

THE RELATIONSHIP BETWEEN CONSUMER PERCEIVED VALUE AND PURCHASE INTENTION: AN EMPIRICAL STUDY OF AUTOMOBILE SECTOR IN TURKEY*

Müşteri Değer Algısı ve Satın Alma Niyeti Arasındaki İlişki: Türkiye'deki Otomobil Sektörü Üzerine Ampirik Bir Çalışma

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ABSTRACT

Keywords

Consumer Perceived Value, Purchase Intention, Automobile Sector

JEL Codes: M31, L62

Anahtar Kelimeler

Müşteri Değer Algısı, Satın Alma Niyeti, Otomobil Sektörü

JEL Kodları: M31, L62

The purpose of this study is to develop an understanding of how consumer perceived value CPV affect to purchase intention towards automobiles in Turkey. Automobiles are attractive for people and companies promote and sell their products to automobile users. Therefore, companies dwelt on CPV. Attitude, trust, satisfaction and loyalty are used in research model. The model was tested and confirmed with the survey data of 209 users in Trc3 region. This study presents the importance of CPV which affects consumer's purchase intention. It was found that attitude, trust, satisfaction and loyalty are positively effective on consumer's purchase intention. Consequently, in this study all variables are positively related to each other. These results suggest that marketers need to take into account and manage actively (CPV) in automobile sector.

ÖZ

Bu çalışmanın amacı, Türkiye'deki tüketicilerin otomobillere yönelik olarak algıladığı değerın satın alma niyetini nasıl etkilediğini anlamaktır. Otomotiv sektörü hem akademi hem de toplum için çekici bir konudur. Bu nedenle, şirketler müşteri değer algısı konusuna yönelerek ürünlerini otomobil kullanıcılarına tanıtmayı ve satmayı amaçlamaktadır. Araştırma modelinde müşteri değer algısı, tutum, güven, memnuniyet ve sadakat bulunmaktadır. Model, 209 kullanıcının anket verileriyle test edilmiştir. Bu çalışma, tüketicinin satın alma niyetini etkileyen müşteri değer algısının önemini göstermektedir. Tutum, güven, memnuniyet ve sadakatın tüketicinin satın alma niyetinde pozitif yönde etkisi olduğu tespit edilmiştir. Sonuç olarak, bu çalışmadaki tüm değişkenler birbirleriyle anlamlı ve pozitif yönde ilişkilidir. Bu sonuçlar, otomobil sektöründe yöneticilerin aktif olarak müşteri değer algısını dikkate almaları ve yönetmeleri gerekliliğini göstermektedir.

1. INTRODUCTION

Automotive sector is expanding as it does every year. Global sales are growing at 2.8% worldwide per year. That is way, it is predicted sale of more than 100 million automobiles by 2020 (www.consultancy.uk). Likewise, the use of the electric cars and hydrogen fuel cell cars are increasing because of environment awareness. On the other hand, gasoline and diesel consuming cars with internal combusting engines are losing popularity.

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In this paper, it is aimed to fulfil the some objectives such as making the literature reivew; gathering the questionnaires and data from Turkish consumers; examining the consumer perceived value (CPV) via factor analysis, reliability and regression analysis; presenting analytical results and findings. CPV is a topic researched on many times. In the context of automobile sector in Turkey, relationship between CPV and purchase intention will be examined. Attitude, trust, satisfaction and loyalty are important factors in this relationship.

2. LITERATURE REVIEW

Value is what the customer believes that he would receive for money, time, effort and risk that he would spend. Value is seen qualitative and/or quantitative, subjective and/or objective factors that make up the shopping experience (Zeithaml, 1988). CPV is more than the physical product that is provided to the customer and is more abstract and thus difficult to grasp. CPV is of importance to the consumers, the businesses and the marketers. It provides competetive advantages for companies and it must be the reason for a company's existence and its success (Dodds, 1991; Kaint and Verma, 2011).CPV are overall assessment of the utility of a product or services (Ulaga, 2000; Moosa and Hassan, 2015). CPV is generally seen as a functional, emotional, social, monetary benefits. Companies have to understand consumers' needs and expectations. Therefore, CPV is used by companies to compete in market.

Sheth et al. (1991) proposed value dimensions as social, emotional, functional, epistemic, and conditional values. Sweeney and Soutar (2001) considered functional, social and emotional values are important. These authors designed a scale known as PERVAL. Sanchez et al. (2006) considered functional and affective can measure the overall perceived value and developed a scale known as GLOVAL. Wang et al. (2004) studied emotional, social, functional and price values on Chinese consumers. Roig et al. (2006) found CPV to be functional (establishment, personnel, service, price), emotional and social values. Chi (2013) measured to CPV with four dimensions: price, quality, social and emotional values. Sun et al. (2013) focused on culturel, functional and social values. Song and Qu (2018) studied hedonic and utilitarian values.

Functional values are considered as multiple approach focusing on product, price, quality (Sweeney and Soutar, 2001) professionalism (Chahal and Kumari, 2012), innovative features (Shams et al, 2015), utilitarian (Song and Qu, 2018), establishment, personnel, service. Functional values are defined by the rational and economic valuations of individuals (Roig et al. 2006). Emotional values are considered as multiple approach focusing on novelty, control, hedonics. Novelty is a product and services to be innovative and new. It is important to be able to control to the process of buying and consuming for consumers. Hedonism provides shopping motivations and it is on pleasent or unpleasent sensations. Hedonism is more pleasure-oriented and experiential attributes offer only gains. Social values make companies have a good image and impression on other people. It gives consumers to stature and make their feel they belong to a group. It provides consumer to meet and communicate new people (Kim and Han, 2009; Dootson et al, 2016). Social value withstand the perceived utility acquired from a company's social group. It is relating to the social impact of the purchase and social impression, image or reputation can influence to customer's purchase intention (Sheth et al, 1991; Cheng et al, 2009). Social and emotional values represented intangibles features (Roig et al. 2006). Monetarial values are about reasonably price, a good and economic product for the money given to buy. Quality and price are more important for customers. Therefore, price has become the primary important value while quality is considered as the secondary important value (Chi, 2013).

Purchase decision is significant and purchase intention affect it positively. Attitude, trust, loyalty and satisfaction are also affect customer's intention (Moosa and Hassan, 2015). Moreover, CPV's factors influence purchase intention and the others. Purchase intention refers to the process over consumers make a plan to purchase a product or service. In the process, consumers carry out the evaluations (Lee et al, 2017). Since consumers' attitude can change over time, consumers switch their loyalties and intentions (Maheshwari et al, 2016).

Attitude is about consumer's point of view against products or services. It is the consumer's liking or not (Xu, 2006). It is highly regarded by companies because of product selection and purchasing decision. It can be negative or positive and the negative attitude is difficult to change. Therefore, it shoud try to create and maintain positive attitude, through the current situation is reasonable and economic. Trust is about customer

expectations. Consumers are expect companies to operate in accordance their commitments. Thus, they can be less sensitive to competition (Perreault et al., 2013). Trust affect to consumer's satisfaction and loyalty, since it based on consumer's experience. It can provide consumers to build and maintain relationship with company in the long term. When consumer perceive no risks or unexpected condition, trust is built and maintained (Croinet, 2000; Deng et al., 2010). Therefore, it is built through a blief to company is honest, safe and undeceptive (Gefen, 2003).

Satisfaction is defined as a response based on purchase experience and occurs at a certain time (i.e. post-purchase or post-consumption). It is found that satisfaction is the consumer's perception of benefits. These benefits are about to consumer's utilitarian or hedonic expectations. It derives from product, service, price, store, brand, salesperson and so on (Carpenter and Fairhurst, 2005). Loyalty is a consumer's commitment to a product, service or brand. It reflects whether a consumer will switch the product or service to another one (Lin and Wang, 2006). Aaker (1991) suggests that loyalty provide to reduced costs, trade leverage, attracting new customers and competitiveness. Loyalty includes cognitive, emotional or behavioural features. Moreover, one of them can be reason of purchase decision. Consumer's need and desires determine their attitude, trust, satisfactory, loyalty degree of product or service purchased.

Automobile sector offer many choices such as segments, types of fuel, manuel or automatic drives and colors. Segments refer to car's size, price, engine capacity, performance and so on (e.g. basic A, small B, lower medium C, upper medium D, executive E, luxury F, sport S or G, mulyt purpose M, SUV and CUV J segments) (autoindustriya.com). Type of fuel is important for drivers thinking about money or environment and 8 types of fuel are used (e.g. gasoline, diesel, propane, compressed natural gas, ethanol, biodiesel, electric batteries and hydrogen) (ncat.org). Functional, emotional, social, monetary values are evaluated while purchase an automobile. Being safety, eligibility, quality, free of charge, energy saving increase their values. Thereby, these are the reasons of purchasing.

3. CONCEPTUAL FRAMEWORK AND HYPOTHESIS

Based on the previous research the following hypothesis have been listed to be tested.

Hypothesis 1: Functional and emotional values have an effect on loyalty

Hypothesis 2: Social value has an effect on loyalty

Hypothesis 3: Monetary value has an effect on loyalty

Hypothesis 4: Loyalty has an effect on purchase intention

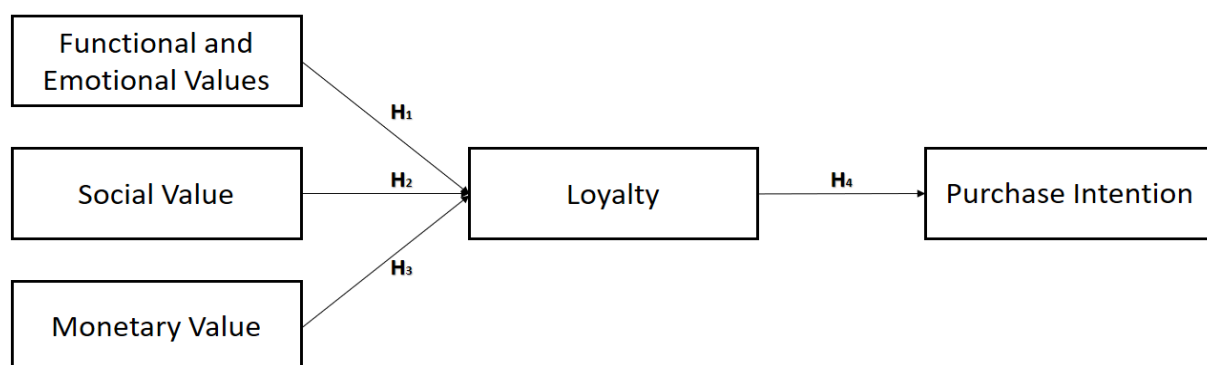


Figure 1. Conceptual Model

Based on these hypothesis, the research model is structured to explain how consumer perceived values affect purchase intention through attitude, trust, loyalty and satisfaction.

4. METHODOLOGY

Measures

A review of the literature yielded a number of measurement instruments that were employed to test the hypothesized model and each scale has a history of reliable measurement in Table 1.

Table 1. Construct sources

Construct	Number of Items	Reference
Functional Value	3	Sweeny and Soutar, 2001
Emotional Value	4	
Social Value	4	
Monetary Value	4	
Loyalty (with Attitude, Trust and Satisfaction)	3	Lin and Wang, 2006
	3	Xu, 2006
	4	Gefen, 2003
	3	Croinet, 2000; Deng et al., 2010
Purchase Intention	3	Xu, 2006

Sampling and Data Collection

Data for this research was collected through a questionnaire survey. During three-week period, 220 respondents completed the survey. After sorting and removing duplicate submissions, a net sample of 209 usable questionnaires remained.

5. RESULTS AND DISCUSSION

Demographic Analysis

The major demographics of the respondents are about gender, age, marital status, education, occupation and income. The results of demographic analysis were listed in Table 2.

Table 2. Descriptive statistics

Gender	Female 64 %30.6				Male 145 %69.4			
Age Group	Less than 25 68 %32.5	25-31 97 %46.5	32-38 31 %14.8	39-45 6 %2.8	46- 52 3 %1.4	53-60 2 %1.0	More than 60 2 %1.0	
Marital Status	Single 148 %70.8				Married 61 %29.2			
Education	PhD 8 %3.8	Master 86 %41.1	Bachelor 79 %37.7	Foundation 23 %11.0	High School 8 %3.8	Elementary 6 %2.8		
Occupation	Public Sector 77 %36.8			Private Sector 67 %32.1		Student 65 %31.1		
Income	Less than 1000TL 51 %24.4	1001- 2000TL 20 %9.6	2001- 3000TL 29 %13.9	3001- 4000TL 41 %19.6	4001- 5000TL 41 %19.6	5001- 7500TL 19 %9.1	7501- 10.000TL 4 %1.9	More than 10.000TL 4 %1.9

The sample comprised of 64 female and 145 male. Ages of the sample ranged between 18 to 64. Data obtained from questionnaires were analyzed through the IBM SPSS 23.0 statistical program.

Factor Analysis, Reliability and Validity

KMO and Bartlett's test used whether the data is appropriate for factor analysis or not. KMO values are above 0.5 and sample adequacy is good for factor analysis. Bartlett's test of sphericity was significant at $p=0.000$ level. Through the factor analysis, 6, 7 and 13. items included in the construct are removed and its cumulative variances exceeded 60%. KMO, Bartlett's tests and factor analysis results listed in Table 4. Cronbach's alpha is most widely used method to determine scale's reliability. Its value varies from 0 to 1. However, satisfactory value is required to be more than 0.6 for the scale to be reliable (Cronbach, 1951) The Cronbach's alpha results listed in Table 3.

Table 3. Item loadings and validities

	Component					KMO	Total Variance Explained	Cronbach's Alpha
	Functional Emotional Values	Social Value	Monetary Value	Loyalty	Purchase Intention			
VAR01	,729					.783	10,895	.862
VAR03	,704							
VAR02	,696							
VAR04	,613							
VAR05	,602							
VAR10		,829				.764	11,353	.858
VAR11		,774						
VAR09		,770						
VAR08		,717						
VAR13			,854			.754	10,336	.814
VAR12			,842					
VAR15			,822					
VAR14			,607					
VAR18				,809		.919	25,326	.944
VAR24				,752				
VAR26				,733				
VAR17				,704				
VAR22				,703				
VAR25				,700				
VAR27				,686				
VAR19				,679				
VAR16				,667				
VAR28				,649				
VAR20				,637				
VAR31					,808	.795	12,474	.902
VAR30					,786			
VAR29					,768			
VAR21					,613			

Results of the tests were satisfactory. Principal Component Factoring and Varimax rotation were employed to the data set. Factors with eigenvalues over one were retained and items with factor loadings below 0.50 and items with high cross loadings were excluded (Hair et. al., 2006).

Correlation Analysis

Correlation is the statistical method used to determine the degree and direction of the relationship between the variables (Durmuş et al, 2011).

Table 4. Correlation Results

		Functional Emotional Values	Social Value	Monetary Value	Loyalty	Purchase Intention
Functional Emotional Values	Pearson Correlation	1				
	Sig. (2-tailed)					
Social Value	Pearson Correlation	,426(**)	1			
	Sig. (2-tailed)	,000				
Monetary Value	Pearson Correlation	,161(*)	-,070	1		
	Sig. (2-tailed)	,020	,312			
Loyalty	Pearson Correlation	,739(**)	,530(**)	,136(*)	1	
	Sig. (2-tailed)	,000	,000	,050		
Purchase Intention	Pearson Correlation	,545(**)	,541(**)	,019	,712(**)	1
	Sig. (2-tailed)	,000	,000	,787	,000	

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

According to the correlation results, 0.312 and 0.787 are the p values and these are larger than 0.05. Thus, monetary value has no linear relationships with socail value and purchase intention. Furthermore, correlation is weak below 0,500; it is moderate between 0,500 and 0,700; it is strong above 0,700 level. So, loyalty has strong correlations with purchase intention and functional and emotional values.

Regression Analysis

Regression analysis is used to test hypotheses to discover causal relationships and can indicate the strength of these effects within a dataset, with the relationships between the independent variables and a dependent variable (Baker, 2003).

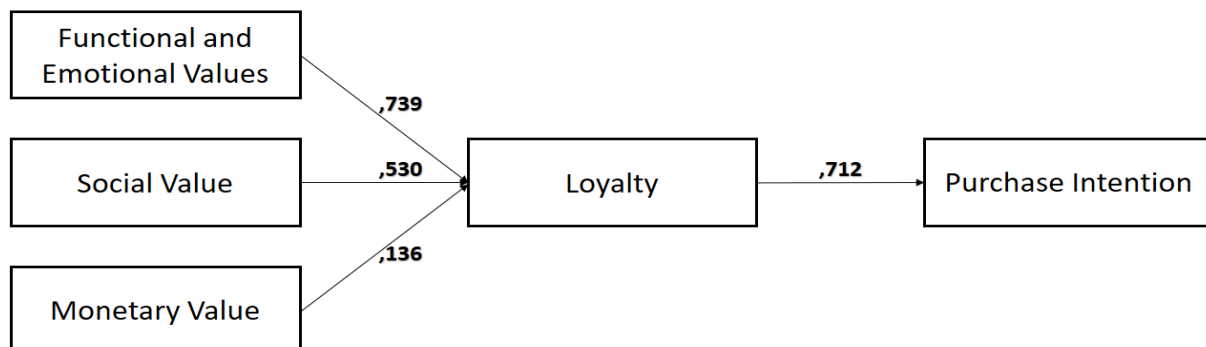


Figure.2 Results of the conceptual model

Functional and emotional values affect to loyalty with 0,74%; social value affects with 0,53% and monetary value affects with 0,14%. Loyalty respectively affects to purchase intention with 71%.

Functional values such as product, price, quality, service, personnel, professionalism and innovative features; emotional values such as novelty, control and hedonism; social values such as social identity, impression,

image and reputation; monetary values such as reasonably price, a good and economic product for the money given to buy are important on consumer's loyalty and purchase intention.

Table 5. Regression Results

Model	Beta	Sig	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
			R Square Change	F Change	df1	df2	Sig. F Change	R Square Change	F Change	df1 df2
Functional Emotional Values	,550	,000	,739(a)	,546	,544	,48331	,546	249,148	1	207,000
Social Value	,226	,000	,530(a)	,280	,277	,60861	,280	80,659	1	207,000
Monetary Value	,006	,910	,136(a)	,018	,014	,71079	,018	3,898	1	207,050

Dependent Variable: Loyalty

According to the regression results, functional and emotional values explain to loyalty with 54.6%; social value explains with 28%; monetary value explains with 1,8%. Therefore, the loyalty will increase as CPV increase.

Table 6. Regression Results

Model	Beta	Sig	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
			R Square Change	F Change	df1	df2	Sig. F Change	R Square Change	F Change	df1 df2
Loyalty	,696	,000	,712(a)	,507	,504	,66427	,507	212,535	1	207,000

Dependent Variable: Purchase Intention

According to the other regression result, loyalty explains to purchase intention with 50.7%. Therefore, the increase in loyalty will increase the purchase intention.

6. DISCUSSIONS AND CONCLUSION

Based on the findings of this study, it is found that functional, emotional, social, monetary values affect to loyalty. Loyalty respectively affect to purchase intention as well.

The research is made in Trc3 region where are Mardin, Siirt, Batman, Şırnak and 209 usable questionnaires are collected. It can be renewed in a different region with larger samples for future studies. Thus, the limitations of study can be region and number of participants in the survey.

Consequently, in the study all variables are positively related to each other and shows satisfactory levels except from monetary value. These results suggest that marketers need to take into account and manage actively CPV's factors. Tangible and intangible values are important and companies take into account. Not only functional value but also emotional, social, monetary values should be focused on. CPV's factors affect to companies's future. Therefore, companies give importance to advertising budgets, especially to reach the children and younger generation and affect their loyalty and purchase intentions in the future. On the other hand, social network sites are usable to reach consumers, so it should be used actively.

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