

## **THE DIFFERENTIAL ROLES OF BRAND CREDIBILITY AND BRAND PRESTIGE IN THE CUSTOMERS' PURCHASE INTENTION**

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### **Abstract**

Increasing number of suppliers of dairy products is caused the variety and complexity of tend to buying by customers, in addition to the competitive market in dairy industry and many advertising dairy products has created to do research about studying consumer behavior. This study assessed the relationship between the components of credibility and prestige of the brand and customers tend to buy the dairy market in Kermanshah, Statistical society was the consumers who consume dairy products in Kermanshah province in the first half of 2012. Sample statistical is 200 consumers from two plants in Kermanshah. To collect information is used questionnaire and for test hypotheses is used the Pearson test. Results of statistical analysis indicate that the brand credibility and brand prestige has effect on customers purchase intention through loyalty, perceived quality, information costs saved and perceived risk as negative and positive affect.

**Keywords:** Brand Credibility, Brand Prestige, Loyalty, Perceived Quality; Information Costs Saved, Perceived Risk, Customers Purchase Intention.

### **1. INTRODUCTION**

In the new era, the era of corporate mergers and globalization, brand is a key factor and determining in value of stock market and company. If the brand has a high net worth companies can reduce marketing costs because customers are loyal to it. Also it also adds to their product range because their customers have trust to them (Ebrahimi et al, 2009). With intensified competition in trade, rapid technological change and increasing power and choice alternative of customers, those companies will be the success that be able to understand and identify values of target customers and respond to their expectations (Wong and et al, 2007) . Features of brands influence customer behavior and today's business needs branding strategy ( Javanmard et al , 2009) . The reliability of a brand create with communicate with customers and fulfilling years of activity to act in what promises to customers and also offering top - quality goods and services , or at least desirable for customers who have been as a result of the ability and expertise of the company. This reliability is created only through repeated interactions of customer - company .If trust has lost in the company, brand will disappear too quickly. Customers trust to the brand is one of the factors affecting loyalty to the extent that many companies and service organizations has dedicated huge budget to research, track, review

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and implementation branding and brand promises because brands could be effect better on their stakeholders and customers and to interact with them (Dehdashti Shahrokh & et al,2010).

## 2. Theoretical Framework

In the modern competitive environment, a good name of brand that reflects a brand identity and reminds all functions of enterprises interact with their customers, is important. In Persian, the brand word has several translations, including the brand, the commercial brand, and its unique identity. Brand is means dignity of a company and to the phrase reputation of the organization. Placing the brand has been as a way to distinguish the goods of one manufacturer to the other manufacturers along time, while modern branding is being from the nineteenth century. Brand can be threatening legal, logo, company, identity systems, prestige, character, value-added or relationships (Konecnik & Gartner , 2007).

Brands are intangible assets of a company that create a high value for the company. Brand is considered as mutual advantage in view of supply and demand (Pike , 2009, 857). For success and increased profitability, the brand should have a positive reputation, development of brand credibility is beyond consumer satisfaction and the company will earn it during the time, it implies that how do consumers evaluate brand (Moutinho & Veloutsou , 2009, 315). Satisfied customers tend to be loyal and show supporting behavior and thus satisfaction is lead to support, customer satisfaction is a necessary condition for the survival of him/her. Although customer satisfaction does not necessarily lead survival of customer (Shu-Ching Chen, 2006). A powerful brand can gain customer confidence when purchasing goods and services and helps them to understand the intangible factors other words we can say that powerful brand is valuable asset for the company (Chen & Chang,2008). "Brand credibility", "Prestige of brand", "Loyalty ", "perceived quality", "information cost saved", "perceived risk" is considered "desire to purchase of customers". Therefore, this study seeks to answer this question that is there a significant relationship between the credibility and prestige of the brand with customers wanting to buy or not?

Research Model is taken (Baek, TH, Kim. Jooyoung & Yu,Jay.Hyunjae, 2010).

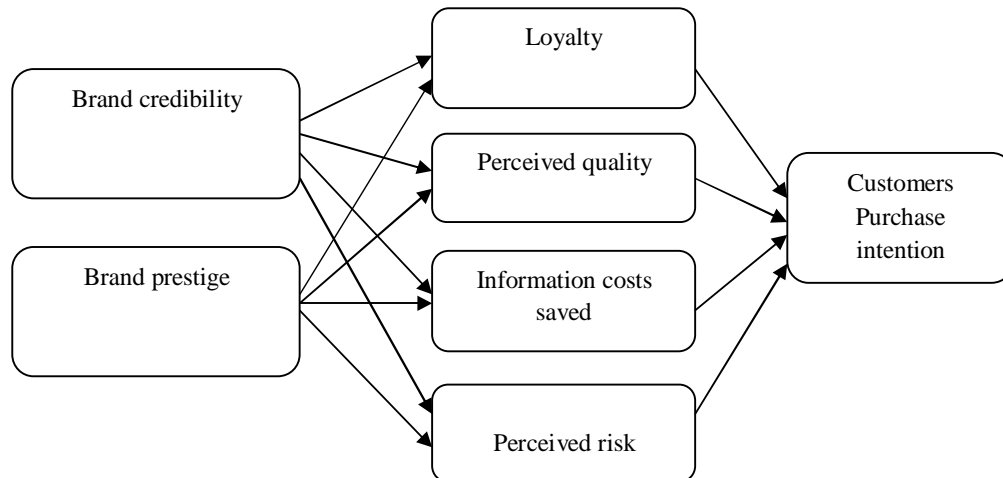


Figure 1) conceptual model of research

### 2.1. Brand Credibility

Brand Credibility is believability of product status information, which is embedded in following brand , depending on consumers' perceptions of whether the brand has the ability and willingness to continuously deliver what has been promised (Erdem & Swait, 2004) It has been well known that brand credibility consists of two main components: trustworthiness and expertise (Erdem & Swait, 1998, 2004; Erdem, Swait, & Louviere, 2002; Erdem, Swait, &

Valenzuela, 2006; Sweeney & Swait, 2008). Trustworthiness refers to the willingness of firms to deliver what they have promised. According to Sweeney and Swait (2008), brand credibility represents the summary of brand -to- consumer and consumer-to-brand communication over time because consumers can have a relationship with the brand, and the brand communicates with the consumer (Swait & Sweeney, 2008).

## **2.2. Brand Prestige**

As defined earlier, brand prestige can represent the relatively high status of product positioning associated with a brand (Steenkamp, Batra, & Alden, 2003; Truong, McColl, & Kitchen, 2009). An inherent, unique know-how, which concerns a specific attribute or the overall quality and performance of the product, is the key criterion for a brand to be judged prestigious (e.g., Dubois & Czellar, 2002). In other words, consumption of prestige brands may vary according to the susceptibility to others (Vigneron & Johnson, 1999). Wong and Zhou (2005) found that perceived brand prestige has a greater effect on purchase intention when the product category is high social display value (Zhou & Wong, 2005).

## **2.3. Loyalty**

Brand loyalty can be defining level of a positive attitude of customer to brand, his/her commitment to the brand and the intention of purchasing more in the future. Loyalty to the brand name directly is influence satisfaction or dissatisfaction that gain during time and is also affected product quality ( Hosseini , Abolfazli, Rahimi & rahimi hlry, 2009: 6). Thinking they are so loyal to the brand name: 1. are committed to the brand 2. Willing to pay more for a brand than other 3. Recommend the brand to others (Motameni & Shahrokhi, 1998).

## **2.4. Perceived quality**

Perceived quality is the consumer's perception of the overall quality or superiority of a product or service to the customer's desire to its alternatives (Hosseini , Abolfazli, Rahimi & rahimi hlry, 2009: 6). Perceived quality is including both product quality and quality of service. 1. Dimensions are: performance, component, components compatibility together, reliability, being durable, appropriateness and completeness 2. Serving sizes include: flexible, reliability, competence, understanding and empathy (Aaker, 1991).

## **2.5. Information Costs Saved**

Reduce the cost of data collection and processing, which involves spending time, money and mental ...Be (Baek & Kim & Yu, 2010).

## **2.6. Perceived Risk**

The uncertainty of consumers when they can not predict the consequences of their purchase decisions (Shiffman & Kanuk, 2003).

## **2.7. Customers' Purchase Intention**

Efforts to maintain and preserve the company's customers and the customers will continue to buy the company's products to continue, as customers tend to buy more expressed. Purchase intention refers to the probability that a customer in situation of purchase choice the specific brand from a product category, (Crosno, Freling, & Skinner, 2009). Bagozy (1992) believes that there are three types tend to buy: future oriented, present -oriented and goal -oriented (Alwitt & Pitts, 1996).

### **3. Significance of Research**

Increasing number of suppliers of dairy products is caused the variety and complexity of tend to buying by customers, in addition to the competitive market in dairy industry and many advertising dairy products has created do research about studying consumer behavior. Despite the growing recognition of the importance of brand credibility and prestige, few studies have examined how brand credibility and prestige on the willingness of customers to buy. Understanding the mechanisms of hybrid credibility and prestige of the brand tend to buy brand advertisers and marketers will be very important and effective. Baek & Kim in 2010 is done research as titled "The Differential Roles of Brand Credibility and Brand Prestige in Consumer Brand Choice", to examine how the impact of brand credibility and prestige on selected products customers and examined experimentally how the combination mechanism of the credibility and prestige of brand runs category of multiple products. Their results showed that the credibility and brand prestige goods affect positively customer choice through perceived quality, information costs saved and perceived risk and the nature of self-expression in many categories of products (Baek& Kim& Yu,2010) And in study of Baek et al did not mention the loyalty factor , but present study examine how credibility and prestige-brand goods on Purchase intention (case study dairy market in Kermanshah) and empirically examines how the mechanisms combine credibility and prestige of goods brand in multiple product group. The proposed model of structural equations modeling analysis of intangible seven variables are tested : Brand credibility, brand prestige, loyalty, perceived quality, information costs saved, perceived risk and Customers' Purchase Intention.

### **4. The Research Hypotheses**

- 1 - There is positive significant relationship between brand credibility with loyalty.
- 2 - There is positive significant relationship between brand credibility with perceived quality.
- 3 - There is positive significant relationship between brand credibility with the information costs saved.
- 4- There is negative significant relationship between brand credibility with perceived risk.
- 5- There is positive significant relationship between brand prestige with loyalty.
- 6 - There is positive significant relationship between brand prestige with perceived quality.
- 7 - There is positive significant relationship between brand prestige with the information costs saved.
- 8 - There is negative significant relationship between brand prestige with perceived risk.
- 9 - There is positive significant relationship between loyalty with customers Purchase intention.
- 10 -There is positive significant relationship between perceived quality with customers Purchase intention.
- 11 - There is positive significant relationship between the information costs saved with customers Purchase intention.
- 12 - There is negative significant relationship between perceived risk with customers Purchase intention.

### **5. Research Method**

The purpose of this study is based on applied research and research method is descriptive - analytical of the type of correlation. This is the type of field research. Statistical society was the consumers who consume dairy products in Kermanshah province in the first half of 2012. Sample statistical is 200 consumers from two plants in Kermanshah. A research tool is questionnaire. Questionnaire of present study has validated because credibility or validity of the tool have confirmed by professors and experts. Reliability of the questionnaire calculated by using Cronbach's alpha that Cronbach's alpha coefficient is obtained higher than 74%. Thus questionnaire is reliable.

## 6. Data Analysis

Table 1) Results of the Pearson correlation test of hypotheses

<i>Hypotheses</i>	<i>Number</i>	<i>Pearson correlation</i>	<i>sig</i>
There is positive significant relationship between brand credibility with loyalty.	200	0.233	0.00
There is positive significant relationship between brand credibility with perceived quality.	200	0.330	0.00
There is positive significant relationship between brand credibility with the information costs saved.	200	0.270	0.00
There is negative significant relationship between brand credibility with perceived risk.	200	-0.361	0.00
There is positive significant relationship between brand prestige with loyalty.	200	0.254	0.00
There is positive significant relationship between brand prestige with perceived quality.	200	0.287	0.00
There is positive significant relationship between brand prestige with the information costs saved.	200	0.291	0.00
There is negative significant relationship between brand prestige with perceived risk.	200	-0.309	0.00
There is positive significant relationship between loyalty with customers Purchase intention.	200	0.152	0.00
There is positive significant relationship between perceived quality with customers Purchase intention.	200	0.293	0.00
There is positive significant relationship between the information costs saved with customers Purchase intention.	200	0.424	0.00
There is negative significant relationship between perceived risk with customers Purchase intention.	200	-0.506	0.00

The first hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence there is the positive significant relationship between brand credibility with loyalty is significant. Also, the correlation between brand credibility with loyalty is 23.3 percent which shows the direct relationship between the variables.

The Second hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence there is the positive significant relationship between brand credibility with perceived quality is significant. Also, the correlation between brand credibility with perceived quality is 33 percent which shows the direct relationship between the variables.

The third hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence there is the positive significant relationship between brand credibility with the information costs saved is significant. Also, the correlation between brand credibility with the information costs saved is 27 percent which shows the direct relationship between the variables.

The forth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence there is the negative significant relationship between

brand credibility with perceived risk is significant. Also, the correlation between brand credibility with perceived risk is -36.1 percent which shows the indirect relationship between the variables.

The fifth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence there is the positive significant relationship between brand prestige with loyalty is significant. Also, the correlation between brand prestige with loyalty is 25.4 percent which shows the direct relationship between the variables.

The sixth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence there is the positive significant relationship between brand prestige with perceived quality is significant. Also, the correlation between brand prestige with perceived quality is 28.7 percent which shows the direct relationship between the variables.

The seventh hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence there is the positive significant relationship between brand prestige with the information costs saved is significant. Also, the correlation between brand prestige with the information costs saved is 29.1 percent which shows the direct relationship between the variables.

The eighth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence there is the negative significant relationship between brand prestige with perceived risk is significant. Also, the correlation between brand prestige with perceived risk is -30.9 percent which shows the indirect relationship between the variables.

The ninth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence there is the positive significant relationship between loyalty with customers Purchase intention is significant. Also, the correlation between loyalty with customers Purchase intention is 15.2 percent which shows the direct relationship between the variables.

The tenth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the positive significant relationship between perceived quality with customers Purchase intention is significant. Also, the correlation between perceived quality with customers Purchase intention is 29.3 percent which shows the direct relationship between the variables.

The Eleventh hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence there is the positive significant relationship between the information costs saved with customers Purchase intention is significant. Also, the correlation between the information costs saved with customers Purchase intention is 42.4 percent which shows the direct relationship between the variables.

The Twelfth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence there is the negative significant relationship between perceived risk with customers Purchase intention is significant. Also, the correlation between perceived risk with customers purchase intention is -50.6 percent which shows the indirect relationship between the variables.

## **7. Conclusions and Recommendations**

Results obtained of the study show that Brand credibility affects positively on loyalty, perceived quality and saving the cost information but it has a negative impact on perceived risk. Of course each of the four variables increases purchase intention. More importantly, it was found that prestige brand through loyalty, perceived quality, perceived risk and saving information cost has the positive impact on purchase intention. Despite being believable theory, the relationship between brand prestige and results obtained are studied rarely in articles related to marketing and consumer behavior. The results suggest that the brand prestige probably is as a symbolic sign in positioning the brand for consumers who want to increase their image and social image. For example (Bhat & Reddy, 1998) said that a symbolic brand can be positioning by motivation of consumers satisfaction about expressed the character or prestige. In the present study are discussed mechanism impact of brand credibility and brand prestige on Purchase intention in dairy products.

High prestige of brand is related to a lot of credibility of brand. However note that a lot of brand credibility isn't necessarily reflecting high brand's prestige. Results obtained of this study indicate that both brand credibility and brand prestige in the customer decision making process are important on brand of dairy products. About management, research findings is related to positioning brand by using advertising because provide Better understanding of brand credibility and brand prestige of brand in the selection process by customer. Overall this research shows that advertisers and marketers of dairy products category possibly will benefit positioning a brand as credibility for it in addition to the advertising message.

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