The Impact of Spokesperson Credibility on Consumer-Company Identification – Age as a Moderator

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Observing the global market, new smart phone products are constantly entering the market, and conveying diversified product information to consumers has thus become the focus of many enterprises. Among the vast number of marketing methods, spokespersons are most commonly used. Choi & Rifon (2007) pointed out that highly credible spokesperson can make information more convincing. When consumers gain trust in the spokesperson, it not only brings them closer together, but also affects their purchase intention. However, does this also cause them to identify with the company? This study examines the impact of smart phone spokesperson credibility on consumer-company identification (CCI), and uses age as a moderator. The purpose of this study is to examine: 1. If spokesperson credibility has a significant effect on CCI. 2. The moderating effect of age on the impact of spokesperson credibility on CCI.This study conducts a questionnaire survey on Taiwanese consumers in different age groups. A total of 225 questionnaires were issued using convenience sampling on 2014/08/01, and 215 questionnaires were collected by 2014/08/31. SPSS 22.0 was used for positive analysis, in which main data analysis methods include descriptive statistics and regression analysis. Conclusions are as follows: spokesperson credibility resulted in significantly different CCI; age had a moderating effect on the impact of spokesperson credibility on CCI. This study verifies that higher spokesperson credibility resulted in higher CCI. In other words, when more credible spokespersons recommended a product, consumers had higher CCI.

JEL Codes: L82, M31 and M37

1. Introduction

Currently, consumer's habit is changed by the updated communications technology, media ecology diversification, and the rise of consumer awareness. Corporate starts to focus on how to deliver message from diversified products to consumers. The common method of companies to draw attention from consumers will be hiring spokesperson which enhances visibility and competitiveness, and effectively send message of products to consumers.

Thus, there are plenty examples of mutualism between spokesperson and companies, such as the famous Taiwan band, Mayday, being spokesperson of Kaohsiung City Government Tourism. Also, consumer tends to combine spokesperson image with products and that creates some kind of dependency of relationship between both of them. This is also the reason.

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Goldsmith, (Lafferty & Newell's 2000) study indicated that the process of cognition is very important for consumers on corporate and spokesperson credibility. Sirgy & Samli(1985) proposed that identification leads consumers to identify each company with specific uniqueness than other competitors and then become emotionally attached. Furthermore, it increases positive view and behaviour of consumers-companies including promise to consumers, loyalty, and reputation, and hence become proponents of companies enhancing corporate benefits.

Innovative DigiTech-Enabled Applications & Services Institute(IDEAS) "Investigation on above 12 years old Taiwan people found out the population owns smart phone has reached 43.1% and that refers to 9.17 million people. Comparing that number with 2012 data, there shows 16.9% increase and that refers to 3.59 million people more. According to the growth rate, smart phone penetration rate in 2015 will be 67.2% which equals to over 14 million people". In a competitive phone market while 2 out 3 people own smart phones, marketing strategy seems extremely important in order to stand out from plenty homogeneous products. According to today's marketing strategies from phone suppliers, spokesperson seems to be the current trend.

To sum up above discussion, spokesperson stands for one of the key factors from product commercials while delivering product information to consumers; furthermore, spokesperson credibility and image will effectively connect the identification from customer toward companies. And then the next paragraph beginning I will explain research purposes and questions.Ohanian(1991) divided Spokesperson Credibility into three perspectives: (1) Attractiveness、(2) Trustworthiness、(3)Expertness. (Choi & Rifon's 2007) study indicated that companies hire spokesperson to send message of company products to customers and the key to define if the message in advertisements is credible will depend on spokesperson. Spokesperson with high credibility will increase the persuasiveness of message and that means spokesperson would release influence through credibility customer feels. Therefore, at the same time, customers establish trust against spokesperson and not only narrow the distance with the customers, but affect the purchase intention. However, whether customers will further identify themselves with company or not is one of the problems we need to find out through this research. According to Foreseeing Innovative New Digiservices (FIND) 2013 March research, using smart phone has spread to younger and elderly age groups in Britain and that draws UK advertising market concerns. However, the important marketing strategy of company is that how to use the spokesperson credibility and image to deliver message to consumers in all ages to achieve more revenue.

Therefore, this study tries to understand whether consumers of different ages disturb the relationship between spokesperson credibility and consumer-company identification (CCI). In summary, this research would like to discuss the influence from spokesperson credibility to CCI, and purposes of this research listed as below:

1. If significant influence exists from spokesperson credibility to CCI.
2. The disturbance effects from consumers at all ages against relationship between spokesperson credibility and CCI.

In this study, section 2 reviews the literature of spokesperson credibility and CCI first. According to the literature, section 3 shows methodology and model to explain the relationship between spokesperson credibility and CCI, and then section 4 discusses the finding. Section 5 discusses about the conclusions.

2. Literature Review

2.1 Spokesperson Credibility

Ohanian (1991) until now, spokesperson credibility still is the concerned issue by practical academia, advertising, and marketing world. According to Hovland, (Janis & Kelley's 1953) research, there are two main sources for persuasiveness of communication: persuasiveness comes from message itself (e.g. product or service), and the persuasiveness of information source (e.g. spokesperson). However, it is essential that if consumers believe what spokesperson said, otherwise, even if the message itself is credible and rational, consumers may still ignore the content of the message from the advertising. That's why source credibility is the key.

Ohanian's (1991) study summed up opinion from previous scholars for spokesperson credibility and then divided them into three perspectives. The definition of each section is shown as below:

(1) Attractiveness: Consumers assume spokesperson own charm, unique personality, sexy, and favourable characteristics toward product or service.
(2) Trustworthiness: It means that consumer believe that spokesperson stands for honesty, integrity and other positive characteristics. This kind of spokesperson owns more persuasiveness to convince consumer on products purchase.
(3) Expertise: Consumers assume spokesperson possess professional knowledge on products, including a sense of authority, competence and professional qualifications.

2.2 Consumer-Company Identification

Previous researches discussed identification between employees and organizations, while recently some scholars begin to apply the identification for the customer- company relationship (CCI). Trying to identify how CCI brings benefit to corporate, and clearly shows how to make consumer-company bonding generates strong, committed, or more meaningful relationship. (Dutton et al. 1994) indicated that identification means people will generate a psychological feeling for specific group and it can arouse the voluntariness to achieve organizational goals, and willing to pay more effort.

Bhattacharya & Sen (2003) suggested that a strong customer-company relationship is the basis of customer-company identification which helping customer to satisfy one or more self-definition demands. This identification will be active, selective, and voluntary for customers. Furthermore, it will lead customers to go for what is beneficial to corporate or create potentially damages. Identification based "customer-company relationship" is not provided unilaterally by corporate; based on the demand to fulfil self-definition; customer will try to build up this relationship as well.

Yang (2010) explained that CCI is the supporting attitude from customer toward company and its brand, which afterwards leads to identification of company. There also exists a similar situation between employers and employees. The characteristics of company (such as what customer feels from company's external image and relevant elements), and the role of sales personnel will also affect CCI. The identification of company has the value of identification for customers if the company can provide attractive and meaningful community identification to help the customers to fulfil their needs of self-definition.

2.3 Age

Lin (2013) indicated that when age differs, consumer's behaviour, value, lifestyle, consumption need and ability will also change. (Rong 2007) proposed that many companies would provide the product/service for each different age group respectively, such as McDonalds launched media advertising specifically for each different age. Therefore, stereotype should not exist when company marketing strategy focus on market segmentation for different age groups. For example: complex vitamins. Previously, companies sold complex vitamins suitable for all ages, but now, vitamins are marketed separately for children, adult, and seniors at different age groups. To sum up, there are different needs for consumers at all ages, thus, corporations should provide different product or services to fulfil the needs of each age group during as a marketing strategy set up.

3. The Methodology and Model

3.1 Framework

This research will focus on research purpose, questions and literature discussion. Spokesperson credibility will be treated as independent variables while CCI as dependent variables and age will be applied as moderating variables on this research. According to the research of (Cheng 2005), gender shows significant effects toward CCI; (Huang 2007) indicated that there is significant difference between education background and CCI. Thus, we will apply gender and education background as control variables to purify the relationship from independent variables to dependent variables as showed below on Drawing 1:

Drawing 1: Research Framework
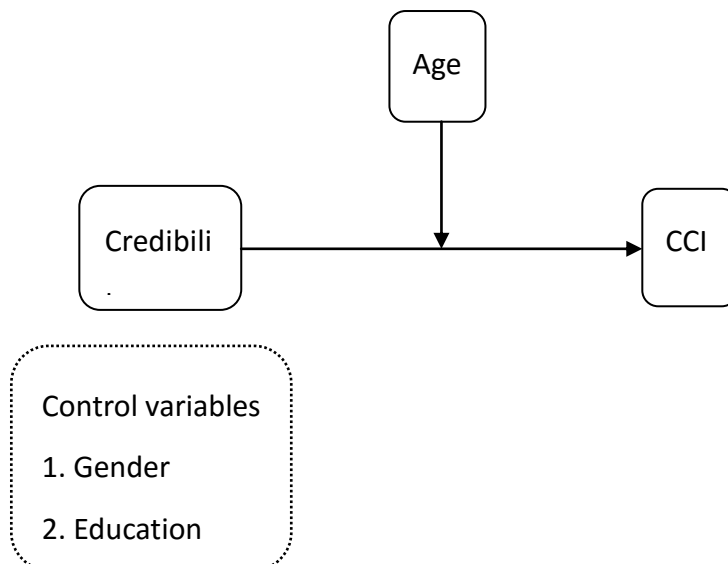
3.2 Research Questions

Based upon (Yang 2009), the more attractive, reliable and professional the spokesperson, the more consumer preference increases. This leads to more attention and, willingness to further understand the products or companies. (Bower & Landreth 2001) thought spokesperson with the highly attractive characteristics create higher reliability on consumers

From the foregoing, the company hired consumers spokesman for the company launched the product or service, arouse consumer willingness to buy, further lead to the company identity.

According to above discussion, this research suggests that higher spokesperson credibility leads to higher CCI. So our first research hypothesis as below:

H1: There is no impact from Spokesperson credibility against CCI.

Lee (2009) indicated that for consumers at all ages, the younger group receives messages on health-related products or topics better than elderly group. Ching-Yun, Cheng (2009) believed that a spokesperson from animated endorsers may arouse the childhood memory of elderly consumers and initiate emotional reactions.

However, previous studies also believed that animated endorsers only go for adolescents or children. Therefore, we believe that different age is related with credibility and consumers on different ages own disturbance effects on spokesperson credibility and CCI. Thus, our second research hypothesis as below:

H2: For consumers at different ages, there is no significant difference on spokesperson credibility influence toward CCI.

3.3 Variables Definition and Measurement Methods

According to the research framework, we show research variables operational definitions as below and divide them into independent variable, dependent variable and disturbance variables with related illustrations.

3.3.1 Independent Variable

Source of credibility: According to (Ohanian 1991) proposed source of credibility includes attractiveness, trustworthiness and expertness. On the measurement of spokesperson credibility, we refer to (Ohanian 1991) proposed three perspective scales and then apply Likert's five-point scale for actual measurement. From "Strongly disagree" to "Strongly agree" scores 1 to 5 respectively. Higher score equals to higher Credibility.

3.3.2 Dependent Variable

CCI: The degree of customers building long term and meaningful relationships with a company proponents. (Cornwell & Coote 2005) proposed measurement items based on (Bhattacharya et. al. 1995) and (Mael & Ashforth 1992) that is applied in this research. A total 6 questions are measured by Likert's five-point scale. From "Strongly disagree" to "Strongly agree" scores 1 to 5 respectively.

3.3.3 Disturbance Variable

Age: This research examines if age provides disturbance on the effects from spokesperson credibility against CCI. Items on age evaluation listed as below: Under 20 years old, 21~30 years old, 31~40 years old, 41~50 years old, and over 51 years old. Furthermore, we have coded above age range from low to high as 1~5. Also, during data analysis, we have divided all ages into three groups as younger age group (under 20 years old ~ 30 years old), middle age group (31~50 years old) and higher age group (over 51 years old).

3.4 Analytical Methods

Questionnaire has been applied on this research and SPSS has been used for statistical analysis, methods as below.

3.4.1 Descriptive Statistical Analysis

Descriptive statistical analysis is based on demographic variables, mainly focus on research sample and then analysis subjects' personal status as gender, education background, age, incomes and other demographic characteristics to execute frequency distribution and percentage analysis to describe sample's data structure.

3.4.2 Person's Correlation Coefficient Analysis

Person's correlation coefficients is applied here to analyze the degree of correlation for more than two continuous variables and also to examine the correlation for age or spokesperson credibility toward CCI to verify research hypothesis.

3.4.3 Regression Analysis

Regression analysis is primarily applied to discuss the relationship between variables. We have applied regression analysis on this research to explain the relationship between spokesperson credibility and CCI and then further discuss about the disturbance effect from age.

4. The Findings

4.1 Sampling Design

Questionnaire method is applied on this research to investigate effects from spokesperson credibility to CCI on consumers at different ages. Sampling objects are chosen from Northern, central and southern Taiwan internet consumers. Questionnaire collection process is anonymous. Questionnaires released at 2014/08/01 for total 225 pieces and then collected 215 of them at 2014/08/31 with 95.55% response rate, total effective questionnaire 210 of them; effective response rate stands 97.67%.

4.2 Descriptive Statistics

There are 76 male and 134 female on all collected samples; over 51 years old stands for the most (48 people), 31~40 years old stands for the least (30 people); on education background, college level stands the most, total 95 people as shown below on table1:

Table1: Demographic variables samples analysis

	Number of people	Percentage
Gender		
Male	76	36%
Female	134	64%
Age		
20 years old and under	38	18%
21~30 years old	41	20%
31~40 years old	30	14%
41~50 years old	53	25%
Over 51 years old	48	23%
Education background		
Junior high and under	40	19%
High school/vocational high	45	21%
College	95	45%
Graduate school and above	30	14%

4.3 Person's Correlation Coefficient Analysis

According to table2, the result shows correlation coefficient 0.562 (P<0.05) on spokesperson credibility toward CCI leads to positive correlation while the correlation coefficient on gender against CCI reaches 0.039, no significant correlation. Moreover, it shows negative correlation on education background against CCI with significant correlation coefficient -0.211 (P<0.01); while the correlation coefficient on age against CCI reaches 0.188 (P<0.01) represents that significant correlation exists.

Table 2: Variables correlation analysis

	Variable number			
	1	2	3	4
1spokesperson credibility				
2 CCI	.562*			
3 Gender	.064	.039		
4 Education background	-.103	-.211**	.087	
5 Age	.213**	.180**	-.073	-.286**

** Correlation no less than 0.01 refers to significance (To two decimal places).

* Correlation no less than 0.05 refers to significance (To two decimal places).

4.4 Regression Analysis

Table3 represents the overall results from regression analysis. Model 1 refers to control variable, model 2 refers to spokesperson credibility and model 3 includes control variable, spokesperson credibility, age*spokesperson credibility. From table 4-3, we find out the effects from spokesperson credibility toward CCI reaches β value 0.544 (P<0.001) and the explanatory power after adjustment (Adjusted R2) shows 0.330 then it is confirmed that redibility creates positive impact toward CCI. The results from the above, rejects first research hypothesis.

Furthermore, from model three we notice that the β value stands for 0.313*** (P<0.001) significantly on effects from spokesperson credibility toward CCI in all age groups. Also there is

significant difference on effects from spokesperson credibility toward CCI and that rejects our second research hypothesis.

Table 3: Overall regression analysis results

	CCI		
	Model 1	Model 2	Model 3
Gender	.058	.018	.067
Education background	-.216**	-.156**	-.013
spokesperson credibility		.544***	.540***
Age * spokesperson credibility			.313***
R2	.048	.339	.133
Adjusted R2	.039	.330	.120

P<.0.05*   P<0.01**   P<0.001***

5. Summary and Conclusions

5.1 Conclusion

Based on empirical findings, we find spokesperson credibility shows considerable degree of influence toward CCI. (Bhattacharya & Sen 2003) proposed that strong enough CCI can create long term and meaningful relationship between customers and company. Furthermore, products recommended by high credibility spokesperson will lead to higher identification and acceptance. Spokesperson usually utilize personal charisma to deliver product's image and quality, afterwards, through the visual stimulation, consumers will have deeper impression and perception against CCI. Thus, the above results reject our first research hypothesis.

Moreover, based on the research results we realize that different age? Disturbance effects against the relationship between spokesperson credibility and CCI. Normally higher age group handles product message poorly and that is why they will choose to believe more attractive, professional and trustworthy spokesperson. Thus, when it comes to the higher age group, the higher spokesperson credibility, the higher CCI will be. On the contrary, in terms of younger age group, the effect is lower on spokesperson credibility against CCI. Based on above statement we find out there is significant difference on the influence of spokesperson credibility toward CCI on different age groups and that rejects our second research hypothesis.

5.2 Suggestion

According to the research results, spokesperson credibility refers to higher company identification for elder group. When high reliability spokesperson delivers a message, positive emotional reactions will be aroused on an elderly group, for example: credible spokesperson. In the future, companies or corporations need to consider focusing more on the elderly group demand on advertising and marketing. Nostalgia elements might as well have been implemented to create topic or arouse attention-which shows significant effects on CCI improvement.

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