

## RESEARCH ARTICLE

# Impact of corporate reputation on rural consumer brand attitude and purchase intention Markets

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## Abstract

The main objective of this study is to determine the effects of the negative corporate CEO and corporate social responsibility reputations on the changes in rural consumers' brand attitudes and purchase intentions. To accomplish this study determination, we anticipated the associations between brand awareness and perceived quality and initial brand attitude and purchase intention by relying on the hierarchy of effects model; then we assessed the changes in brand attitude and purchase intention after providing information on negative corporate reputation. Multiple regression analysis and paired samples T-tests were conducted to test the hypothesized relationships using a convenience sample of 670 respondents. The empirical results support significant effects of brand awareness, perceived quality and corporate reputation on brand attitude and purchase intention.

**Keywords:** Corporate Reputation, Brand Attitude, Purchase Intention.

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## 1. INTRODUCTION

The strong image of a company is a positive opportunity for businesses to succeed well sustainably. The strong name of the company has numerous advantages for companies, such as investments. In addition, the positive image of companies contributes to the development of customer engagement with the brand. Thus, company credibility has attracted unparalleled recognition from academia as well as from businesses as one of the most useful corporate immaterial assets. In view of the diverse researchers' views of the company credibility, there is no agreement among researchers on the concept of the company's reputation. In the domestic and external view, corporate credibility is characterized as an overall assessment of a company by the stakeholders over time. In addition, the reputation was described as a perceptual representation of the past activities and prospects of a business, which in comparison to other top rivals, characterize the overall call of the company to all its major constituents' Corporate credibility as observer of a company's mutual judgments on the basis of economic, social and environmental evaluations over period of its associated impacts.

The distinction is between corporate, corporate brand, and reputational capital, with corporate identity defined as symbolic collections, pictures defined as observer's general perceptions of companies, and reputable asset quality described as distinct symbol gathering and renowned capital. The goal is to prepare an individual to respond prior to the action, the Planned Behavior. Before behavioral control, personality, and subjective norm, theory was employed to describe what happened. In certain cases, these three things were employed in a direct measure to define an individual's

real and indirect intents, such as voluntary articulation and conveyance. Attitude includes evaluating the behavioral advantages and downsides. Subjective norm refers to a person's understanding of social conduct. Perceived control of activities requires trust in one's own acts. This principle of deliberate provocation has been very well used and used by several investigators for a long time. An individual's psychological traits are used to measure their attitude.

Assessing the consumer's attitude about the company is critical since it tends to match positively with market tastes and purchase intentions. The reasoning principle of action (TRA) contends that actions are inextricably linked. According to TRA, the most important determinants of human actions are behaviour and subjective norms. Measuring client brand sentiments as both context and implications is so critical for advertisers. A wide range of research can provide the possible context and outcomes for consumer reactions to a firm. However, in earlier academic study, brand experiences as well as a history of client brand attitude were given less significance. Furthermore, there seem to be a few trials that experimentally investigate the impact of marketing activity on consumer brand.

## 2. Review of Literature:

Customer preferences or experiences of the company, including such brand recognition (Gaines-Ross 1997), value perception (Caruana and Chircop 2000; Chun 2005), beliefs toward product,<sup>[1]</sup> and purchase intent, are used to assess company image and its consequences.<sup>[2,3,4]</sup> The HOE model describes the connections between such variables.

Consumers receive, analyse, and use effective advertising information in three phases, according to the HOE model: first, cognitively (thinking); second, affectively (feeling); and finally, conatively (acting) (doing). Consumers gain awareness and understanding first, according to this approach, Consumers first become aware of brand and educated about a product or brand, then develop favorable or negative sentiments or attitudes toward the product, and lastly act by purchasing or rejecting the product or brand.<sup>[5]</sup> Using the HOE model, this research looks at the impact of brand awareness and perception of quality on brand consumer purchase intention for each of the following three stages: cognitive, affective, and normative commitment.

In consumer behaviour research, attitudes and purchasing behaviour significant and frequently researched factors.<sup>[6]</sup> Many scholars have argued that under the HOE model's cognitive-affective conative connections, attitude and purchasing behaviour are clearly linked.<sup>[7]</sup> The HOE model's emotional dimension, attitude, is described as a consumer's appraisal and sentiments regarding products and services. Purchase intention has been characterized as a personal behavioral inclination in terms of acquiring items or services, which is included as a conative dimension in the HOE model.<sup>[8]</sup> Since Fishbein and Ajzen (1975) discovered a strong positive connection between attitude and buy intention, the majority of research has supported the idea that customers' attitudes influence purchase intention explicitly or implicitly.<sup>[9]</sup>

In a research, Islam, M.R.<sup>[10]</sup> discovered that customers assess brand image, cost and obligations, distinctiveness, prestige, and customer relationship while making purchase decisions. A.B. Carroll<sup>[11]</sup> Individuals of diverse educational levels do not have differing perspectives on these identified variables, except for uniqueness. Leila Haghshenas<sup>[12]</sup> conducted a conceptual research to discover distinct elements influencing customer behaviour and purchasing decisions. The study discovered that both controlled and uncontrollable variables impact the purchase choice process. Social group and individual psychological variables, as well as situational considerations, value, performance, benefit, and marketing mix, are all included. B. Rajasekarn and P.A. Saravanan<sup>[13]</sup> investigated the drivers (i.e. factors) that impact consumers' purchase intentions for green personal-care products, as well as their moderating variables. Environmental views and self-efficacy were found to have significant influences on the purchase of green personal care products. According to Srivastava and Kumar<sup>[14]</sup>, the FMCG sector contributes significantly to India's GDP. It has contributed to the demand of India's poor and middle-income classes. Over 73 percent of FMCG items are sold to middle-class families, with rural India accounting for 52 percent. For most FMCG firms, A. Caruana<sup>[15]</sup> rural marketing has become the trendiest marketing area. The rural India market is enormous, and the possibilities are endless. Following saturation and fierce rivalry in urban regions, many FMCG businesses are now focusing on the rural market and developing new methods to reach out to rural consumers. A.S. Rao<sup>[16]</sup>, Indian FMCG firms are currently working on new competitive strategies for this unexplored market opportunity. As a result, a comparison study was conducted on the growth, opportunities, and problems faced by FMCG firms in the rural market. One of the most compelling reasons for businesses to target rural customers is that individual incomes are increasing in rural regions, and lower and middle-income groups' purchasing power is increasing as well, and they are ready to

spend money to better their lifestyles. The attitudes, values, beliefs, and perceptions of consumers with relation to the use of fast-moving consumer products were emphasized by Rajasekaran, B., and Saravanan, P. A.<sup>[14]</sup> The preference and opinion of consumers toward prominent brands were taken into account when studying the brand preference of fast-moving consumer products.

### 3. Data collection

A qualitative approach, which included both literature search (Table I) and focus group were used to generate the initial item pool. That means other than collecting theories and reviewing relevant literature, we also used the focus group method with FMCG Product used consumers. The comprehensive questionnaire has a two different collecting period. By convenience sampling, questionnaire surveys are sent to PC users over the age of 16 in Taiwan. A total of 754 copies of the questionnaire were sent out, with 670 valid samples returned. The ones that were incomplete and illogical were removed. The percentage of those that return is 88.5 percent. There are 397 female responders (60%) and 273 male participants among the 670 questionnaire copies gathered (40 per cent).

### 4. Results and discussion

To investigate the impact of brand recognition and value perception on brand purchase intention of customers, two sets of multiple regression models were used (H1 and H2). The independent factors in these studies were brand awareness and level of customer satisfaction, with brand attitude and purchase intention as the predictor variable in each multiple regression analysis. With  $F(2, 209) = 169.46, p.001$ , the regression analysis for the association among brand recognition and perceptions of product enhanced brand attitude (H1) was significant, suggesting that two independent variables explained 61.9 percent of the variation in brand attitude. As a result, Hypothesis 1 was shown to be true. Brand awareness ( $=.16, p.01$ ) and perceived quality of the product ( $=.72, p.001$ ) revealed major antecedents in the test of the relative contributions of independent variables to explain respondents' brand attitudes. As a result of this finding, respondents are more likely to have a favorable brand attitude when the company's brand recognition and perceived product quality are high. The regression model for the relationship between two independent variables and purchase intention (H2) was significant, with  $F(2, 209) = 95.56, p < .001$ , indicating 47.8 % of the variance in purchase intention was explained by brand awareness and perceived product quality. Thus, Hypothesis 2 was supported. M. Fishbein<sup>[17]</sup>, The test of the relative contributions of independent variables revealed that both brand awareness ( $\beta = .25, p < .001$ ) and perceived quality ( $\beta = .57, p < .001$ ) were significant. The multiple regression analyses results for H1 and H2 are reported in Table 1. A bivariate regression analysis was implemented to examine the relationship between brand attitude and purchase intention. The regression model for the relationship between brand attitude and purchase intention (H3) was significant: ( $\beta = .775, p < .001$ ), with  $F(2, 210) = 315.74, p < .001$ .

**Table 1 Multiple regression analysis initial brand  
Predicting attitude and initial purchase intention  
Initial brand attitude Initial purchase intention**

* p ≤ .05; **		M(SD)	B	t	M(SD)	B	t
	Brand awareness	6.019(1.472)	.146**	3.454	5.19(1.372)	.351***	3.743
	Perceived quality	5.664(1.396)	.621***	1.929	4.64(1.296)	.576***	9.692
	R <sup>2</sup>	.619			.478		
	F	169.46***			95.56***		

p ≤ .01; \*\*\* p ≤ .001

### 5. CSR reputation means for initial and post brand attitude and purchase intention:

Paired samples t-tests were conducted to compare the effects of a company's negative reputation on consumers' attitudinal change toward the brand (H4) and changes in purchase intention (H5). Y.S. Lii, M. Lee [18], As Table 2 shows, there were statistically significant changes in brand attitude after reading an article on the negative reputation of the CEO (t = 9.17, p < .001) and CSR reputation (t = 10.56, p < .001). In addition, there were significant changes in purchase intention after reading an article on the negative reputation of the CEO (t = 6.64, p < .001) and CSR reputation (t = 8.65, p < .001). These results suggest that a company's negative reputation negatively influence consumers' brand attitude and purchase intention.

### 6. Conclusion:

The conclusions on influence of corporate reputation have significant managerial implications for those seeking to manage their company's reputation efficiently. The current study's findings show that bad publicity can exacerbate customers' views, and that a company's poor image should be carefully managed to prevent harming existing consumers' attitudes and purchase intentions. The findings of this study also show that while consumers do process bad company reputation, the types of reputation should not be used as a determining factor. Any type of criticism would be detrimental to the customer connection. This also implies the critical strategic cues that one type of ethical reputation can mitigate the negative impact of another type of reputation and recover damaged brand equity, because consumers are aware of different type of reputations as compatible information about the company.

### 7. Limitations:

The present study has important implications for brand management since it provides empirical information that can help people better comprehend company reputation. Nonetheless, there are several limitations to this research. The stimulus in this study was limited to one brand of clothing (American Apparel), limiting the generalizability of the findings. To generalize the findings across brands and product kinds, future researchers may need to examine the research methodology of this study in various product types and other brands. Furthermore, the current study solely looked at CEO and CSR reputations as negative instances of reputation. Future researchers may want to test the effect of different types of corporate reputation and ensure that the participants' negativity perceptions are measured by an appropriate pretesting procedure.

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