The Relationship among Consumer Value, Brand Image, Perceived Value and Purchase Intention - A Case of Tea Chain Store in Tainan City

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Abstract

In Taiwan, the tea culture is highly developing and has caused the increasing consumption demand for chain tea drink stores. To understand factors of the sales performance is very important. However, there are a lot of brands in Taiwan chain tea drink stores market nowadays, and the competition is very fierce. The research motivation is to find the relationship among Consumption value, brand image, perceived value and purchase intention. Purpose – The purpose of this paper is to examine influential factors on purchase intention from the consumption value, brand image and perceived value. Thus a research model is developed by integrating related literature. Methodology/approach – Using the questionnaire survey, 300 participants were recruited from several the tea chain store in Tiaanna city. Descriptive analysis, t-test, Anova and regression are implemented through SPSS system to analyze data. Findings – The findings support the research model and the conclusion are as follows. From the descriptive analysis, most of consumers are the age from 21-29 years old. Female consumers are 61% and male consumers are 39%. Consumption value had positive effects on brand image, Perceived value had positive effects on brand image, Perceived value had positive effects on purchase intention, Brand image did not have significant effects on purchase intention, Consumption value had positive effects on purchase intention, Brand image did not have significant effects on perceived value, The paper concludes with recommendations for the future research and application as being relevant to the service in tea chain stores. Originality/value – The contribution of the paper lies in achieving a more profound understanding of consumption value, brand image, perceived value and purchase intention in the tea chain store.

Key Words: consumption value, brand image, perceived value and purchase intention
1. Introduction

The consumption tea market have been growing fast for several years in Taiwan and expanding worldwide. Companies seek competitive advantage by offering value, while customers select products they perceive as the best value (Wang, 2010). Indeed, delivering products with superior value to customers leads to customer loyalty, the real driver of financial performance (Smith & Wright, 2004). These tea chain stores hope that consumers’ past engagement and experience with the brand can influence their consumption behaviors.

Introducing new products is widely recognized as one of the most important marketing activities of companies (Gielens & Steenkamp, 2007). Increased understanding of factors affecting consumer acceptance of new products is therefore critical, as many new products fail their first year. The literature widely discusses value creation, which is often part of an organizations’ mission statement and objectives (Sweeney & Soutar, 2001). This interest has been further fueled in firms because of ever-increasing competition. Companies seek competitive advantage by offering value, while customers select products they perceive as the best value. Indeed, delivering products with superior value to customers leads to customer loyalty, the real driver of financial performance (Smith & Wright, 2004). Zeithaml (1988) suggests that perceived value represents consumers’ overall assessment of product utility based on the perception of what is received and what is given. Consequently, value perception results from a cognitive comparison between benefits offered by a product and the sacrifice made to acquire it. Traditionally, empirical studies narrowly interpret perceived value in terms of a money paradigm defined as a ratio or trade-off between quality and price (Mathwick, Naresh, & Rigdon, 2001).

The following section of this article outlines a conceptual framework for the suggested measure while subsequent sections discuss the process through which the scale was developed and tested while the final section note some of the study’s theoretical and managerial implications. It is expected that this study will provide academicians and managers more understand consumer value, perceived value and brand image in strengthening purchase intention.

2. Literature Review

2.1 Consumer Value

Consumers are mostly value driven, rational, and cognitive. They make consumption decisions based on utilitarian values as well as other intrinsic and extrinsic values. Consumer choice is a function of multiple consumption values; The consumption values make differential contributions in any given choice situation and the consumption values are independent (Sheth, Newman and Gross, 1991). Each consumption value in the theory is consistent with various components of models advanced by Maslow (1970). These are...
functional value, social value, emotional value, epistemic value, and conditional value. A decision may be influenced by any or all of the five consumption values (Sheth et al., 1991; Park and Rabolt, 2009). Each value is defined as follows. For consumers to conduct the overall assessment of values, perceived value, which is the outcome of the overall assessment based on the component level, directly impacts consumers’ behavior and intention (Turel et al., 2007). Sheth et al. (1991) proposed that perceived value has five dimensions including functional, conditional, social, emotional, and epistemic values.

Three fundamental propositions are axiomatic to the theory of consumption values: (1) consumer choice is a function of multiple consumption values, (2) consumption values make different contributions in any given choice situation, and (3) consumption values are independent. The theory has been employed and tested in more than 200 applications, and has demonstrated consistently good predictive validity (Sheth et al., 1991). Consumers are mostly value driven, rational, and cognitive (Sheth et al., 1991). They make consumption decisions based on utilitarian values as well as other intrinsic and extrinsic values. Consumption value includes functional value, social value, emotional value, epistemic value, and conditional value (Sheth, Newman, and Gross, 1991; Park and Rabolt, 2009). Each value is defined as follows.

Functional value is “the utility that is perceived to possess on criteria salient to its physical or functional purposes”; social value is “derived from its association with one or more distinctive social groups”; emotional value is “derived from feelings or affective states”; epistemic value is “derived from its capacity to provide novelty, arouse curiosity, and satisfy knowledge-seeking aspirations”; and conditional value is “derived from its capacity to provide temporary functional or social value in the context of a specific and transient set of circumstances or contingencies”.

Functional value relates to economic utility, indicating benefits associated with product possession as in the economic person theory (Chen, Chang, & Chang, 2005). This value underlies object performance by means of a series of salient price attributes (LeBlanc & Nguyen, 2001). Price notably plays an important role in consumers’ brand choices (Erdem, Zhao, & Valenzuela, 2004; Mazumdar, Raj, & Sinha, 2005). Perceived product value for the money may influence consumer’s attitudes toward product brand image, affecting consumer intention to buy (Gill, Byslma, & Ouschan, 2007). Previous studies also indicate that the more reasonably priced product perceptions, the higher the purchase intention (Hui & Zhou, 2002). Therefore, buying intentions are motivated by price and value for money considerations (Felzensztein, Hibbard, & Vong, 2004; Bhaskaran & Sukumaran, 2007). Based on the above, this research establishes the following hypotheses:

Functional value positively influences brand.
Perceived functional value of product price/value for the money positively influences
purchase intention.

Functional value is the perceived utility acquired from an object’s capacity for functional, utilitarian, or physical performance (Larsen & Watson, 2001), and product quality is usually the measure of value (Omar, 1994). Product quality is an important dimension of a brand’s image because it is generally the most significant role of brand preference (Baltas & Argouslidis, 2007) and the major purchasing factor (Omar, 1994). Previous studies suggest that consumer perception about product quality has a strong, positive relationship with brand equity (Nowak & Washburn, 2002; Yoo & Donthu, 2002) and purchase intention (Woodside & Taylor, 1978; Tsiotsou, 2006; Bhaskaran & Sukumaran, 2007; Gill et al., 2007). Product quality is therefore used as a strategic differentiation tool to develop competitive advantage since it provides an enhanced level of functional utility offering genuine value to the consumer. In view of the above, this research proposes the following hypotheses:

.**Perceived functional value of product performance/quality positively influences brand image.**

.**Perceived functional value of product performance/quality positively influences purchase intention.**

.**Perceived social value of the product positively influences brand image.**

.**Perceived social value of the product positively influences purchase intention.**

Emotional value is defined as product power to trigger certain consumer emotions or change emotional status (Sheth, Newman, & Gross, 1991). Researchers describe emotional value as product ability to arouse feelings or affective states (LeBlanc & Nguyen, 2001). Design is understood as a core activity conferring competitive advantage by bringing to light the emotional meaning products have, or could have, for consumers and by extracting the high value of such emotional connections (Lojacono & Zaccai, 2004). Previous study findings show that emotions influence consumer purchase decisions (Mizerski & White, 1986; Burnett & Lunsford, 1994), and positive emotion has a positive effect on impulse buying behavior during shopping (Park, Kim, & Forney, 2006). Given that product consumption is an experience, it follows that this experience generates emotional value. Positive emotions should increase loyalty to the offering (Sierra & McQuitty, 2005). Therefore, experiencing positive emotions creates positive senses that interact with the brand. Such brand experiences lead to brand loyalty, and increased profitability for the brand (Morrison & Crane, 2007). The above leads to the hypotheses as stated below:

.**Perceived emotional value of the product positively influences brand image.**

.**Perceived emotional value of the product positively influences purchase intention.**

Sweeney and Soutar (2001) define social value as the utility derived from the product’s ability to enhance social self-concept. Consumers consider the connection of a product with special referential groups and seek to classify their own identities, promote their image and finally gain or project the product’s symbolic value (Park, Jaworski, & MacInnis, 1986).
Symbolic benefits demonstrate attachment to referential groups in this way, acting as an extrinsic element or sign of symbolic value. Consumers experience social symbolism through the product, and the positive perceived social symbolism of the product makes for good brand impression (Rose, Shoham, Kahle, & Batra, 1994), and also increases high buying intention (Vigneron & Johnson, 1999; Gill et al., 2007). Therefore, previous studies show that consumers interacting with product categories that visibly represent values about themselves may guide product purchase and use (Goldsmith, Frieden, and Henderson, 1997). From the above literature review the hypothesis will be as follow.

Consumption value will influence positively purchase intention.

Consumers are mostly value driven, rational, and cognitive (Sheth et al., 1991). They make consumption decisions based on utilitarian values as well as other intrinsic and extrinsic values. Theory of consumption values focuses on product values and associated tradeoffs as perceived by consumers (Zeithaml, 1988). The theory argues that consumers make choice based on the summation of perceived consumption values which may vary in contributions in different conditions (Zeithaml, 1988). According these literature review the related hypothesis will be as follow.

Perceived consumption values will influence positively the purchase intention.

2.2 Brand Image

Aaker (1991) defined brand image as a series of brand associations stored in a consumer’s memory. Keller (1993) defined brand image as the sum the total of brand associations held in the memory of the consumers that led to perceptions about the brand. Keller also classified the associations of brand image into quality dimension and affective dimension.

Experiential brands, with their emphasis on sensory/cognitive stimulation, encourage frequent consumption. This heightened level of use may lead to satiation and weaken the experiential image unless consumption is controlled. For functional brands satiation is less serious given that the brands continue to fulfill functional needs. Satiation is also less likely for brands with symbolic concepts as long as the brand's association with the group or self-image is properly maintained. Consumption itself does not generate satiation for these brands (Park, Jaworski and MacInnis, 1986). The basis for reinforcing the image of brands with a functional concept via an image-bundling strategy should be the brand's relationship to other performance-related products. For brands with symbolic concepts the image is generalized to referent-based products. The image bundling strategy for products with symbolic concepts helps to create a lifestyle image, an image consumers then use to communicate information about themselves or to make inferences about others. A brand with an experiential concept can be reinforced by a bundling strategy that links the brand image to that of other experiential products. Dobni and Zinkhan (1990) defined brand image as the consumer's
mental picture of the offering, and brand image includes symbolic meanings that consumers associate with the specific attributes of the product or service (Padgett & Allen, 1997). It is seen as the representation of a brand in the consumer's mind that is linked to an offering (Dobni & Zinkhan, 1990), or a set of perceptions about a brand the consumer forms as reflected by brand associations (Keller, 1993). Hence it can be defined as “…the reasoned or emotional perceptions consumers attach to specific brands” (Low & Lamb, 2000). In business markets brand image can also be expected to play an important role, especially where it is difficult to differentiate products or services based on tangible quality features (Mudambi, Doyle & Wong, 1997).

The consumer treats the brand as an interactive partner and develops a relationship with the brand during consumer-brand interactions over time. By connecting to the brand, consumers seek immaterial, emotional, psychological, and even sociocultural benefits from the brand in addition to the material values of the brand (Aurier and Lanauze, 2012). In the increasingly competitive marketplace, strong and consistent brand images contribute to nurturing a loyal customer base (Haynes, Lackman, & Guskey, 1999). According to the above literature, hypotheses will be as follows.

1. Brand images will influence positively purchase intention.
2. Brand image will influence positively on perceive value.
3. Perceived value will influence positively on brand image.

2.3 Perceived Value

Theory of consumption values focuses on product values and associated tradeoffs as perceived by consumers (Zeithaml, 1988). Sweeney and Soutar (2001) adopted functional value, social value, and emotional value to develop a perceived value scale to assess customer perceptions of the value of a durable commodity at brand level. Perceived value is a formative construct and indirectly measured by the four reflective consumer value constructs (Turel et al., 2007, 2010). Perceived value therefore is defined as “the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given” (Zeithaml, 1988, p. 14). Past research has found that perceived value is an antecedent of various behaviors and behavioral intentions (Turel et al., 2007). Moreover, perceived value is defined as a formative second-order construct with different value dimensions depending on the context of a study (Turel et al., 2007; Sheth et al., 1991). Perceived value construct includes (functional-price/value for money and performance/quality, emotional and social dimensions of value) as reliable and valid in a post-purchase situation as well as in a repurchase situation (Sweeney & Soutar, 2001). The perceived value component shows four different types of value (e.g., Grewal et al. 1998; Grewal, Krishnan, and Sharma 1999; Woodruff 1997): acquisition value, the benefits (relative to monetary costs) buyers believe they are getting by acquiring a product/service; transaction value, the pleasure of getting a
good deal; in-use value, utility derived from using the product/service; and redemption value, residual benefit at the time of trade-in or end of life (for products) or termination (for services). As implied by these definitions, perceived value is a dynamic construct in that the relative emphasis on each component may change over time.

According the above literature review, the hypotheses will be the following:

1. Perceived value will influence purchase positively intension.

2.4 Purchase Intention

Purchase intention represents the possibility that consumers will plan or be willing to purchase a certain product or service in the future. An increase in purchase intention means an increase in the possibility of purchasing (Dodds et al., 1991; Schiffman and Kanuk, 2007). Researchers can also use purchase intention as an important indicator for estimating consumer behavior. When consumers have a positive purchase intention, this forms a positive brand commitment which propels consumers to take an actual purchase action (Fishbein and Ajzen, 1975; Schiffman and Kanuk, 2007).

3. Methodology

3.1 Measurement

3.1.1 Consumption Value

The measure construct from the above literature review will be as follows:

The study used Sheth, Newman, and Gross’ (1991) theory of consumption values, composed of functional value, social value, emotional value, epistemic value, and conditional value.

3.1.2 Brand Image

The image is a perception created by marketers' management of the brand. Products theoretically can be positioned with a functional, symbolic, or experiential image (Park et al., 1986).

3.1.3 Perceived Value

Research constructs measures initially derived predominantly from existing literature. The work adopted four (functional-price/value for money and performance/quality, emotional and social dimensions of value) product value dimensions proposed by Sweeney and Soutar (2001).

3.1.4 Purchase Intention (Knight and Kim, 2007)

I intend to buy the brand of this tea chain store frequently.
I plan to buy the brand of this tea chain store more often.

This study adapts the 2-item scale established by Knight and Kim (2007) to measure the purchase intention.

All items used for measuring constructs of sub-dimensions were measured on a 5-point Likert scale anchored by “1 = Strongly Disagree” and “5 = Strongly Agree”.

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3.2 Modeling Volatility

The study will perform descriptive analysis, T-test, Anova and regression to analyze data with SPSS system.

Hypothesis will be validated with regression.
1. Consumption value effects on brand image.
2. Perceived value effects on brand image.
3. Perceived value have positive effects on purchase intention.
4. Brand image have significant effects on purchase intention.
5. Consumption value have positive effects on purchase intention.
6. Brand image have significant effects on perceived value.

3.3 Data

The sample of 300 questionnaires are distributed, 287 were valid, yielding a response rate of 95%. In total, 61% of the respondents were female and the remaining 39% were male. Reliability of these questionnaire items was assessed by calculating Cronbach’s alpha coefficients. The result of the reliability test was at 0.75 above, which meant that the questionnaire was reliable as an instrument for data collection. All items used for measuring constructs of sub-dimensions were measured on a 5-point Likert scale anchored by “1 = Strongly Disagree” and “5 = Strongly Agree”

4. Results and Discussion

Regarding educational attainment, approximately 65% were college-educated, 84.3% had used, and 69.6% had purchased tea products. Among the reasons offered for never buying tea products were “not knowing whether what I’ve bought is a tea product from Yuan Shih Tea Store” (48%), “not knowing the tea products” (25%), “not knowing where one can buy the tea products” (22%), and “no interest in buying tea products” (5%).

This work now examines the proposed hypotheses with regression as follows.
1. Consumption value had positive effects on brand image.
2. Perceived value had positive effects on brand image.
3. Perceived value had positive effects on purchase intention.
4. Brand image did not have significant effects on purchase intention.
5. Consumption value had positive effects on purchase intention.
6. Brand image did not have significant effects on perceived value.

5. Conclusions and Recommendations

An understanding of what quality and value mean to consumers offers the promise of improving brand positions through more precise market analysis and segmentation, product planning, promotion, and pricing strategy.
A brand concept should be viewed as a long-term investment developed and nurtured to achieve long-run competitive advantage. But in the tea chain store brand image did not have significant effects on perceived value, the firm must consider resource capabilities, the firm's image, and current product offerings. At the introductory stage, the firm considers how best to operationalize the concept using elements of the marketing mix. As markets and needs change, elaborating the brand concept becomes important.

References
