

An Overview Of Snack Foods

This study explores product value with reference to brand development. The question of which perceived product value acts dominantly has received very little attention, in particular, whether multiple product value may importantly enhance consumers' brand preference/purchase. This research investigates relationships between multiple perceived snack foods product value, brand preference and purchase intention. Findings show significantly positive effects of brand preference on purchase intention, and brand preference as a mediator between multiple perceived product value and purchase intention. Findings also reveal multiple value perceptions of snack foods, (e.g. functional-price/value for the money and performance/quality, emotional and social dimensions) be significant in the formation of brand preference, whereas only functional-price/value for the money and emotional value relate to purchase intention directly.

Introducing new products is widely recognized as one of the most important marketing activities of companies (Gielens and 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 and 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 and Wright 2004). In general, the more value a product offers to consumers, the more successful the product (Jang et al. 2005). Therefore, perceived value has long been an area of marketing research interest (see among others, Woodruff 1997; Petrick 2002; Pan and Chen 2004) because it is seen as the central driver in a purchase decision (Woodruff 1997). Furthermore, perceived value should also be viewed as representing a broad concept that consists of multiple dimensions (Sinha and DeSarbo 1998; Sweeney and Soutar 2001). Viewing brands as an involved composition of multiple-value is now widely accepted (Zambardino and Goodfellow 2007).

Despite the importance of perceived value as a major factor in a customer's decision, marketing literature reveals limited work in understanding the precise nature of multiple product value impact on consumer's evaluations of brand or behavioral intention differently. With these considerations, this paper proposes and models that multiple perceived value impacts consumer's evaluation of snack brand foods and behavioral intention. Further, this research also investigates which perceived product value acts dominantly, in particular, whether multiple product value may importantly enhance consumers' brand preference/product purchase. This work will hopefully help academicians and managers further understand product value and brand evaluations in strengthening consumer purchase.

LITERATURE REVIEW AND RESEARCH HYPOTHESES

Zeithaml (1988, p.14) 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 et al. 2001). However, according to Sinha and DeSarbo (1998 p.237), "perceived value is clearly a multi-dimensional construct derived from perceptions of price, quality, quantity, benefits and sacrifice". Therefore, perceived value should be viewed as representing a broad concept consisting of heterogeneous sub-components or dimensions (Sweeney and Soutar 2001). This study adopts Sweeney and Soutar's (2001) multiple perceived value construct (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 and Soutar 2001).

Functional Value of Product Price/Value for the Money

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

H1a: Perceived functional value of product price/value for the money positively influences brand preference

H1b: Perceived functional value of product price/value for the money positively influences purchase intention

Functional Value of Product Performance/Quality

Functional value is the perceived utility acquired from an object's capacity for functional, utilitarian, or physical performance (Larsen and 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 and 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 and Washburn 2002; Yoo and Donthu 2002) and purchase intention (Woodside and Taylor 1978; Tsiotsou 2006; Bhaskaran and 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:

H2a: Perceived functional value of product performance/quality positively influences brand preference.

H2: Perceived functional value of product performance/quality positively influences purchase intention.

Emotional Value of Product

Emotional value is defined as product power to trigger certain consumer emotions or change emotional status (Sheth et al. 1991). Researchers describe emotional value as product ability to arouse feelings or affective states (LeBlanc and 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 and Zaccai 2004). Previous study findings show that emotions influence consumer purchase decisions (Mizerski and White 1986; Burnett and Lunsford 1994), and positive emotion has a positive effect on impulse buying behavior during shopping (Park et al. 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 and 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 and Crane 2007). The above leads to the hypotheses as below:

H3a: Perceived emotional value of the product positively influences brand preference.

H3a: Perceived emotional value of the product positively influences purchase intention.

Social Value of a Product

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 et al. 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 et al. 1994), and also increases high buying intention (Vigneron and 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 et al. 1997). Based on these points, the following hypotheses are formulated:

H4a: Perceived social value of the product positively influences brand preference.

H4b: Perceived social value of the product positively influences purchase intention.

The following framework shows all previous hypotheses:

RESEARCH METHODOLOGY

Research Environments, Sample and Data Collection

Three hundred thirty-five undergraduate students, recruited from various business classes at a northern university in Taiwan, took part in this study. Respondents were asked to think of snack foods they recently purchased and to fill out a questionnaire. The interviewers returned after approximately five minutes to pick up the surveys.

Measurements and Measures of Research Constructs

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). The survey contained four statements on functional value (price/value for the money), five statements on functional value (performance/quality), five statements on emotional value, and four statements on social value. Three items taken directly from Davies et al. (2006) measured brand preference, while the adapted work of Baker et al. (2002) measured purchase intention. The research employed a seven-point Likert scale for all statements.

ANALYSIS AND RESULTS

Measurement Accuracy Analysis

Table 1 reports descriptive statistics of the research construct measures, including individual mean values, standard deviations and any correlations between measures.

Table 2 presents the standardized solution of this confirmatory factor analysis (CFA), where all indicators loaded significantly ($p < 0.001$) and substantially (factor loadings greater than 0.5) on their respective constructs, demonstrating convergent validity. The research uses composite reliability (C.R) for each construct to assess construct reliability. The accepted value for composite reliability is 0.70 or higher (Thompson et al. 1995). Therefore, all constructs show a high degree of internal consistency. The average variance extracted (AVE), which should be above 0.50, measures the amount of variance explained by the construct (Hair et al. 1998). Table 2 shows that the

average variance extracted are between 0.63 and 0.82. These results indicate that measurement items have high discriminant validity.

Model Fit Assessment

This study chooses Structure Equation Modeling as the statistical tool to assess the research model fit, due to its efficiency in assessing multiple and interrelated relationships simultaneously (Hair et al. 1998). The LISREL 8.7 computer application program ran the twenty-three items. Additionally the Chi-square statistic (Chi-Square = 737, df = 237, $p < 0.001$), GFI (0.84), CFI (0.98), NNFI (0.98), and RMSEA (0.08) values were clearly close to literature recommended threshold values. All fit measures suggested the model as a plausible representation of underlying empirical data structures.

Results of Hypotheses Tests

This work now examines the proposed hypotheses. The hypothesis coefficients are printed in Table 3. As can be seen, H3a, H3b, H4a, and H5 are supported at a significant level of $p < 0.001$. H1a and H1b are supported at a significant level of $p < 0.01$. H2a is supported at a significant level of $p < 0.05$. H2b and H4b are not supported.

This research examines the direct, indirect, and total effects of the structural model. According to Table 4, Functional value (price/value for the money) and emotional value indicate a significant direct effect on brand preference (D FmV-BP=.14; $p < .01$; D EV-BP=.30; $p < .001$) and purchase intention (D FmV-PI=.13; $p < .01$; D EV-PI=.44; $p < .001$), and indirect effect on purchase intention (I FmV-BP=.06; $p < .01$; I EV-BP=.12; $p < .001$), whereas Functional value (performance/quality) and social value indicate only a significant direct effect on brand preference (D FqV-BP=.15; $p < .05$; D SV-BP=.41; $p < .001$) and indirect effect on purchase intention (I FqV-BP=.06; $p < .05$; I SV-BP=.17; $p < .001$). Direct effect on purchase intention is not significant (D FqV-PI=-.01; $p > .05$; I SV-BP=.00; $p > .05$). The four perceived values additionally exhibit considerable explanatory power as brand preference indicators (Squared-Multiple-Correlation of 72%), thus offering assessment confidence of the four hypotheses of the relationship between perceived multiple value and preference. Perceived value and brand preference are additionally important indicators of purchase intention (Squared-Multiple-Correlation of 76%).

DISCUSSION AND CONCLUSIONS

Data confirm that multiple perceived product value of food products impact brand preference and purchase intention in a distinct manner, and overall, brand preference is a strong predictor of purchase intention. Findings also show that (1) emotional value influences brand preference and purchase intention more than other values, (2) functional value (price/value for the money) is a stronger predictor of brand preference and purchase intention, (3) purchase intention is not driven by functional value

(performance/quality) and social value, whereas brand preference is dominated by functional value (performance/quality) and social value, (4) multiple perceived product value strengthens brand preference, thereby affecting choice decision.

Findings reveal that functional (price/value for the money and performance/quality), emotional and social dimensions of value have varying significance in the formation of snack food brand preference and purchase intention. That is, although these values do not all directly impact consumer purchase intention, these values all enhance consumer's brand preference. Due to the positive significant influence of brand preference on purchase intention, this research suggests that creating multiple perceived product value is necessary for enhancing a positive attitude toward brand, in turn inducing purchase intention. Therefore, marketers may focus on multiple value expressions through certain marketing communication. Compared with functional value (price/value for the money), emotional and social value more importantly influence consumer brand preference and purchase intention within the context of snack food consumption. Therefore, the traditional focus on product design performance might be too narrow. Factors such as aesthetics, entertainment and a user self-image should be considered. Retailers should encourage positive consumer emotions through strategies such as product displays and package design (Park et al. 2006).

While inevitable regrets arise from the nature of this research, future research suggestions could include the following. First, this study only focuses on students of a particular university in Taiwan. Although the research setting is matched with the use of student subjects by selecting a product relevant to students, care must be taken in generalizing these findings to the overall population. Second, this study only performs research based on snack products. Although this research expects the findings to be replicated in other categories, future studies need to clarify this important validation concern. Future research can be chosen in different product categories for comparisons. Verification of the general principles of the proposed research hypotheses is necessary for other products as well as for cross-product comparisons.

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