CORPORATE CREDIBILITY EFFECTS ON YEMENI MALES' CONSUMER'S ATTITUDE TOWARDS ADVERTISEMENT AND PURCHASE INTENTION

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Abstract

An endorser or a spokesperson is frequently used by marketers in their product advertisements as a credible source that is hoped to influence the attitude of consumers in the marketplace toward the shown advertisement, the brand and most importantly their purchase intentions. Corporate credibility (C/C) – the reputation of a company for honesty and expertise is another type of source credibility that is said to influence consumers' reaction to the shown product advertisements and shape their attitudes to brands. Previous studies have confirmed that corporate credibility (C/C) has relationship with attitude towards advertising (Aad) and purchase intention (PI), Golsmith et al., (2000; 2002). The present study assessed the impact of corporate credibility (C/C) on consumers' attitude towards advertisement (Aad) and consumer's purchase intention (PI). We surveyed 400 male consumers who viewed a real advertisement for a projeh product company and measured their attitude toward the shown advertisement (Aad) and their purchase intention (PI). They were also asked to rate the credibility of the corporation. The study found that only the trustworthiness component of (C/C) was significant in its relations to (Aad) and (PI). The present study found that attitude towards advertisement is positively and significantly effects purchase intention.

Keywords: Corporate credibility, Attitude, advertisement, Purchase intention, Consumers, Yemen

INTRODUCTION

Corporate credibility (C/C) is one important stimulus that marketers use to build and enhance consumer's attitude toward an advertisement (Aad), their attitude towards brand (Ab), and their purchase intention (PI). Reason being - the reputation of a firm is often cited as an important ingredient in a firm's success. Fombrun (1998) defines corporate reputation as a perceptual representation of a company's past actions and future prospects that are an aggregate of many personal judgments about the company. Of which, corporate credibility was incorporated by Fombrun as one important component of this corporate reputation.

In this context, company's credibility is defined as the degree to which consumers, investors and other constituents believe in the company's trustworthiness and expertise (Goldsmith et al., 2000). In short, corporate credibility is the believability of the current intention that enhances the reputation of the company which is based on the sum of its past behaviors (historical). The credibility of a firm increases if its actions agree with its statements and its credibility decreases if its actions and pronouncements are inconsistent. Note that positive and negative credibility are all relative; a competing firm may view a drop in price as a negative while consumers may view it as a positive (Paul et al., 1993).

Using a select Yemeni advertisement shown to a group of Yemeni males' consumers, this study attempts to investigate the relationships of (C/C-Aad), (C/C-PI) and (Ab-PI), following previous studies done in the topic (i.e., Goldsmith et al., 2000; 2002).

Print Advertising in Yemen

According to Sallam et al, (2012) mentioned that Print advertising practice in Yemen actually started during the Ottoman Empire in 1918 in a local newspaper called Sana'a. The advertisements at that time covered only foreign products from England and Germany. Local products were rare and so were their advertisements. Some local advertisements were about house and shop rentals as well as advertisements linked to social activities. Today, the number of advertisements has increased and new and modern advertising techniques are flourishing. Yemen marketers are now using the media to sell and promote their products - i.e. from tangible to intangible products. Although print advertising is still popularly being used, studies focusing on them and their effect on consumers' behavioural purchase processes are scarce. To date, only two local studies were found focusing on the topic of advertising on Yemeni consumers' behaviour. However, both studies were on TV advertising. The scarcity of advertising related studies may also be due to what has been decided previously about budget limitations that firms have and on the fact that Yemeni consumers can be irrational and they do not think about the purchase they make (Sallam, 2012).

Conceptual Framework

Figure 1: Theoretical Framework
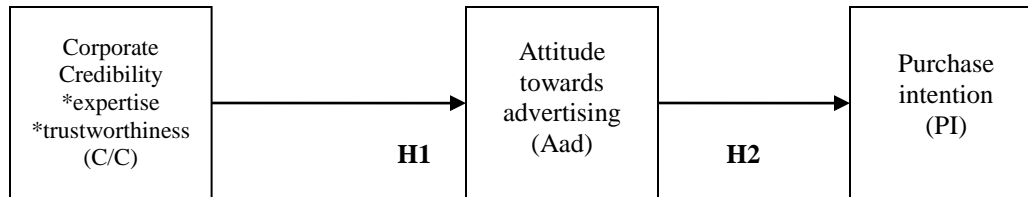
LITERATURE REVIEW

Many studies considered corporate credibility (C/C) as antecedent of attitude towards advertisement (Aad) and attitude towards brand (Ab), also, (Aad) considered as the main input of attitude towards brand (Ab) and they found out that the relationship was strong and direct between these two variables (e.g., Gardner, 1985; Gresham, 1985). We will refer to relationship between (C/C - Aad), (C/C - Ab) and (Aad-Ab) when (PAB) is tested and the following sections will discuss these variables:

Corporate credibility and Attitude towards Advertisement

According to Yoon et al., (1998) source credibility can be conceptualized as a "weight" that can enhance the value of information in a message. Many studies seemed to support the notion that source credibility (e.g. a highly credible communication source is more effective than a less credible source) can cause positive attitude change and behavioral intentions of consumers.

Corporate credibility (C/C), as one of the type of source credibility has been cited as the central link between a firm's behavior and public confidence, displaying the gap between what consumers expect and what they get from the product/service delivery (Greyser, 1999). 'Expertise' and 'trustworthiness' have been used as the basis to measure both corporate and endorser's credibility (note: 'attractiveness' has been added as a component in endorser's credibility as well) (Ohanian, 1990; Goldsmith et al., 2000).

In the area of advertising, (C/C) is seen as the extent of which consumers believe a firm can design and deliver products and services that satisfy their needs and wants (Goldsmith et al., 2000). It has been shown to have a positive and significant effect on consumers' attitude toward advertising (Aad) (e.g., Goldsmith et al., 1999; 2000; 2001; 2002; Goldberg et al., 1990) and on attitude toward brand (Ab) (e.g., Goldsmith et al., 2000; 2002).

The literature defines attitude toward advertisement (Aad) as "a predisposition to respond in a favourable or unfavourable manner to a particular advertising stimulus during a particular exposure situation" (Mackenzie, Lutz & Belch, 1986). At times one's attitude toward an object can affect his/her attitude toward another object with which it is associated (Hoyer et al., 1997). In other words, a consumer's liking of an ad may be eventually transferred to the brand potrayed in the advertisement. Thus, (Aad) plays an important role in affecting the consumer's purchase intention in either direct and/or indirect ways.

Purchase Intention (PI) refers to the predisposition to buy a certain brand or product (Belch et al., 2004). PI also indicates how likely it is that the individual would purchase a product (Phelps & Hoy, 1996). Many previous studies have used PI as a dependent variable (Goldsmith et al., 2000; Yi, 1990; Machleit & Wilson, 1988). Previous studies explored that (C/C) had direct effect of (PI), (Goldsmith et al., 2000; 2002).

Attitude toward advertisement and Purchase Intention

The consumer, who is effectively affected by advertising, may form a positive (Aad) that may then influence the consumer's (PI). Few studies as (e.g., Goldsmith et al., 2000; 2002; Sallam et al., 2012) found a direct relationship between (Aad) and (PI) for familiar and unfamiliar brands. This relationship appears when affective responses are evoked, especially under conditions of low involvement.

An indirect relationship between (Aad) and (PI) through (Ab) may also happen, especially when the consumer develops a positive (Aad) which leads him or her to form (Ab) and then starting to build a positive (PI), (Shimp & Gresham, 1985; Mackenzie, Lutz & Belch, 1986; Yoon et al., 1998). The direct effect of (Aad) on (PI) is further supported by many studies conducted previously found positive effects of (Aad) on (PI) when familiar and unfamiliar brands are tested.

Phelps & Hoy (1996) in their study found out there is a significant effect of (Aad) on (PI) for both familiar and unfamiliar brands. Sallam et al., (2012), in their study, found out that (Aad) had an effect on (PI) when Product Novelty was included as a moderating variable. However, Shimp & Gresham (1985) found out that (Aad) had both the direct effect on (PI) and the indirect effect through (Ab). In addition, Homer (1990) also found out that (Aad) had an effect on (PI).

Hypotheses

Hypotheses - C/C Relationship with Aad

Previous studies indicate that when consumers are familiar with a corporation, they have already developed some perception about the credibility of that company. The familiar company

is seen as a "representative of an accumulation of both information and experience acquired over time" and the process by which attitude toward the advertiser affects attitude toward the advertisement. As such, corporate credibility (C/C) has a direct relationship with attitude toward advertising (Aad) (Goldsmith et al., 2000). Following this, the study hypothesized that corporate credibility (C/C) (with expertise and trustworthiness as its components) has a direct relationship with (Aad).

H1: Corporate credibility (C/C) has a direct, positive relationship with attitude toward advertising (Aad)

H1.1: Corporate credibility's (C/C) expertise has a direct, positive relationship with attitude towards advertisement (Aad).

H1.2: Corporate credibility's (C/C) trustworthiness has a direct, positive relationship with attitude towards advertisement (Aad).

Hypotheses - Aad Relationship with PI

A consumer, who is effectively affected by advertising, may form positive attitude toward an advertisement (Aad) that may then influence the consumer's purchase intention (PI) directly. There is supposedly a direct relationship between (Aad) and (PI), (Goldsmith et al., 2000). For example, Cox et al., (1987) found out that (Aad) is directly related to (PI) for both, familiar and unfamiliar products. Goldsmith et al., (2000) whose study on unfamiliar products also proved this relationship. The present study therefore hypothesizes that:

H2: There is a positive and direct relationship between attitude toward advertisement (Aad) and purchase intention (PI).

METHODOLOGY

Yemeni male consumers who act as users of projeh product were considered the population for this study. However, since this will include thousands of them, only men from Taiz city in Yemen, who used and wearing projeh were selected as samples. These men were invited to a showing of an advertisement and then were asked to fill in a survey questionnaire. A five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree were used to measure responses for all (C/C) and (PI) variables in the study.

To measure (C/C), Newell and Goldsmith's (2001) instrumentation were closely followed although there were items on which were developed specifically to suit the study's objectives. Corporate credibility (C/C) was initially proposed as two-dimensional; i.e. expertise (3 items) and trustworthiness (4 items). This study however enlisted 4 items to be measured for expertise

dimension (3 from Newell and Goldsmith (2001), 1 self-developed) and 6 items for trustworthiness (4 from Newell and Goldsmith (2001), 2 self-developed). For (Aad), the study adapted Goldsmith et al.,'s (1999; 2002) instruments.

ANALYSIS AND RESULTS

Of the total 400 respondents surveyed, all of them use cover head product Projeh, most of them were found to be married (78 percent). The majority of the respondents are aged over 25 years (80 %). In addition, the most of them have first degree (97 %). However, approximately 87 % of them admitted their concern about the brand of cover head that they used in their wearing.

Multiple Regression Analysis

The multiple regression analysis is the statistical technique used to analyze the relationship between a single dependent (criterion) variable and several independent (predictor) variables (Hair et al., 1998). In order to test the hypothesis, the multiple regression analysis was used to find the variance of purchase intention that is explained by the two constructs of main interest in this study, namely, expertise and trustworthiness within corporate credibility (C/C) variable. It was also used to test the impact of (C/C) on attitude towards advertisement (Aad) and attitude towards brand (Ab) as well as to compare the difference of impact between dimensions of corporate credibility on attitude towards advertising (Aad) and attitude towards brand (Ab). The results of this analysis provide answers for the hypotheses tested in this study.

C/C – Aad relationship

Table 1: H1 - The effect of corporate credibility (C/C) – i.e. expertise, trustworthiness, on Aad

Attitude toward Advertisement	Beta	t-test	Sig	VIF	tolerance
Corporate Expertise	.16*	3.0	.03	1.6	.6
Corporate Trustworthiness	.14*	2.4	.02	1.8	.53
R^2	.39				
Adjusted R Square	.38				
F Value	59.4**				

Note: ** $p<0.01$, * $p<0.05$

From these results shown in Table 1, it was found that the two dimensions of (C/C) explained 0.39 of the variance in (Aad) ($R^2 =.39$). The two dimensions of corporate credibility (C/C) was found to be positively and significantly associated with (Aad), expertise ($\beta = 0.16$, P>0, 05), has positive effect on (Aad) and also trustworthiness has positive effect on (Aad) ($\beta = .14$, P<0, 05).

These results indicate that H1 is accepted. (i.e. H1.1 (expertise) and H1.2 (trustworthiness) were accepted.

Simple Regression Analysis

The simple regression analysis is the statistical technique used to analyze the relationship between a single dependent (criterion) variable and single independent (predictor) variables.

In order to test the first hypothesis (H2), the simple regression analysis was used to find the effect of (Aad) on (Ab). The results of this analysis provide answers for the hypotheses tested in present study in next table as follows.

(Aad) - (Ab) relationship

Table 2: H2 - The effect of attitude towards advertisement (Aab) on attitude towards brand (Ab)

Attitude toward Brand	Beta	t-test	Sig	VIF	tolerance
Attitude toward Advertisement	.53**	12.0	.000	1.000	1.000
R^2	.28				
Adjusted R Square	.27				
F Value	142.9**				

Note: ** $p < 0.01$

Results explored that (Aad) explained (.28) of the variance in (Ab) (R^2=.28). The variable of (Aad) was found positively and significantly associated with (Ab) as (β=.53, $p<0.01$), it is obvious then that hypothesis (H2) is accepted.

DISCUSSION AND IMPLICATIONS

The objective of this study as stated earlier is to investigate the (C/C) relationship with (Aad) and (PI). The study found that in terms of (C/C-Aad) relationship, the first component, corporate expertise was found to have a negative effect, while the second component of (C/C) i.e. trustworthiness has a significant effect on (Aad). This result seems to disagree with previous studies' results. For example, Goldsmith et al., (2000; 2002) found both components to be significant on (Aad) and (PI). This implies that the company's expertise is not important to build Yemeni consumers' attitude towards advertisement compared to the trustworthiness of the company. This may be due to the low level of cultural consummation and loyalty toward the national companies. In addition, they do not have much information about the company's expertise which reflect that the companies do not give consumers much information through

advertisements about their expertise which is related to the products and also do not focus on that in their advertisement.

In terms of the effect of corporate credibility (C/C) on purchase intention (PI) – (H2), the study found that corporate expertise has a negative effect on (PI), while corporate trustworthiness has a significant effect on (PI) as revealed in Table 3. This result conflicts with the results of the studies conducted by Goldsmith et al., (1999; 2000; 2001; 2002) which indicate that the two dimensions of corporate credibility (C/C) have a significant effect on (PI). These results may reflect that the Yemeni consumers either do not believe that the company has expertise although they trust it, or they only believe in its trustworthiness. Relating it to the Yemeni's people culture and marketplace, it is believed it is not that they do not believe on the company's expertise rather that they do not have enough information about local firm's expertise to evaluate on. The confliction in result may also reflect Yemeni consumers' behavior of consuming products that is "random" in nature, i.e. they did not organize or plan their purchase. In addition, the result may also be due to the type of product used in the advertisement of this study. Projeh product is considered a local product produced by a local company whereas other previous studies (e.g., Goldsmith et al., 2000) used globally known product like the oil produced by a multinational company (Mobil) which has earned a high positioning (highly credible) in the marketplace.

To sum up, of the two dimensions of C/C, only trustworthiness is significant in all C/C relations with the other variables (i.e. Aad and PI).

In terms of (Aad) - (PI) relationship, the present study found positive and significant effect of (Aad) on (PI), and this agrees with Goldsmith et al., (2000; 2002) and reflect the important role of consumer's (Aad) to form his/her (PI).

CONCLUSIONS

This study has undertaken an in-depth review of endorser credibility (C/C) and its effect on (Aad) and (PI). The findings provide an understanding of Yemeni's consumer behavior and thus gave practitioners some ideas in understanding how to use the corporate credibility factor to enhance the consumers' attitude towards advertisement (Aad) and their purchase intention (PI). It is hoped that the study can provide insights for further research in this area and help policy makers of companies to employ the implementation of the role of corporate credibility as it is found to be the main driver of consumer behavior in marketing. However, the limitations of the study need to be noted. For instance, using a sample size of only 400 Taiz male consumers means that the results cannot be generalized for all Yemeni consumers. And that collecting data at only one point in time knowing that source credibility is based on long-term marketing

strategies that needs time to be built and to be nurtured points to the more appropriately used longitudinal approach study in order to cope with the long-time nature of the marketing strategies investigated in this study.

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