

A Study of Sales Promotion, Brand Image and Perceived Value on Purchase Intention—A Case Study of Large-scale Stores

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Keywords: Use motivation, Perceived value, Use satisfaction, Wholesale store, Sales promotion, Brand image, Perceived value, Purchase intention.

Abstract. This study took five wholesale stores as the scope of study to explore the influence of sales promotion, brand image and perceived value on purchase intention. The consumers of five wholesale stores were taken as targets and data was collected by questionnaire survey method. A total of 400 questionnaires were distributed and 400 valid questionnaires were recovered, with a valid return rate of 100.0%. The valid questionnaire data were summarized and analyzed with SPSS software.

The results show that:

- (1) “Sales promotion” of wholesale stores has a direct and significant impact on “brand image” and “perceived value”;
- (2) “Perceived value” of wholesale stores has a direct and significant impact on “brand image”;
- (3) “Sales promotion”, “brand image” and “perceived value” of wholesale stores all have a direct and significant impact on “purchase intention”.

Finally, according to the conclusions of the study, relevant suggestions are put forward for the reference of the operation and management of wholesale stores and relevant vendors and future study directions.

Introduction

After the rise of retail industry, there are department stores, wholesale retailers, supermarkets and convenience stores. The differences among the four types have also promoted the transformation of physical retail. And the rise of wholesale stores has also started the era of mass stores, in which public shopping came to a coordinated process of “self-help, low price and one stop”.

Among the numerous retailers, wholesale store business is relatively mature among the domestic retailers. Therefore, this study only takes five major wholesale retailers to conduct case study. Therefore, the purpose of this study is to understand the consumption behavior of wholesale stores and the influence of commodity promotion, brand image and perceived value on purchase intention is discussed.

Literature Review

Wholesale store is a kind of warehouse store, which combines the functions of supermarkets and department stores. It sells a large number and variety of groceries and clothes. Besides that retailer offers goods with lower prices, it is also convenient for common families to purchase what they need for a week.

Zeithaml (1988) suggested that perceived quality is that consumers evaluate its utility and durability according to the brand, quality, attributes, specifications, appearance and performance of a product/service. Garbarino (1998) indicated that perceived quality is the consumer's perception or evaluation of a product from the consumer's point of view.

In the marketing market, brand image is regarded as an important part, because brand image is a kind of information hint. Consumers use the brand image in their impression to infer the quality of

products, so that it can stimulate consumers' purchasing behavior. Brand image is thus stored in consumers' memory model, and good brand network connection becomes an important factor in purchase decision-making. Therefore, products should have unique brand image. How to use brand image effectively to enable consumers to directly feel the products and obtain recognition is an important topic in modern marketing.

Dobni (1990) mentioned that brand image is the brand concept recognized by consumers, which is mostly subjective perception phenomenon after consumers understand it. In addition, brand image is created by product quality, function and appearance, and is shaped by marketing activities, advertising and consumers' own experience.

Kotler (2003) defined brand image as consumer's brand beliefs about different brands that consumers show to different brands according to each attribute, but different beliefs about specific brands may arise from use experience, selective cognition and selective memory.

Randall (1997) interpreted brand image as an impression existing in consumers' minds which receives information from their own experiences, advertisements, packaging, services, etc., but it changes due to selective cognition, different beliefs, social standards and forgetting. MagidCox and Cox (2006) argued that consumers' response to brand name, logo or impression is also a symbol of product quality.

In economics, the sum of consumer surplus and producer surplus is usually taken as the representative when measuring the impact of a tourism resource on the society as a whole (Dupuit, 1844). Consumer surplus is the difference between the highest price that consumers are willing to pay and the actual price paid for owning a commodity. When the quantity of commodities purchased increases, the price they are willing to pay will decrease accordingly.

Kotler (2009) defined promotion as a short-term incentive tool that includes a variety of short-term incentives to stimulate target consumers or distributors to have immediate or hot purchasing responses to specific products or services.

The EKB model was proposed by Engel, Kollat & Blackwell in 1968 and revised in 1984. It is a more detailed, complete and systematic model framework at present. The EKB model consists of five parts: (1) Problem Recognition; (2) Search; (3) Information Evaluation; (4) Purchase Decision; (5) Postpurchase Behavior (Luo et al., 2008).

Methods

Sales promotion is the price incentive in purchase motivation, while Sweeney and Soutar (2001) divides perceived value into quality, performance, emotion, price, society and environment. For marketing 4P, the promotion incentive will make customers feel value for money, so the following assumptions are deduced:

Does the “commodity promotion” of wholesale stores have a direct and significant impact on “brand image and purchase intention”?

Does the “perceived value” of wholesale stores has a direct and significant impact on the “brand image and purchase intention”?

Does the “brand image” of the wholesale stores have a direct and significant impact on the “purchase intention”? “

Results

In this study, five wholesale stores are taken as the targets of study. 400 questionnaires were distributed to fill in, and then a questionnaire survey was carried out for investigation.

Single factor analysis of variance (ANOVA) is mainly to analyze whether there are significant differences between analysis facets, but there is no difference in the significance of the above analysis facets, representing a positive correlation.

Regression analysis

Commodity promotion

Table 1. Commodity promotion v.s perceived value, Brand image and Purchase intention

Facet	variable	Coefficient R2	F Value	β	T Value	Significance
Commodity promotion	Brand image	0.295	166.939	0.544	12.291	0.0001***
	Purchase intention	0.457	334.885	0.676	18.300	0.0001***

Significant level: * $p \leq 0.05$ ** $p \leq 0.01$ *** $p \leq 0.001$

Perceived value

Table 2. Perceived value v.s Brand image and purchase intention

Facet	variable	Coefficient R2	F Value	β	T Value	Significance
Perceived value	Brand image	0.248	131.285	0.498	11.485	0.0001***
	purchase intention	0.233	121.037	0.483	11.002	0.0001***

Significant level: * $p \leq 0.05$ ** $p \leq 0.01$ *** $p \leq 0.001$

Brand image

Table 3. Brand image v.s Purchase intention

Facet	variable	Coefficient R2	F Value	β	T Value	Significance
Brand image	Purchase intention	0.346	210.835	0.588	14.520	0.0001***

Significant level: * $p \leq 0.05$ ** $p \leq 0.01$ *** $p \leq 0.001$

Conclusions

The repetitive nature of wholesale stores is very high, but Costco clearly distinguishes these differences. Costco operates as a club with the route of selection, refinement and high-quality goods and seldom has promotional prices, so there are all big packages that extends to a substitute for physical stores.

Wholesale markets regard sales promotion as an incentive, so promotion is a short-term purchase inducement to attract consumers. The higher the discount is, the more savings will be felt by customers. However, the price of goods is reasonable in terms of perceived value, and services can be trusted and have reached the standard, but the overall level is still low, which means that the degree of perceived identity is common.

Customers may make purchase due to original trust when wholesale markets launch sales promotions. However, because of the influence of the concept of “you get what you pay for”, when the promotion is large, it will result in poor perceived value. Therefore, high-priced goods can be discounted twice in sales promotion, but if the discount for low-priced goods is too large, consumers think that the quality of promotional goods is not good.

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