Customers’ Brand Purchase Intention in Emerging Markets: The Influence of Brand Credibility on Consumers’ Brand Awareness and Brand Preferences

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Summary: A brand is comprised of a name, term, sign, or symbol, or any combination of these, that attempts to represent the unique benefits a company can provide to consumers through a specific product or service, in terms of attributes, value, and culture, through a particular product or service (Kotler, 1997). According to Kellar (2008), one of the most important roles played by a brand is that it allows consumers to recognize a company’s products/services and distinguish them from those of competitors. Indeed, consumers are confronted with an ever-increasing variety of products on the market, while businesses always have a better understanding of their products than the general public. When consumers make a purchase, this asymmetric information availability may cause them to be confused or uncertain about what they are purchasing. In such cases, brands can serve as symbols or signals for the positioning of specific products (Erdem & Swait, 2004; Wernerfelt, 1988). The credibility of a brand is an important factor in determining its positioning. The term “source credibility” refers to the literature on the subject of credibility. For example, Ohanian (1990) develops a source credibility scale for celebrity endorsers, which can be used to assess their reliability. In cases where source credibility is associated with brands, or when we refer to brands as our sources, the credibility concept is referred to as “brand credibility.” According to previous research, there are three components of credibility: trustworthiness, expertise, and attractiveness/likeableness (or both) (Erdem & Swait, 2004; Keller, 2003). In consumer behavior research, brand credibility is defined as the cumulative effects of a company’s past marketing activities. Brand credibility can influence consumers’ future brand consideration (Erdem, Swait, and Louviere, 2002), making it an important factor to consider.

Only a handful of studies, on the other hand, have looked into the relationship between brand credibility and consumers’ intention to purchase a particular brand. For example, Erdem and Swait (2004) discovered that brand credibility can increase the likelihood that consumers will include a brand in their consideration set when making a purchase decision. However, the brand credibility measured in their study consists solely of trustworthiness and expertise, and does not include attractiveness or likeableness. As a result, the study’s findings may be incomplete in terms of obtaining a complete picture of the effect of brand credibility on consumers’ brand consideration. As a result, the purpose of this study is to examine the relationship between consumers’ brand purchase intention and each of the three components of the brand credibility construct. The purpose of this study is to investigate the relationship between brand credibility and brand purchase intention from the important brand equity perspective, while also taking brand awareness and brand image into account.

Furthermore, the automobile industry in China serves as the backdrop for this research. The establishment of the open-door policy in China has resulted in a slew of well-known foreign automobile companies — including Volkswagen, General Motors, and Toyota — establishing joint ventures (hereinafter JVs) with Chinese local automobile companies since the policy’s inception. For the first time, foreign-branded automobiles account for nearly 70% of the domestic automobile market. The majority of foreign partners for joint venture brands in China are from Germany, the United States, and Japan, among other countries. Additionally, in the post hoc analysis, this study investigates whether the relationship between brand credibility, brand awareness, and consumers’ brand purchase intention varies for the three types of joint venture brands (Sino-German JVs, Sino-American JVs, and Sino-Japanese JVs). Specifically, the objectives of this study are to investigate the effect of brand credibility on consumers’ brand purchase intention; second, to investigate the moderating role of brand awareness and brand image on consumers’ brand purchase intention; and third, to determine whether there is a difference between the three types of joint venture brands in terms of brand credibility, brand awareness, brand image, and consumer purchase intention.
brand image, and brand purchase intention (i.e., Sino-German JVs, Sino-American JVs, and Sino-Japanese JVs). The following section of this study will elaborate on relevant conceptual background and further develop initial hypotheses, which will be presented in the following section. This study, in particular, has the potential to make three significant contributions to the field of branding literature. For starters, we want to look into the relationship between brand credibility and purchase intention while also taking into account the moderating effects of brand image and brand awareness, whereas Erdem and Swait’s (2004) study only looks into the relationship between brand credibility and brand consideration. Second, we extend Erdem and Swait’s (2004) brand credibility scale (i.e., expertise and trustworthiness) by including a third dimension of “attractiveness/likeability,” because people make their own judgments about brand names, logos, and symbols based on their aesthetic and psychological perceptions (Keller, 2008). Third, as previously stated, the context of this study is the Chinese Mainland, which is a large emerging economy; as a result, if our findings are replicated successfully, our findings can be applied to other developing countries or regions.

2. Conceptual background and development of the hypothesis

2.1 Brand credibility

As defined by Ohanian (1990), source credibility can be defined as denoting a sender’s positive characteristics that have an impact on the message acceptance of a recipient, or the believability of an entity’s intentions (Erdem & Swait, 2004). According to extensive prior research (Hovland et al., 1953; Keller & Aaker, 1998), source credibility is comprised of three components: trustworthiness, expertise, and attractiveness/likeability of the source. In this case, brand credibility refers to the trustworthiness of the product information embodied in the brand, and it has been proposed that it contains three elements: trustworthiness, expertise, and attractiveness/likeability (see Figure 1). (Hovland et al., 1953; Keller & Aaker, 1998; Sternthal & Craig, 1982).

As a result, we hypothesize that: H1: Consumers’ brand purchase intention is likely to be positively influenced by their perception of the brand’s credibility.

2.2 Brand Awareness

Brand awareness is comprised of two components: brand recognition and brand recall performance (also known as brand recall performance) (Keller, 1993). Brand recognition is defined as the ability of consumers to confirm their prior exposure to a brand when the brand is presented as a cue; brand recall is defined as the ability of consumers to retrieve the brand from memory when the product category is presented as a cue; both terms are used interchangeably (Keller, 1993). It is possible for a brand to be credible (i.e., to possess expertise, trustworthiness, and attractiveness/likeability) while also having a low level of brand awareness at the same time. So we postulate: H2: The effect of brand credibility on consumers’ purchase intention tends to be larger when the brand’s awareness is high than when it is low, according to our research.

2.3 Brand Image

Brand image is defined as the collection of brand associations that consumers associate with a particular brand in their minds (Keller, 1993). The strength, favorability, and uniqueness of brand associations are all characteristics of a company’s brand image. Through the linking of product information to the brand nodes that already exist in consumers’ memories, brand associations reflect the meanings of brands to consumers, indicating product benefits and summary evaluations of brands (Keller, 2008). Furthermore, brand image has the potential to influence consumers’ purchase intentions (Esch et al., 2006). It has been discovered that having a strong, favorable, and distinctive brand image is positively related to being willing to pay higher prices and having greater brand equity (Faircloth, Capella, & Alford, 2001; Lasser, Mittal, & Sharma, 1995). A brand’s expertise, trustworthiness, and attractiveness/likeability are all likely to be present, despite the fact that its brand image is not as strong, favorable, or distinctive as it could be. Instead, it is possible that consumers are purchasing the brand image associated with consuming a specific brand, such as a Louis Vuitton handbag, in order for the brand to become an extension of the individual’s self-image and to help to enhance self-esteem (Zhou & Bellk, 2004).

As a result, we hypothesize that: H3: When consumers perceive a brand’s image as stronger, more favorable, and more unique, the effect of brand credibility on their brand purchase intention is larger than when they believe a brand’s image is less strong, less favorable, and less unique, according to the research.

3. Methodology

The questionnaire is divided into two sections. It is divided into two parts: the first evaluates five factors (brand credibility, brand awareness, brand image, brand value, and consumers’ brand purchase intention), and the second collects demographic information about respondents. The questionnaire is written in English at first, and then it is translated into Chinese and back into English until an acceptable level of translation accuracy is achieved.

4. Research Importance

This study has several important managerial implications for joint ventures in China, which are discussed further below. General implications are that, while having strong brand credibility is essential, automobile companies must work hard to build strong brand awareness and a positive brand image in order to increase the effect of brand credibility on consumers’ brand purchase intentions and thus differentiate themselves from the plethora of other brands available on the market. Furthermore, the managerial implications, which are primarily comprised of four significant points, should also be discussed in detail. Building and maintaining credibility of their brands is the first and most important step for joint ventures (JVs) in order to achieve favorable responses from consumers.
Expertise, dependability, and attractiveness are all attributes that can be used to establish brand credibility with customers. Joint ventures in China must assess their own strengths and weaknesses in terms of these three elements, and then devise appropriate strategies for gaining competitive advantages in terms of brand credibility.

Brand awareness serves as a moderating factor between brand credibility and brand purchase intention, indicating that in order to be successful, automobile joint ventures in China, particularly those involving foreign partners from the United States or Japan, must make their brands highly visible in consumers’ minds in order to increase the effect of brand credibility on consumer purchase intention. One widely used strategy is the use of repetitive advertisements, which allows joint ventures to improve brand recall performance by increasing brand recall frequency.

A significant moderator of the relationship between brand credibility and brand purchase intention is discovered in the third study. This finding reveals that consumers place greater emphasis not only on brand credibility, but also on how a brand appears to be perceived by others. As a result, it is desirable for joint ventures (JVs) in China to establish strong, favorable, and distinctive brand associations in the minds of their target consumers in order to increase the impact of brand credibility on purchase intent. Besides company marketing activities aimed at improving brand image, other methods for enhancing brand image could include direct experiences, information from other commercial sources, and public relations (Keller, 2008).

Finally, as globalization progresses and competition in emerging markets heats up, it is increasingly important for multinational corporations to gain an understanding of local consumers’ perceptions of their brand. Multinationals should also be aware of the credibility, awareness, and image of their brands at the local level, as well as at the global level. Despite the fact that managers may put forth significant effort, gaining accurate local marketing knowledge remains a significant challenge for any multinational operating in a developing market.

References: