



# The influences of airline brand credibility on consumer purchase intentions



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## ABSTRACT

This study investigates how brand credibility affects consumer purchase intention in the airline sector. Based on signaling theory and relationship marketing theory, it explores the relationships among four constructs: brand credibility, decision convenience, affective commitment and purchase intention. A structural equation model applied to consumer survey data supports the argument. The results indicate that airline brand credibility increases consumer purchase intention by increasing consumers' decision convenience and enhancing affective commitment. Decision convenience can be considered a new mediator of a causal relationship between brand credibility and purchase intention. The results offer implications for airline marketers and directions for future research.

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## 1. Introduction

Brands play a critical role in consumer decision making and choice behavior (Erdem and Swait, 2004). In markets where quality is not easily observable, consumers generally make their purchase decisions amid feelings of uncertainty (Kim et al., 2008), which can make them reluctant to buy. To solve this problem, companies may use brands as signals to effectively convey information about quality to consumers (Erdem et al., 2002). The credibility signaled by a brand is considered important because it decreases consumer uncertainty and economizes decision-making cost (Akdeniz et al., 2013). As such, credibility is considered the most important characteristic of a brand signal (Erdem and Swait, 1998; Spry et al., 2011). Brand credibility refers to the believability of product or service position information contained in a brand (Erdem and Swait, 2004).

The constructs of consistency, brand investment and clarity are antecedents of brand credibility (Erdem and Swait, 1998). The credibility of a brand is established through consumers' past experiences with it, either directly or indirectly (Kim et al., 2008). Thus, brand credibility can be created and shaped by marketing mix consistency over time, by brand investment (e.g., brand image advertising), and through the clarity (i.e., lack of ambiguity) of the information contained in a brand (Erdem et al., 2006).

Despite its acknowledged importance, brand credibility and its effect on consumer response has received little attention in service literature (Baek and King, 2011), including literature on airline service. Because services are often intangible, there may be a high level of uncertainty surrounding them, and thus consumers cannot readily evaluate service quality before making a purchase (Berry, 2000), indicating the key role brand credibility plays in service purchase. This issue is particularly relevant for airline companies because of the high level of consumer uncertainty involved in airline service purchases (Boksberger et al., 2007). Consumers of airline services usually experience uncertainty around the safety and reliability of the airline, the punctuality of flights, the reliability and safety of baggage handling, or the speed of baggage transport (Wu and Cheng, 2013). Given the strong impact of brand credibility on consumer choice when there is high uncertainty (Erdem and Swait, 2004), the credibility of a brand can provide significant benefits to both consumers and airline companies. For consumers, purchasing services from a credible airline brand assures quality. For airline companies, a credible brand means that marketing efforts will be more cost effective because of the high likelihood of message acceptance, thus bringing companies increased sales.

This paper aims to investigate the impact of brand credibility on purchase intention in the airline sector. By integrating different theoretical perspectives (i.e., signaling theory and relationship marketing theory), this study demonstrates that brand credibility has both signaling and relationship marketing roles in consumer decisions. More specifically, this study investigates the

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relationships among four constructs: brand credibility, decision convenience (consumers' perceived time and effort expenditure to make service purchase decisions), affective commitment and purchase intention. Research into airline management has indicated the impact of convenience (e.g., convenience in making reservations) on consumers in selecting airlines (e.g., [Chen and Chao, 2015](#)). Affective commitment has also been shown to be an important determinant of consumer loyalty in the airline industry ([Moghadam et al., 2014](#)).

This study contributes to existing research in several ways. First, it is the first in airline management research to empirically investigate the effect of brand credibility on consumer response. Brand credibility is the cornerstone of brand management in the airline sector ([Balmer, 2012](#); [Keller, 2001](#)), but has been discussed only theoretically. This study highlights the importance of brand credibility in the airline sector by demonstrating that brand credibility has both signaling and relationship marketing roles in consumer decisions. From an academic perspective, we enhance the theoretical basis by explaining the influences of airline brand credibility on purchase intention. Understanding how brand credibility influences consumer purchases can aid airline companies in executing marketing decisions.

Second, this study is the first to investigate the role of decision convenience as a mediator in the relationship between brand credibility and purchase intention. Making decisions about intangible and variable services can be difficult for consumers ([Berry et al., 2002](#)). Based on signaling theory, this study indicates that a credible brand may reduce the difficulty (i.e., increase decision convenience) by providing clear and accessible information, thus increasing purchase intention. Service convenience has been shown to be a key factor used by consumers in selecting airlines ([Chen and Chao, 2015](#)). This study contributes to airline management literature by demonstrating the importance of a new dimension of service convenience—decision convenience—to consumer choice.

Third, this study extends previous research on brand credibility that has focused on its effect as signals (e.g., [Baek et al., 2010](#)). This study incorporates relationship marketing views of brand credibility into its model. Investigating the relationship marketing effect of brand credibility is important because brands influence consumer decision making through social and psychological processes ([Hoeffler and Keller, 2002](#)), but limited attention has been paid to analyzing the role of commitment in the airline industry ([Erkmen and Hancer, 2015](#)). Brands embody the long-term experience that a consumer has with a service provider ([Sweeney and Swait, 2008](#)). Investigating signaling and relationship marketing views simultaneously provides more theoretical plausibility to airline literature.

## 2. Theoretical background

### 2.1. Brand credibility

Brand credibility is the believability of the product position information embedded in a brand, depending on consumers' perceptions of whether the brand has the ability and willingness to continuously deliver what has been promised ([Erdem and Swait, 1998](#)). Brand credibility is a latent multidimensional construct ([Law et al., 1998](#)). Expertise and trustworthiness are considered sub-dimensions of a higher order brand credibility construct, based on past research ([Erdem and Swait, 1998, 2004](#); [Spry et al., 2011](#)). Trustworthiness refers to the *willingness* of a firm to deliver what it has promised while expertise refers to the *ability* of a firm to deliver what it has promised. Brand credibility represents the summary of brand-to-consumer and consumer-to-brand communication over time ([Sweeney and Swait, 2008](#)), and embraces the personal

history of brand experience ([Erdem et al., 2002](#)). Thus, brand credibility increases the consumer-expected utility of a brand and the probability of brand choice ([Erdem and Swait, 2004](#)).

Since a brand's trustworthiness and expertise are based on the cumulative impact of all its previous marketing strategies and actions ([Erdem and Swait, 1998](#)), research suggests the constructs of consistency, brand investment and clarity are antecedents of brand credibility ([Erdem et al., 2006](#)). Consistency represents the degree of harmony and convergence among marketing actions and the stability of marketing mix strategies over time ([Erdem et al., 2006](#)). Brand investment represents a firm's spending on brands (e.g., advertising, sponsorships, and social responsibility actions) in order to demonstrate long-term brand commitment and to assure consumers that brand promises will be kept ([Erdem and Swait, 2004](#); [Sweeney and Swait, 2008](#)). Clarity represents a lack of ambiguity in the product information contained in a brand ([Erdem et al., 2002](#)). Thus, brand credibility can be created by increased consistency, clarity, and brand investment over time, through all practices and aspects of marketing communications such as brand image advertising, sponsorship, or sales promotion.

### 2.2. Signaling theory

Signaling theory provides theoretical insights into the mechanism through which a brand influences consumer purchase behavior when consumers are uncertain about product quality. From an information economics perspective, signaling theory assumes that consumers are uncertain about the quality of the product or service provided by sellers. This uncertainty arises from information asymmetry (i.e., sellers are more informed about their own products or services than consumers are) ([Kirmani and Rao, 2000](#); [San Martín and Camarero, 2005](#)).

Previous research has argued that brands are the most widely used signal when considering unobservable qualities ([Baek and King, 2011](#); [Erdem et al., 2006](#)). Brands can be an effective signal because of a company's vulnerability to consumer sanctions: If it does not deliver the promised quality, the company will hurt its brand. Because a strong brand requires significant investment, companies are unlikely to jeopardize their brand by acting opportunistically ([Kirmani and Rao, 2000](#)). Signaling theory also suggests that credibility is a key determinant of a brand signal to convey information effectively ([Tirole, 1988](#)). Thus, at the heart of brands as signals is brand credibility ([Erdem et al., 2002](#)).

### 2.3. Relationship marketing theory

Relationship marketing theory holds that brand is an important relational tool in a firm's consumer relationship management. Relationship marketing "refers to all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges" ([Morgan and Hunt, 1994, p.22](#)). Relationship marketing theory posits that consumer perceptions of the strength of the relationship (e.g., commitment) shape consumers' behavior in that relationship ([Hunt et al., 2006](#)). The most prominent perception representing the strength of the relationship is affective commitment ([Morgan and Hunt, 1994](#); [Verhoef, 2003](#)), which refers to the psychological attachment to the relationship partner and is based on feelings of loyalty and affiliation ([Bolton et al., 2004](#)). Consumers with strong affective commitment are more emotionally connected to the brand than non-committed consumers ([Evanschitzky et al., 2006](#)). Since affectively committed consumers feel attached to the brand because of positive feelings, these consumers display positive behavior towards the brand ([Verhoef et al., 2002](#)), and increase brand loyalty ([Iglesias et al., 2011](#)).

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