and of which 363 questionnaires were collected perfect. The sampling method of available is used. The questionnaire was distributed among the people who have experience of using mobile phone and purchase it.
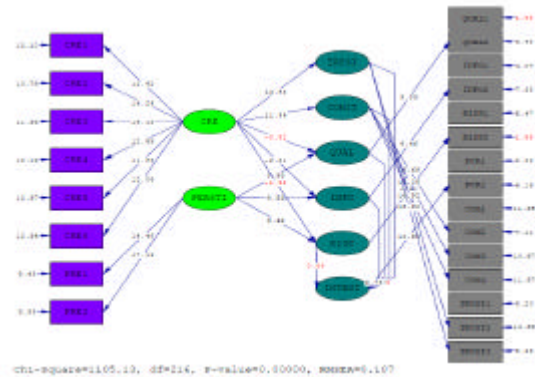

Fig. 2: Structural equations hypotheses

To collect data, a questionnaire consisting of 27 questions was used. Because in this study, the standard questionnaire by Sweeney and Swait (2008) soused measuring tool in this study hasa proper validity and indeed, its validityis achieved through the content. By the initial distribution of 30 questionnaires, reliability coefficient for the questionnaire was calculated equal to 0.83 that indicates a verygood reliability (Fig. 2).

RESULTS AND DISCUSSION

According to Table1, it can be concluded that the model hasa good fit and represents a reasonable approximation in the community. In the methodology of structural equations using the coefficients of gamma,

Table 1: Fitness indicators of research model

Fitness indicators	The standard value of index	The indicator value in the considered model
Degrees of freedom	-	216
Chi-Square	-	1105.13
2/df	2/df<5>2	5.11
RMR	<0.08	0.25
GFI	>0.9	0.79
IFI	>0.9	0.78
RMSEA	<0.1	0.10
NFI	>0.9	0.74

Table 2: Hypotheses results

Hypotheses	Coefficient of direction	t-static	Table static	Result
Brand credibilityhas effect on trust	0.77	13.82	1.96	Accept
Brand credibilityhas effect on commitment	0.74	11.94	1.96	Accept
Brand credibilityhas effect on perceived quality	0.05-	0.92-	1.96	Reject
Brand credibilityhas effecton theinformation leading tocost saving	0.13-	2.21-	1.96	Accept but inverse effect
Brand credibility has effectontheperceptionofrisk	0.11-	1.92-	1.96	Reject
Brandprestige has effect onproductquality	0.5	8.38	1.96	Accept
Brandprestige has effect on informationleading tocost saving	0.42	6.53	1.96	Accept
Brandprestige has effect on perceptionofrisk	0.45	6.32	1.96	Accept
Trust on customer willingness has effect onbrand purchase	0.12	1.78	1.96	Reject
Commitment has effect onrepurchaseintention	-0.03	-0.46	1.96	Accept
Theperceived qualityhas effect onrepurchaseintention	0.17	3.00	1.96	Accept
Informationleading tocost saving has effect onrepurchaseintention	0.46	6.75	1.96	Accept
Theperceptionofriskhas effect onrepurchaseintention	0.04	0.69	1.96	Reject

Table 3:The amount of coefficient of determinationthe dependent variables

Predictor variable	Predicted variable	Coefficient of determination
Brand credibility-brand personality	Trust	0.59
Brand credibility-brand personality	Commitment	0.55
Brand credibility-brand personality	perceived quality	0.24
Brand credibility-brand prestige	Information of cost saving	0.18
Brand credibility-brand prestige	perception of risk	0.20
Trust-commitment-perceived quality-saving information-perception of risk	willingness to purchase	0.29

beta and statict, research hypotheses are tested and in the relationship are decided with the acceptance or rejection. Table 2 shows the results of hypotheses (Fig. 3). The amount of coefficient of determination leading to the dependent variables, according to the modelis as below Table 3.

Moving of consumer is an important issue in goods and services sector. Many companies and organization sannually spend large sumsfor advertising, product quality and delicate aspects and through this support the product name. This support is due to encourage purchasers to purchase again. There are some models in the field of associated factors with the purchase intention and repurchase. In those models, business for profit ability depend son long-term relationships with customers. In this study, it is investigated the effect of brand credibility and brand prestige on trust, commitment, perception of quality, perception of risk and information lead to cost saving and the effect of recent variables on tend to repurchase. To testing 13 hypotheses, population of mobile users and with the sample of 400 people of undergraduate and graduate students of business management is surveyed of which 363 questionnaires are
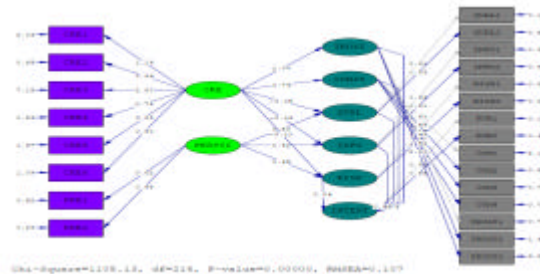

Fig. 3: Structural equations research hypotheses

analyzed. Measuring tool has been a questionnaire with 27 questions. The questionnaire swere tested using structural equation modeling and the results are as follows:

Brand credibility affected trust and commitment and information leading tocost savingbut not on perception of quality and the perception of risk. Brand credibility affected on information leading tocost saving but this affect has been reversed. Brand prestige has a direct effect on variables product quality and information leading to cost saving and also perception of risk.

Among the components of trust, commitment, perceived quality, information leading to cost and

perception of risk on repurchase, there are two hypothesis is rejected. Only effect of trust and perception of risk on repurchase intention is rejected and the other hypothesis is accepted.

CONCLUSION

In this research, the aim has been to integrate the two independent variables (brand credibility and brand prestige) by assuming influence on five mediator variable sand at last on the dependent variable of repurchase intention. The study was conducted on mobile phones that its using extensionis evident in society. It is suggested that the research should be studied on goods and services that are wide spread in the population. Studies on the brand and its related dimensions pass the early stages in Iran. It is recommended that other communities should be studied and compared the results of current research.

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