

A study to detect important factors influencing purchasing product: A case study of home appliances

Amir Ghafurian Shagerdi^a, Koorosh Kohyari Haghghat^{b*}, Amin Kohyari Haghghat^c and Amin Otoofi^c

^aDepartment of Management and Accounting, International University of Imam Reza, Mashhad, Iran

^bDepartment of Management and Accounting, Allameh Tabataba'i University, Tehran, Iran

^cDepartment of Management and Accounting, Allameh Tabataba'i University, Tehran, Iran

CHRONICLE

Article history:

Received January 30, 2013

Received in revised format

20 May 2013

Accepted May 28 2013

Available online

May 29 2013

Keywords:

Purchase intention

Brand trust

Brand familiarity

Perceived value

Perceived risk

ABSTRACT

Home appliances are among basic requirements of anyone in the world and it is always important to find out about factors influencing this industry. Therefore, the purpose of this study is to provide a comprehensive model to detect major factors influencing on consumer purchasing intention. For this purpose, the proposed study designs a questionnaire and distributes it among 400 customers who have some experiences on purchasing home appliances in city of Tehran, Iran, recently. Cronbach alpha was calculated for all components of the survey and they were all well above the minimum acceptable level. We analyzed the data using structural equation modeling via LISREL and the results of this survey show that brand familiarity, brand trust, and perceived value have significant positive effects on consumers purchase intention.

© 2013 Growing Science Ltd. All rights reserved.

1. Introduction

Home appliances are among basic requirements of anyone in the world and it is always important to find out about factors influencing this industry (Peter & Tarpey 1975; Grönroos, 1997; Sheth et al., 1991; Sweeney & Soutar, 2001). Ahmed and d'Astous (1996), for instance performed a survey on producers' country of origin as an influencing factor and reported that the combined effects of country of design and country of assembly cues had a stronger effect than brand name on consumer evaluation of quality and purchase value of automobiles on some goods like VCRs and shoes. In their survey, magnitude of a priori cue differentiation played a strong role in product evaluation and country-of-origin cues was considerably modified when a consumer was provided with additional product-related information. Ahmed and d'Astous (2008) performed another investigation on country of origin and concluded that this is an important issue on purchasing products and services.

*Corresponding author. Tel:+989199962757

E-mail addresses: koorosh.haghghat@gmail.com (K. Kohyari Haghghat)

Babin et al. (1994) explained the development of a scale measuring both values obtained from the pervasive consumption experience of shopping. They developed and validated the scale using a multistep process and the results demonstrated that distinct hedonic and utilitarian shopping value dimensions existed and were associated with a number of important consumption variables. Campbell and Keller (2003) explained based on television ads and computer Internet ads that brand familiarity could impact repetition effectiveness. More specifically, repetition of advertising attributed to an unfamiliar brand demonstrated decreased effectiveness; when the same advertising was attributed to a known, familiar brand, repetition wearout was put off.

Viot (2012) demonstrated that consumers' expertise of a product affects the number of attributes considered as vital, the importance given to the attributes as well as the size and the content of the consideration set (CS). The study stated that the attributes considered as important by the novices differ from those considered important by the experts. Chen and Barnes (2007) examined consumers' online initial trust by implementing four major groups of determinants including perceived technology, perceived risk, company competency, and trust propensity. They also investigated the effects of both online initial trust and familiarity with online purchasing on purchase intention. The study was statistically examined based on the web sites of four online bookstores in Taiwan. They reported that perceived usefulness, perceived security, perceived privacy, perceived good reputation, and willingness to customize were the important antecedents to online initial trust.

Chu and Li (2008) performed a study of the impact of risk-reduction strategies on purchase intentions in online shopping. Edward and Sahadev (2011) investigated the role of switching costs in the service quality, perceived value, customer satisfaction and customer retention linkage. Ha and Jang (2010) considered perceived values, satisfaction, and behavioral intentions by looking at the effects of familiarity in Korean restaurants. Vida and Reardon (2008) concentrated on consumer choice behavior in the context of a new European Union (EU) member state by studying cognitive, affective and normative mechanisms in consumer preference formation for domestic vs imported products. The results confirmed the role of patriotism and cosmopolitanism as factors fuelling ethnocentric tendencies.

Kim et al. (2008) demonstrated that Internet consumers' trust and perceived risk had strong effects on their purchasing decisions. Consumer disposition to trust, reputation, privacy concerns, security concerns, the information quality of the Website, and the company's reputation, had strong impacts on Internet consumers' trust in the Website. Kuo (2009) investigated the relationships among service quality, perceived value, customer satisfaction, and post-purchase intention in mobile value-added services. They reported that service quality positively influenced both perceived value and customer satisfaction and perceived value positively impacted on both customer satisfaction and post-purchase intention.

Radder and Huang (2008) determined the brand awareness of high- and low-involvement products among Black and non-Black students enrolled at a South African university. Laroche et al. (1996) investigated brand familiarity and confidence as determinants of purchase intention in an empirical study in a multiple brand context. Kimpakorn and Tocquer (2010) performed an empirical investigation on service brand equity and employee brand commitment. Sääksjärvi and Lampinen (2005) investigated consumer perceived risk in successive product generations. Samadi and Nejadi, (2009) performed a survey of the impact of consumers' perceived risk on purchase intention in E-Shopping. Tsai (2005) presented a comprehensive model of brand purchase value by considering utility, cultural symbolism and emotion.

This paper provides a comprehensive model to detect major factors influencing on consumer purchasing intention.

2. The proposed study

In this paper, we present a study to detect important factors impacting consumer purchasing intention. The proposed study uses the following framework to examine different hypotheses

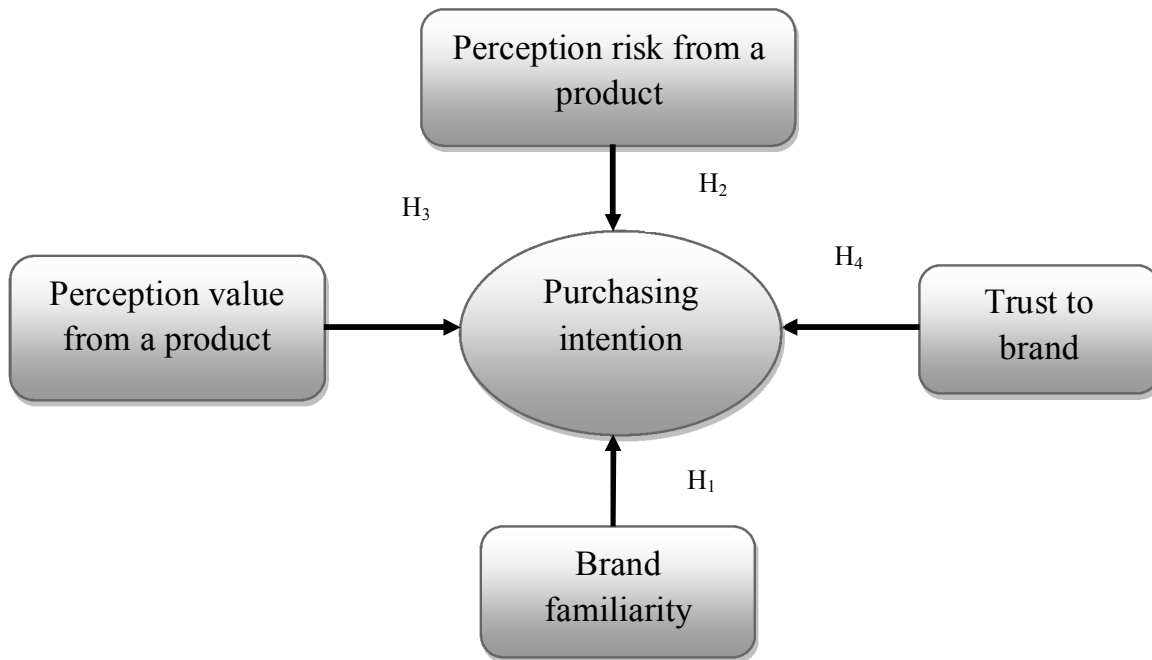


Fig. 1. The proposed study

As we can observe from Fig. 1, the proposed study of this paper considers the effects of four variables on purchasing intention. The sample size is calculated as follows,

$$N = Z_{\alpha/2}^2 \frac{p \times q}{e^2}, \quad (1)$$

where N is the sample size, $p = 1 - q$ represents the probability, $z_{\alpha/2}$ is CDF of normal distribution and finally ε is the error term. For our study we assume $p = 0.5$, $z_{\alpha/2} = 1.96$ and $e = 0.99$, the number of sample size is calculated as $N = 384$. The proposed study selects 400 customers who made some purchases from home appliances stores during the year of 2012. Structural equation modeling has been performed to detect important factors influencing purchasing intention including perception value (PV), perception risk (PR), trust to brand (TB) and brand familiarity (BF). There are four hypotheses associated with the proposed study of this paper as follows,

1. Brand familiarity positively influences on purchasing intention.
2. Perception risk positively influences on purchasing intention.
3. Perception value positively influences on purchasing intention.
4. Trust to brand positively influences on purchasing intention.

Cronbach alphas have been calculated for these four mentioned items were well above 0.80, which validated the overall questionnaire of the survey. Table shows details of Cronbach alpha in preliminary and final stages.

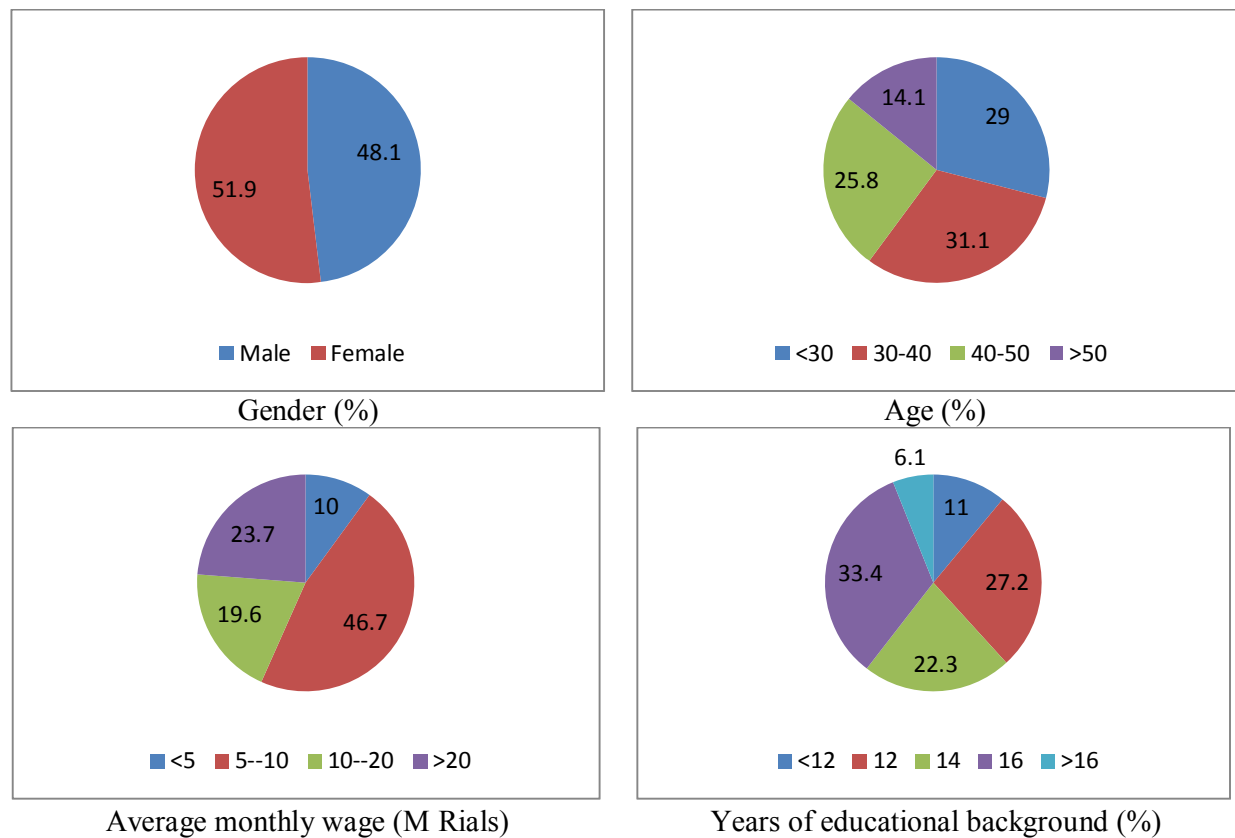
Table 1

The summary of Cronbach alpha

Variable	# of questions	Final stage
Brand familiarity	2	0.893
Trust to brand	4	0.752
Perception value	9	0.894
Perception risk	5	0.727
Purchasing intention	3	0.836
Total	40	0.715

The proposed study of this paper uses structural equation modeling to verify different hypotheses of this survey.

Fig. 2 shows personal characteristics of the participants. In this study, 48.1% of the participants were male while 51.9% were female. In terms of age, 29% of the participants aged 30 years or less, 31.1% of them aged between 30 and 40 years, 25.8% of them were 40-50 years old and 14.1% of the were older than 50.

**Fig. 2.** Personal characteristics of the participants

3. The results

In this section, we present details of our findings on testing four hypotheses of this paper. Fig. 2 shows details of the results of structural equation modeling.

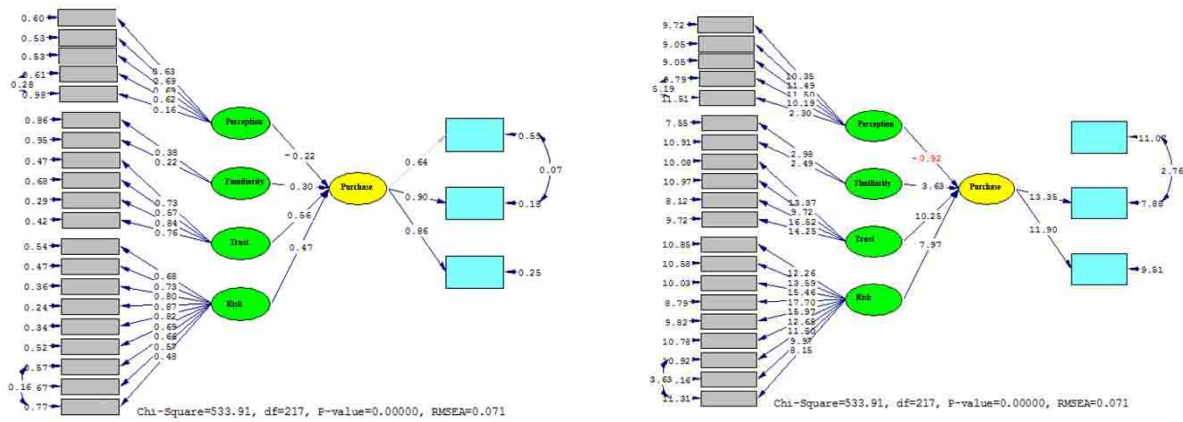


Fig. 2. The results of structural equation modeling as well as standard coefficients

As we can observe from the results of Fig. 2, all four components have positive impacts on compulsive buying when the level of significance is five percent. Table 2 shows details of our results. The results of Table 2 confirm that all coefficients are statistically significance with $\alpha = 5\%$.

Table 2
The summary of SEM implementation

Independent var.	Dependent variable	Standard coefficient	t-value	Hypothesis
Brand familiarity	Purchasing intention	0.30	3.63	Confirm
Trust to brand	Purchasing intention	0.56	10.25	Confirm
Perception value	Purchasing intention	0.47	7.97	Confirm
Perception risk	Purchasing intention	-0.22	-0.92	Not confirm

4. Discussion and conclusion

In this paper, we have presented an empirical investigation to study the effects of different factors on purchasing intention in different home appliances stores located in city of Tehran, Iran. The proposed study designed a questionnaire and examined the impacts of brand familiarity, trust to brand, perception value and perception risk on purchasing intention based on the implementation of structural equation modeling. The results of our survey have confirmed that three independent variables, including brand familiarity, trust to brand and perception value influenced positively on purchasing intention, significantly. However, our survey did not provide any supportive relationship between perception risk and purchasing intention.

References

Ahmed, S. A., & d'Astous, A. (1996). Country-of-origin and brand effects: a multi-dimensional and multi-attribute study. *Journal of International Consumer Marketing*, 9(2), 93-115.

Ahmed, S. A., & d'Astous, A. (2002). South East Asian consumer perceptions of countries of origin. *Journal of Asia Pacific Marketing*, 1(1), 19-41.

Ahmed, S. A., & d'Astous, A. (2008). Antecedents, moderators and dimensions of country-of-origin evaluations. *International Marketing Review*, 25(1), 75-106.

Babin, B. J., Darden, W. R., & Griffin, M. (1994). Work and/or fun: measuring hedonic and utilitarian shopping value. *Journal of consumer research*, 644-656.

Campbell, M. C., & Keller, K. L. (2003). Brand familiarity and advertising repetition effects. *Journal of Consumer Research*, 30(2), 292-304.

Chen, Y. H., & Barnes, S. (2007). Initial trust and online buyer behaviour. *Industrial Management & Data Systems*, 107(1), 21-36.

- Chu, K. K., & Li, C. H. (2008). A study of the effect of risk-reduction strategies on purchase intentions in online shopping. *International Journal of Electronic Business Management*, 6(4), 213-226.
- Edward, M., & Sahadev, S. (2011). Role of switching costs in the service quality, perceived value, customer satisfaction and customer retention linkage. *Asia Pacific Journal of Marketing and Logistics*, 23(3), 327-345.
- Grönroos, C. (1997). Value-driven relational marketing: From products to resources and competencies. *Journal of marketing management*, 13(5), 407-419.
- Ha, J., & Jang, S. (2010). Perceived values, satisfaction, and behavioral intentions: The role of familiarity in Korean restaurants. *International Journal of Hospitality Management*, 29(1), 2-13.
- Kim, D. J., Ferrin, D. L., & Rao, H. R. (2008). A trust-based consumer decision-making model in electronic commerce: The role of trust, perceived risk, and their antecedents. *Decision support systems*, 44(2), 544-564.
- Kimpakorn, N., & Tocquer, G. (2010). Service brand equity and employee brand commitment. *Journal of Services Marketing*, 24(5), 378-388.
- Kuo, Y. F., Wu, C. M., & Deng, W. J. (2009). The relationships among service quality, perceived value, customer satisfaction, and post-purchase intention in mobile value-added services. *Computers in Human Behavior*, 25(4), 887-896.
- Laroche, M., Kim, C., & Zhou, L. (1996). Brand familiarity and confidence as determinants of purchase intention: an empirical test in a multiple brand context. *Journal of business Research*, 37(2), 115-120.
- Peter, J. P., & Tarpey Sr, L. X. (1975). A comparative analysis of three consumer decision strategies. *Journal of Consumer Research*, 29-37.
- Radder, L., & Huang, W. (2008). High-involvement and low-involvement products: A comparison of brand awareness among students at a South African university. *Journal of fashion marketing and management*, 12(2), 232-243.
- Samadi, M., & Nejadi, Y. A. (2009). A survey of the effect of consumers' perceived risk on purchase intention in E-Shopping. *Business Intelligence Journal*, 2(2), 261-271.
- Sääksjärvi, M., & Lampinen, M. (2005). Consumer perceived risk in successive product generations. *European Journal of Innovation Management*, 8(2), 145-156.
- Sheth, J. N., Newman, B. I., & Gross, B. L. (1991). Why we buy what we buy: a theory of consumption values. *Journal of business research*, 22(2), 159-170.
- Sweeney, J. C., & Soutar, G. N. (2001). Consumer perceived value: the development of a multiple item scale. *Journal of retailing*, 77(2), 203-220.
- Tsai, S. P. (2005). Utility, cultural symbolism and emotion: a comprehensive model of brand purchase value. *International Journal of Research in Marketing*, 22(3), 277-291.
- Vida, I., & Reardon, J. (2008). Domestic consumption: rational, affective or normative choice?. *Journal of Consumer Marketing*, 25(1), 34-44.
- Viot, C. (2012). Subjective knowledge, product attributes and consideration set: a wine application. *International Journal of Wine Business Research*, 24(3), 219-248.