

The Effects of Consumers' Beliefs about TV Home Shopping Advertising on Attitude and Purchase Intention

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Abstract

Although, there is evidence that adoption of television home shopping has been slow, the growing home shopping industry offers significant potential of the development of marketing and retailing through television home shopping channel. The purpose of this study is to identify consumers' belief dimensions of television home shopping. Also, we examine the impact of belief-attitude-behavioral intention from the perspective of TV home shoppers. The main findings support the influence of the consumers' beliefs about TV home shopping advertising on consumers' advertising attitude, brand attitude, and purchase intention. The key implication of this study is that consumers' psychology will be changed over time. Therefore, managers need to understand how consumers choose, experience, and evaluate their offerings and they should especially try to strengthen consumers' positive beliefs about TV home shopping.

Keywords: Advertising Attitude, Consumer Belief, Purchase Intention, TV Home Shopping Advertising

1. Introduction

Television Home Shopping (THS) industry is growing by leaps and bounds every year in South Korea. The market size was 8.78 billion USD in 2013, and this is 2,582 times compared to the first year of sales in 1995 (3.4 million USD) in Korea. The industry is currently estimated to reach 15 to 16 million users¹. The advent of multichannel cable television led to the development of dedicated 'shopping channels', of which CJ O Shopping, GS Shop, and Hyundai H-mall are the most well known as big three. CJ O Shopping is in operation in China, Japan, Thailand, Vietnam and India. In 2013, it has added Turkey to its overseas market with the goal of making it a springboard to plunge into Europe². In this way, THS (or teleshopping in Europe) is one of the formulas with its greatest promise for the future, due to the spread of cable and digital TV³. Despite the significant growth and prospect of THS, research issues and concepts involved in THS have been somewhat neglected by consumer researchers. Previous

researches have focused on the characteristics of TV home shoppers, the advertising attitudes and consumer behavior, and the determinants of purchasing decision. Other researchers considered the impact of disclosures directed toward the general population as well as children.

It is important to gain a better understanding of home-shopper. At the same time, the study of home shopper's beliefs about advertising are also very important. Despite its importance, research to date has not fully explored the range of specific beliefs held by consumers and their relative importance in relation to consumer attitudes toward advertising and other consumer behaviors. Therefore, the primary purpose of this study is to investigate beliefs of home shoppers on Television Home Shopping Advertising (THSA). Whereas most of the previous studies have examined advertising beliefs or consumer attitudes separately, this study examines all of these considerations simultaneously in order to examine more closely beliefs about advertising, consumers' attitudes, and behavioral intentions. It is of both theoretical

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and practical significance to investigate THS. Also, this study investigates the importance of THSA as well as the relationship among advertising attitude, brand attitude, and purchase intention.

2. Literature Review and Hypotheses

2.1 Consumers' Beliefs

Understanding advertising belief is important because they affect consumers' advertising attitudes, brand attitudes, and purchase intentions. A belief is a descriptive thought that a person holds about something. An attitude is a person's enduring favorable or unfavorable evaluation, emotional feeling, and action tendencies toward some object or idea⁴. Pollay and Mittal⁵ categorized consumers' beliefs about advertising into two dimensions: Personal uses and societal effects. The first category, labeled as personal use, consists of factors including product information, social role and image, and hedonic/pleasure. The second category, labeled as social effect, includes value corruption, falsity/no sense, good for the economy, and materialism. Everyone seems to hold an opinion about various aspects of advertising. On one hand, advertising provides consumers with product information and interesting, forms socio-cultural trend, and furthermore to assist in economic development. Advertising is an important social phenomenon. It both stimulates consumption and economic activity and models life-styles and a certain value orientation⁵. The other one is about the ad's dysfunction. Advertising leads to negative consequences, such as the promotion of materialism and irrational spending habits. In addition, it leads to unfair competition and increases the product price. To be sure, consumers may respond to the social and psychological pressures generated by advertisements⁶. Consumers' beliefs about advertising are a multi-dimensional construct. Therefore, this study categorizes the construct as two dimensions: positive and negative beliefs. Their sub-dimensions are information, entertainment, socio-culture, and economic factors.

2.1.1 Information

Consumers deem advertising as a valuable source of information because product information shown in advertisements help them in making the informed and right

purchase decisions. Wang and Sun⁷ found consumers' beliefs of advertising as "informative" an important predictor of attitude towards online advertising with varying behavioral effects. Consumers ultimately benefit from advertising through having more choices and more affordable products. On the other hand, THSA induces impulsive buying by innovative point of sale promotions and advertising. It is important to note that advertising is more often than not perceived to be an unwelcome intrusion, regarded by many consumers as a constant source of irritation, and many consumers often make a conscious effort to avoid advertising communications⁸.

2.1.2 Entertainment

The experience of advertising can be a pleasure upon exposure or in recollection. Entertainment is an important factor affecting consumer attitudes toward advertising. An ad is considered entertaining if it is attractive and provides sensory pleasure and gratifies consumers' sentiments⁵. People who are highly motivated by entertainment elements are more likely to expose themselves to media contents. People's feeling of enjoyment associated with ads play the greatest role in accounting for their overall attitudes toward them.

2.1.3 Socio-culture

Advertising is an important social phenomenon. Consumers believe that advertising corrupts the social values rather than improve them. Social values work as a guiding principle in one's life and keep a society organized. Sometimes, advertising allows consumers to have a reasonable consumption habits, and creates a new cultural trend. At the same times, advertising can promote social dysfunctions such as materialism which is a set of belief structures that sees consumption as the route to most, if not all, satisfactions.

2.1.4 Economic

Consumers may like the advertising as it contributes to the health of the economy. In other words, it generates revenue, which is beneficial for the economic prosperity of a nation⁵. Actually, Advertising fuels the economy and is a driver of economic growth, drives competition via the promotion of price and product differentiation, and supports the media and creative industries⁹. However, Excessive advertisement competition promotes waste, and causes unreasonable price increase.

2.2 Consumers' Attitudes

Mackenzie and Lutz¹⁰ defined attitude toward advertising as 'a learned predisposition to respond in a consistently favorable or unfavorable manner toward advertising in general.' Consumers form feelings and judgments when exposed to an advertisement which affects their attitude towards the ad. Specially, Pollay and Mittal⁵ found belief factors such as product information, social role and image, hedonic/pleasure, good for the economy, materialism, value corruption, and falsity/no sense associated with attitudes toward advertising. As stated above, consumers' beliefs about advertising can be important factors of consumers' attitudes toward THSA. People differ in their attitudes about television advertising in general. Some consumers have negative and others have positive overall attitudes about television advertising¹¹. Brand attitude is the continuous preference or loathing tendency of the consumer towards a certain brand¹² and the overall evaluation the consumer has towards the brand. Consumers' beliefs about THSA can form brand attitude. In other words, consumers have positive or negative attitude according to the beliefs. Thus, we propose the following hypotheses.

- H1a: Positive belief about THSA will have a positive effect on advertising attitude
- H1b: Negative belief about THSA will have a negative effect on advertising attitude
- H2a: Positive belief about THSA will have a positive effect on brand attitude
- H2b: Negative belief about THSA will have a negative effect on brand attitude

2.3 Purchase Intention

Purchase intention has gained considerable attention in the marketing literature. In the advertising context, understanding advertising beliefs and attitudes is important because they affect consumers' brand attitudes and purchase intentions¹³. In this study, we suppose that consumers' beliefs about THSA can affect purchase intention as well as consumer attitudes. Advertising may persuade consumers by creating or maintaining a favorable product attitude which then forms the basis for subsequent purchase behavior; this is the process underlying most consumer advertising. Attitudes toward advertising in general are major determinants of brand attitudes and purchase intentions. Many researchers have shown evidence of using consumers' attitude to predict purchase

intentions. Hence, this study brings the following hypotheses.

- H3a: Positive belief about THSA will have a positive effect on purchase intention
- H3b: Negative belief about THSA will have a negative effect on purchase intention
- H4: Attitude toward THSA will have a positive effect on brand attitude
- H5: Attitude toward THSA will have a positive effect on purchase intention
- H6: Brand attitude will have a positive effect on purchase intention in THSA

The above hypothesized relationships as we assumed are shown in Figure 1. The research model figure out the overall relationship among consumers' beliefs about THSA, attitudes, and purchase intention in the THS environment. The model give us a unified structural relationship as well as the direction of influence relationship among exogenous and endogenous variables. The sign on the arrows mean the impact direction between antecedent and consequence variable.

3. Research Method

3.1 Sample and Data Collection

Data were collected from 327 consumers who have experienced with TV home shopping during June 9 to 27, 2014 in Korea. After excluding inappropriate questionnaires, the proposed model in this study was tested using 308 questionnaires. The demographic profiles of the respondents are summarized as follows. In general the sample was well-distributed across the relevant categories in relation to gender, age, and purchasing frequency. The analysis of respondents' demographic information revealed that they were more likely to be

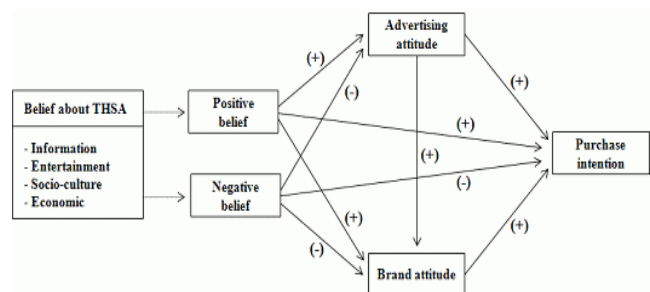


Figure 1. Research model.

female (64 percent) than male (36 percent), and aged between 20s and 50s. All of them had the TV home shopping buying experience. 14% of respondents had buying experience more than seven times.

3.2 Instrument and Measures

The questionnaire was designed based upon the purpose of the research. The constructs in this study were measured using multi-item scales. To measure beliefs about THSA, 24-item scales were adapted from previous studies^{5,7-9,14,15}. The scale includes several dimensions of beliefs about THSA such as information, entertainment, socio-culture, economic. General attitudes of respondents toward THSA were measured as four items adapted from previous studies^{16,17} and brand attitude was measured as three items^{18,19}. Finally, purchase intention was measured as three items adapted from previous studies^{20,21}. All of these items were measured on a five-point Likert scale ranging from "strongly disagree (1)" to "strongly agree (5)." Table 1 shows a list of the measurement items. The specific measures were omitted because of table size.

4. Analysis

4.1 Reliability and Validity of Measures

Confirmatory Factor Analysis (CFA) was performed to assess the overall fits of the measurement model. Table 1 shows the analysis of measures of the questionnaire, including estimates, construct reliability, and Average Variance Extracted (AVE). The model fit indices showed that $\chi^2 = 304.42$, d.f. = 225, GFI = 0.908, AGFI = 0.855, CFI = 0.909, RMR = 0.040, RMSEA = 0.076, which suggests that the measurement model has good fits with the current data.

The composite reliability from all the constructs ranged from 0.869 to 0.909, exceeding the recommended 0.8 criterion. The Average Variance Extracted (AVE) of each latent factor ranged from 0.661 to 0.720, more than the recommended value of 0.5, suggesting that all the constructs are distinct and have convergent validity. In order to test discriminant validity, shared variance of each pair of constructs was compared against the AVE of each construct. The AVE for each construct was larger than the shared variances (Table 2). Accordingly, as shown in Table

Table 1. Convergent validity and reliability

Constructs	Variables	Estimates	Std. Estimates	S.E.	C.R.	Composite reliability	AVE
Positive belief	Communication	0.991	0.716	0.107	9.250	0.909	0.715
	Entertainment	1.000	0.884	-	-		
	Socio-culture	0.888	0.767	0.068	12.973		
	Economic	0.846	0.772	0.105	8.086		
Negative belief	Communication	0.851	0.796	0.058	14.602	0.891	0.671
	Entertainment	0.894	0.704	0.072	12.356		
	Socio-culture	1.000	0.715	-	-		
	Economic	0.852	0.760	0.066	12.858		
Advertising attitude	Ad attitude1	0.773	0.718	0.057	13.557	0.886	0.661
	Ad attitude2	0.769	0.739	0.057	13.535		
	Ad attitude3 ^a	1.000	0.839	-	-		
	Ad attitude4	0.801	0.709	0.072	11.163		
Brand attitude	Brand attitude1	0.920	0.728	0.069	13.334	0.884	0.720
	Brand attitude2	1.000	0.843	-	-		
	Brand attitude3	0.783	0.686	0.061	12.743		
Purchase intention	Purchase Intention1	0.878	0.804	0.056	15.566	0.869	0.690
	Purchase Intention2	0.789	0.696	0.060	13.108		
	Purchase Intention3	1.000	0.863	-	-		

Notes: $\chi^2 = 204.42$, d.f. = 225, GFI = 0.908, AGFI = 0.855, CFI = 0.909, RMR = 0.040, RMSEA = 0.047

a: Reference variable

Table 2. Average variance extracted and squared correlations

	(1)	(2)	(3)	(4)	(5)
Positive belief (1)	0.715	0.008	0.177	0.211	0.114
Negative belief (2)	-0.091	0.671	0.001	0.012	0.019
Advertising attitude (3)	0.421**	-0.035	0.661	0.357	0.284
Brand attitude (4)	0.459**	-0.107	0.597**	0.720	0.307
Purchase intention (5)	0.337**	-0.137*	0.533**	0.554**	0.690

Notes: Correlations are positioned below diagonal, squared correlations are positioned above the diagonal, and AVE estimates are presented on the diagonal.

*Correlation is significant at the 0.05 level, **Correlation is significant at the 0.01 level.

1 and 2, the measurement model has sufficient validity and reliability compared with the statistical decision criteria.

4.2 Structural Model and Hypotheses Testing

We used an AMOS 18.0 statistical package to analyze the goodness of structural model and to test hypothetical relationship on the path of research model. The fit indices for the structural model were good enough. The RMSEA was 0.049 and the $\chi^2/\text{d.f.}$ was 1.351, lower than the maximum desired cut-off of 0.05 and 2 respectively. The GFI was 0.908, and the AGFI was 0.856, both of which were above the recommended thresholds of 0.9 and 0.8 respectively. The other fit indices were all satisfactory: the CFI = 0.909, the RMR = 0.041, the RMSEA = 0.049. Consequently, these results indicated that the structural model shown adequately fitted the data.

The results of hypothesis test confirmed the interrelationship among the five variables (Table 3). Hypothesis H1a ~ H2b state that consumers' beliefs about THSA have a positive or negative effect on attitude towards advertising and brand. The test results supported these hypotheses. This indicates that if consumers have a more positive belief in THSA, they are likely to positively assess it and have a good attitude, and vice versa is true. Also, H2a and H2b proposed that beliefs about THSA would be positively or negatively related to increased favorable brand attitude, which H2a was supported, but there is not enough evidence to support H2b. This means that consumers' beliefs are very important in shaping the

Table 3. Results of Hypotheses Testing

Hypothesis and Path	Std. estimate	S.E.	C.R.	P-value	Result
H1a: Positive belief → Advertising attitude	0.58	0.145	4.648	0.000	Supported
H1b: Negative belief → Advertising attitude	-0.116	0.212	-1.973	0.049	Supported
H2a: Positive belief → Brand attitude	0.319	0.251	2.819	0.005	Supported
H2b: Negative belief → Brand attitude	0.003	0.129	0.069	0.945	Rejected
H3a: Positive belief → Purchase intention	0.279	0.103	5.545	0.000	Supported
H3b: Negative belief → Purchase intention	-0.135	0.241	-2.366	0.018	Supported
H4: Advertising attitude → Brand attitude	0.572	0.067	6.987	0.000	Supported
H5: Advertising attitude → Purchase intention	0.208	0.114	2.136	0.033	Supported
H6: Brand attitude → Purchase intention	0.338	0.165	2.949	0.003	Supported

Notes: $\chi^2/\text{d.f.}$ = 1.351, GFI = 0.908, AGFI = 0.856, CFI = 0.909, RMR = 0.041, RMSEA = 0.049

brand attitude, in addition, consumers have a negative belief about advertising, even if it does not have a negative impact on the brand attitude. Moreover, consumers' beliefs and attitudes toward THSA had a significant effect on purchase intention.

The test results of direct relationship between exogenous independent variables and final dependent variable were more explainable as many researchers were advocated. Our research results also supported the hypothesis H3a and H3b. This shows that beliefs affect directly on consumer's purchase intention as well as indirectly through attitudes of favorable or unfavorable evaluations of the advertising and the brand. Further, attitude towards THSA had a significant positive effect on brand attitude that supporting H4. This indicates that con-

sumers perceive THSA to be favorable, they will tend to evaluate more favorable brand attitude. In turn, person's attitudes affect one's purchase intention. Thus, all of H4, H5, and H6 were supported. An overall summary of the hypotheses tests are shown in Table 3.

5. Implications and Conclusion

Results from this research suggest that positive belief about THSA play a crucial role to enhance favorable consumers' attitudes and purchase intentions. These results can be accounted for within the beliefs-cause-attitudes theoretical framework, and are consistent with the previous studies. The findings show that the belief toward advertising is major determinants of their brand attitudes and purchase intentions. In contrast, negative belief about THSA can affect negatively advertising attitudes and purchase intentions, but don't affect brand attitude. This means that although consumers have negative belief about advertising, they do not evaluate unfavorably a brand itself of THSA.

Several practical implications are as follows. First, the beliefs of consumers towards TV home shopping advertising are somehow very important determinant of consumers' attitudes and purchase intentions. Thus, TV home shopping managers need to understand how consumers are choosing, experiencing, and evaluating their offerings, they should especially try to strengthen the positive belief of customers about THSA. Second, the attitudes toward THSA have an effect on brand attitudes, its roles to enhance purchase intentions are very important. Therefore, marketers of TV home shopping retailers should plan a beneficial program that consumers have a favorable attitude towards the advertising. Third, TV home shopping managers routinely use consumer data to make strategic decisions concerning both new and existing products and the advertising programs that support them.

Nevertheless, some test results and conclusions may have limitation to generalize beyond this domain because of disproportionate sampling and specific TV home shopping consumers. To generalize the findings of this study, more diversified random sampling across nation-wide and all covered shopping customers are recommended. There are also some methodological limitations that have to be taken into consideration when evaluating the results of this study. In other words, we divided consumers' beliefs about TV home shopping into four factors, in turn, crowded with two factors as a positive and negative belief.

In the future study, dimensions of consumers' beliefs need to be more extended and their constructs have concrete operational definitions.

6. References

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