

# The impact of Advertisement by Accountants on Perceived Value among Accountant Consumers: An Empirical Study in Saudi Arabia Context

<sup>1</sup>Dr. Soad A. Al-Meshal and <sup>2</sup>Mrs. Hanan Bin Mahfooz

<sup>1</sup>Assistant Professor, <sup>2</sup>Lecturer,

<sup>1</sup>Marketing Department, <sup>2</sup>Accounting Department,

<sup>1,2</sup>College of Business Administration, King Saud University, Riyadh, Saudi Arabia

**Abstract:** This paper examines the impact of advertisement by accountants on the perceived value among Saudi accountant consumers. A questionnaire was distributed among 180 participants, the valid questionnaires were 130, and thus the response rate is 0.72. The study investigated (attitude towards advertising, trust and credibility) as independent variables, perceived value as dependent variable. The findings of the study confirmed the previous studies which highlight the importance of involving professionals such as accountant in ads.

**Keywords:** Trust, Credibility, Attitude Towards Advertising, Perceived Value, Accountants

## I. INTRODUCTION

Advertising is a controversial issue for professionals because it focuses on how they will do or provide. Furthermore, firms do their advertisements using celebrities not professionals. Nevertheless, professionals have entered the advertisement world recently. Firms argue that using professions in advertising could lead to reduced cost, enhance services which may increase competition but this still as a theoretical argument. This argument is still under debates in research (Clow et al., 2009; Diamantopoulos et al., 1989).

Few studies have investigated the impact of advertisement by accountants. Therefore, the present study provides empirical evidence related to using accountants as professionals in advertising and its impact on perceived value.

### A. Research Objectives

- To study the attitude towards advertising by accountants in Saudi context.
- To investigate the acceptance of advertising by accountants.
- To explain the impact of the study variables (Trust, credibility and attitude towards advertising) on the perceived value.

### B. Problem Statement

This paper studies the impact of attitudes towards using accountants in advertising on the perceived value using trust and credibility as independent variables in Saudi context.

### C. Importance of the Study

This study has several contributions; first, increase the understanding of the important factors that affect the advertising by accountants. Therefore, this study is considered among the first studies that attempts to investigate the advertising by accountant in Saudi Arabia. More than that, this study contributes to the knowledge and literature on advertising, accountant and attitudes. Finally empirical evidence are provided among Saudi context.

## II. LITERATURE REVIEW

### A. Attitude Towards Advertisement

Attitude has been defined as inside self-general evaluation of any entity such as; people, objects, advertisements or issues (Solomon, 2013). Attitude defined as the mental state to respond, perceive and evaluate the environment (Tsang et al., 2004). On the other hand, advertisement as communication way for information becomes an important medium that used as an access to marketing information (Tai, 2007). Therefore, advertising has an important role in developing brand name, reputation and awareness which will help the consumers to make purchase decision (Bovee & Arens, 1992; Eze & Lee, 2012).

Attitudes toward advertising are defined by MacKenzie et al. (1986) as "a learned predisposition to respond in a consistently favorable or unfavorable manner to advertising in general". According to Alwitt & Prabhaker (1992, 1994), people show positive attitude toward advertising. Such attitudes toward advertising were discovered to be affected by demographic variables. For instance, young people are enjoying and appreciating traditional advertising. Several studies showed that if there are favorable attitudes toward advertising, attitudes toward both specific type of advertising and products

purchase intention will be influenced (MacKenzie et al., 1986; Shavitt, et al., 1998). Additionally, attitudes toward advertising were found to be partially mediated by attitudes toward product placements in games on respondents' perceived purchasing behaviors (Nelson et al, 2010).

### **B. Credibility**

Credibility was defined by many scholars, for example; credibility was defined as the objective and subjective components of the believability of the message source Cornelis et al. (2015). "believability" was the definition of (Fogg, 1999; Tseng & Fogg, 1999). Studies results recommended that endorser credibility can mediated the relationship between celebrity credibility and consumer-based equity(Amanda et al., 2011).

Studies suggest thatsource credibility were found to moderate the customer purchasing decisions(Anothai and Rian, 2014).However, online source credibility can moderated the perceived negative change in brand evaluation and perceived brand risk significantly(Chiou et al., 2014). Consumers din not feel trustworthy or credible about online advertisements (Johnson & Kaye, 1998; Moore and Rodgers 2005).

### **C. Trust**

Trust is an essential factor in relationships, it considered motivating component, productive and competitive business advantage (Braddach & Eccles, 1989; Creed & Miles, 1996).Some scholars define trust as attitude because it is a subjective phenomenon which indicates psychological experiences in terms of individuals' thoughts, feelings, and behavioral intentions (Jones & George, 1998). Also, trust is depends on the past experience of belief about the future behavior of other entities(Clark & Payne, 1997; Cummings & Bromiley, 1996).Research found that there is differences between trust and control and they both are associated with the outcomes of any situation (Sorrentino, Holmes, Hanna, & Sharp, 1995).Marketing research confirmed that trust is important factor for consumers and service providers (Boukerch and Khatib, 2007).The studies shows that trust has always associated with many self-confidence and honesty (Al-Saggaf, 2013). However,trustwas found to moderate the relationship between commitment and knowledge sharing (Gian et al., 2012).

### **D. Perceived Value**

Different definitions for were recommended in the previous studies for example, Cronin et al. (2000) define perceived value as "trade-off between what customers receive, such as quality, benefits, and utilities, and what they sacrifice, such as price, opportunity cost, time, and efforts."Another definition of perceived value by Kim et al. (2007) "It is the consumer's overall assessment of the

utility of a product based on perceptions of what is received and what is given". Persaud & Azhar (2012) defined perceived value as the consumer's overall assessment of the benefits of a product.

Perceived value has been studied by different scholars, they mentioned that perceived value is an important element in the relationship of price, quality. It is also essential factor in consumers' purchasing decision process (Dodds and Monroe, 1985; Zeithaml, 1988). Additionally, consumers compare between what they paid and what they get (Dickson & Sawyer, 1990).The studies pointed out that the consumers will increase their purchase when they gain more benefits than what they expect or pay (Thaler, 1985).

Perceived value was analyzed to measure its influence on consumer purchase intention in retailing industry. Swait and Sweeney (2000) found that when customers have different perceived value then they will have different purchase behavior. In fact, perceived value can be considered as critical factor for marketing companies because perceived value competitive advantage to the company (Chen and Quester, 2006; Cornin et al., 2000).More than that, the attitudes and feelings can be transferredfrom an advertising endorser to product and create perceived value.Finally, perceived value can create good brand image when consumers receive trustworthy perceived value in the product/service consumption,

## **III. RESEARCH FRAMEWORK**

### **A. Research Conceptual Model**

This study will be based on the following developed model

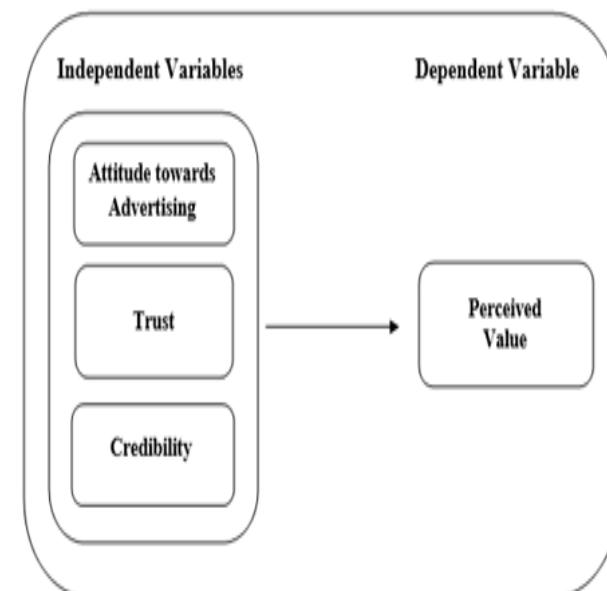


Figure 1: Research Model

### B. Research Hypotheses

H1a: There is a significant positive relationship between attitude towards the advertisement and perceived value

H1b: There is a significant positive relationship between credibility and perceived value

H1c: There is a significant positive relationship between trust and perceived value

### IV. RESEARCH METHODOLOGY

Three phases were persuaded. The first phase included gathering of secondary data to provide better understanding of the research focus leading to the identification of the research independent variables (Advertisement by Accountants) and dependent variables (Perceived Value) as well as the proposed research model. The second phase involved collecting of the primary data from the research context using the questionnaire which was built according to five Likert scale. The third phase involved the analysis of data and interpretation of the main findings. Quantitative analysis was conducted using aspects of Statistical Package for the Social Sciences (SPSS). This included the use of descriptive statistics and frequencies, correlation analysis, and multiple regression analysis to test the research hypotheses.

#### A. Data collection method and Sampling Framework

The present study apply the quantitative analysis method to examine the impact of the study variables on the perceived value. Thus the population involved the accountants in Riyadh city. Accordingly, probability sampling technique was used to administer the survey. A random simple sample method was adopted to collect the data. The sample contains both male and female accountants from different ages and different positions in Riyadh city. Participants were informed with the purpose of the research and they were informed that their responses would remain confidential. The proposed number for the sample is 180 participants. 130 were valid questionnaires to be analyzed. Therefore, the response rate is 72%.

#### B. Instrument Design

The Scales that were used in this study have been sourced from literature. The scales are; scales for advertising on the World Wide Web derived from Ducoffe's (1996). The credibility scale was based on MacKenzie and Lutz's (1989). The scale used to measure attitudes toward advertising was based on Alwitt and Prabhacker's (1994) scale. Four items scale for perceived value were adopted from (Sweeney and Soutar, 2001). Six items to measure trust were adopted from (Yamagishi & Yamagishi, 1994). All measures were assessed via a five-point Likert-type scale ranging from "strongly agree" (5) to "strongly

disagree" (1). Demographic section was added to the questionnaire (Appendix 1).

### V. RESULTS

#### A. Sample Characteristics

Table 1: Sample Characteristics

		Frequency	Percent
<b>Valid</b>	<b>Valid</b>	<b>1</b>	<b>0.8</b>
<b>Gender</b>	Male	66	50.4
	Female	64	48.9
<b>Age</b>	Less than 25	39	29.8
	25-30	41	31.3
	31-40	31	23.7
	More than 41	19	14.5
<b>Education Level</b>	Diploma or less	18	13.7
	Bachler's	75	57.3
	Master	33	25.2
	PhD	4	3.1
<b>Type of work</b>	Managerial	91	69.5
	Teaching Assistant	14	10.7
	Lecturer	20	15.3
	Doctor	4	3.1
	Prof	1	0.8
<b>Total</b>		100	100%

#### B. Reliability Analysis

In order to ensure the reliability of the study instrument, internal consistency reliability was used through Cronbach's alpha test. According to table (2) the overall reliability value is (0.93) which is an acceptable level of reliability (Sekaran, 2004).

Table 2: Cronbach's Alpha Value

Variables	Cronbach's alpha value
<b>Independent Variables</b>	
Attitude towards Advertising	0.93
credibility	0.89
Trust	0.88
<b>Dependent Variables</b>	
Perceived Value	0.92
<b>Total</b>	0.93

### C. Hypotheses Testing

Before starting hypotheses testing with regression analysis it necessary to conduct some tests. It should be determine there is no high correlation between the independent variables by using (Multi collinearity) through (VIF) (Variance Inflation Factory) and test variation allowed (Tolerance) for each variant of the variables of the study. The acceptance value of VIF is less than (10), and Tolerance greater than (0.05). Table (3) shows these statistics.

Table 3: Cronbach's Alpha Value

Independent variable	VIF	Tolerance
Attitude towards Advertising	0.675	1.481
Credibility	0.635	1.575
Trust	0.758	1.320

According to table (3), VIF value for all independent variables was less than 10 ranging from 0.635 to 0.758 and allowed variation (Tolerance) for each independent variable ranged from 1.320 to 1.575 which indicate that there is no high correlation between independent variables, thus there is no problem to apply multiple regression test.

### D. Validity of the Model

Table 4: Test the Validity of the Model

Model	Sum of square	df	mean square	F	Sig.	R <sup>2</sup>
1	67.715	127, 3	0.533	64.223	0.0	0.776

As shown in the table (4) the value of (f) calculated = 64.223, its larger than the value of the critical (f) which indicated that the model valid to the hypothesis test, also as shown in the table the three independent variables (attitude towards advertising, credibility and trust) together explained (77.6%) of the total variance of dependent variable (perceived value). So the multiple regression is good to be used to test the hypothesis.

As shown in the table (5) there is a significant statistical impact for all independent variables (attitude towards advertising, credibility and trust) on dependent variable (Perceived Value). Where is the value of T calculated = (2.113, 6.617, 5.216) respectively.

Table 5: Multiple Regression

Model	R <sup>2</sup>	B	Std. Eror	Beta	T	Sig.
Attitude towards advertising	0.776	0.115	0.054	0.144	2.113	0.037
Credibility		0.444	0.067	0.464	6.617	0.000
Trust		0.376	0.072	0.335	5.216	0.000

The stepwise multiple regression used to determine the importance of each independent variable on the unit to contribute to the mathematical model as shown in table (6).

Table 6: Stepwise Regression

Order of the entry of independent variables	Accumulative value of R <sup>2</sup>	Calculated value of T	Level of significance
Credibility	0.696	6.617	0.000
Trust	0.767	5.216	0.000
Attitude towards advertising	0.776	2.113	0.037

Table (6) shows the order entry of independent variables in the regression equation, that the dimension (credibility) entered first, in terms of value (t) = (6.617), and explained (69.6%) of the dependent variable variance (perceived value), then followed by variable (trust) with (t) value = (5.216) and explained with (credibility) 76.7% of the variation in the dependent variable. The third and final variable was (attitude towards advertising) which explained with other variables 77.6% of the variation in the dependent variable.

**Consequently, the proposed hypotheses are tested and discussed below:**

- Hypothesis 1a, 1b, and 1c: including (attitude towards advertising, credibility and trust) have significant statistical impact on perceived value.

All advertisement by accountants (attitude towards advertising, credibility and trust) has a significant direct impact on perceived value from accounting customer point of view whereas T values (2.113, 5.216, 6.617) and Sig (0.037, 0.00, 0.00) respectively.

On the other hand, the stepwise regression results support multiple regression results because all of independent

variables was entered the equation model. Accordingly, the study hypothesis accepted.

## DISCUSSION AND CONCLUSION

The study found significant impact of the attitude towards advertising by accountants as an independent variable on the perceived value as a dependent variable. This shows the importance of using professionals such as accountants in advertising. The trust and credibility of the ads will be more valid and consumers will respond positively to the ads. As the previous studies confirmed that the need to include professionals is must to have solid and accepted ads (Diamantopoulos, 1989; MacKenzie, and Lutz, 1989). The results pointed significant shift in attitudes toward accountant to the ads which may reduce the ads skepticism and increase the perceived value. The study also show change in the ads tools from previous period to the current time by asking to activate the professionals use in ads Cornelis (2015).

## LIMITATION AND FUTURE STUDIES

This research has studied the impact of advertising by accountants and its impact on the perceived value which is specific area and limited to participants who are familiar with the nature of accountants which restricted the sample selection.

Thus, it is recommended for future studies to investigate the relationships among other majors. It is also recommended to study the organizations point view of using professionals in ads. Future research may replicate this study among other contexts. Also, it is good to examine the effect of the demographic variables on the perceived value using accountants in ads.

## References

- [1] Al-Sggaf, Yasleam. (2013). Males' trust and mistrust of females in Muslim matrimonial sites. *Journal of Information, Communication and Ethics in Society*, 11(3), 174 – 192.
- [2] Alwitt, Linda F. and Paul R. Prabhaker.(1994). Identifying who Dislikes Television Advertising: Not by Demographics Alone. *Journal of Advertising Research*, 34(6), 17–29.
- [3] Alwitt, L.F., and Prabhaker P.R. (1992).Functional and Belief Dimensions of Attitudes to Television Advertising: Implication for Copy testing. *Journal of Advertising Research*, 32 (5), 30-42.
- [4] Amanda, Spry; Ravi, Pappu; and Bettina, Cornwell. (2011). Celebrity endorsement, brand credibility and brand equity. *European Journal of Marketing*, 45(6), 882 – 909.
- [5] Anothai, Ngamvichaikit; Rian, Beise-Zee. (2014). Customer preference for decision authority in credence services: The moderating effects of source credibility and persuasion knowledge. *Managing Service Quality*, 24(3), 274 – 299.
- [6] Boukerch,A., and L. Xu a, and K. EL-Khatib.(2007). Trust-based security for wireless ad hoc and sensor networks. *Computer Communications*, 30, 2413–2427.
- [7] Bovee, C.L., and Arens, W. F. (1992). *Contemporary Advertising*. Boston: Richard D. Irwin, Inc.
- [8] Braddach, J. L., and Eccles, R. G. (1989). Price, authority, and trust: From ideal types to plural forms. *Annual Review of Sociology*, 15, 97-118.
- [9] Chen, S., and Quester, P. (2006). Modeling store loyalty: Perceived value in market orientation practice. *The Journal of Services Marketing*, 20, 188-204.
- [10]Chiou, J., Chi-Fen Hsu, A., and Chia, H. (2013). How negative online information affects consumers' brand evaluation: The moderating effects of brand attachment and source credibility. *Online Information Review*, 37(6), 910 – 926.
- [11]Clark, M. C., and Payne, R. L. (1997). The nature and structure of workers' trust in management. *Journal of Organizational Behavior*, 18, 802-224.
- [12]Clow, Kenneth; Steven, Robert; McConkey, William; and Loudon, David. (2009). Accountants' attitudes toward advertising: a longitudinal study. *Journal of Services Marketing*, 23(2), 124 – 131.
- [13]Creed, W. E. D., and Miles, R. E., (1996). Trust in organizations: A conceptual framework linking organizational forms, managerial philosophies, and the opportunity costs of controls. In
- [14]R. M. Kramer and T. R. Tyler (Eds.), *Trust in organizations: Frontiers of theory and research* (pp.16-38). Thousand Oaks, CA: Sage.
- [15]Cronin, J., Brady, M. K., and Hult, G. T. (2000). Assessing the Effects of Quality, Value, and Customer Satisfaction on Consumer Behavioral Intentions in Service Environment. *Journal of Retailing*, 76 (2), 193-218.
- [16]Cornelis, E., Cauberghe, V., and Pelsmacker, P. (2015). The credibility of refutation in two-sided anti-drug messages. *Journal of Social Marketing*, 5(3)241 – 257.
- [17]Cummings, L. L., and Bromiley, P. (1996). The Organizational Trust Inventory (OTI):Development and validation. In R. M. Kramer and T. R. Tyler (Eds.), *Trust in organizations: Frontiers of theory and research* (pp. 302-330). Thousand Oaks, CA: Sage.
- [18]Dodds, W. B., and d Monroe, K. B. (1985). The effect of brand and price information on subjective product evaluation. *Advances in Consumer Research*, 12, 85-90.
- [19]Diamantopoulos, A., O'Donohoe, S., and Lane, J. (1989). Advertising by Accountants: An Empirical Study. *Managerial Auditing Journal*, 4(1)
- [20]Dickson, P. R., and Sawyer, A. G. (1990). The price knowledge and search of supermarket shoppers. *Journal of Marketing*, 54, 42-53.
- [21]Ducoffe, Robert H. (1995). How Consumers Assess the Value of Advertising. *Journal of Current Issues & Research in Advertising*, 17(1), 1–18.
- [22]Eze, U., and Lee, C.(2012). Consumers' Attitude towards Advertising. *International Journal of Business and Management*; 7(13), 94-108.
- [23]Fogg, B.J. (1999). Persuasive technologies—Now is your chance to decide what they will persuade us to do—and

how they'll do it. *Communications of the ACM*, 42, 26-29.

[24] Fogg, B.J., and. Tseng, H. (1999). The elements of computer credibility. Paper presented at the Conference on Human Factors and Computing Systems, Pittsburgh, PA, 15-20.

[25] Gian, Casimir; Karen, Lee; and Mark, Loon. (2012). Knowledge sharing: influences of trust, commitment and cost. *Journal of Knowledge Management*, 16(5), 740 – 753.

[26] Johnson, T.J., and. Kaye, B.K. (1998). Cruising is believing? Comparing Internet and traditional sources on media credibility measures. *Journalism and Mass Communication Quarterly*, 75, 325-340.

[27] Jones, G. R., and George, J. M. (1998). The experience and evolution of trust:Implications for cooperation and teamwork. *Academy of Management Review*, 23 (3), 531-546.

[28] Kim, H.-W., Chan, H.C., and Gupta, S. (2007). Value-based adoption of mobile internet: an empirical investigation. *Decision Support Systems*, 43,111-26.

[29] MacKenzie, Scott B. and Richard J. Lutz (1989). An Empirical Examination of the Structural Antecedents of Attitude toward the Ad in an Advertising Pretesting Context. *Journal of Marketing*, 53, 2, 48-65.

[30] MacKenzie S.B., Lutz R.J., and Belch G.E.(1986).The Role of Attitude toward the Ad as a Mediator of Advertising Effectiveness: A Test of Competing Explanations. *Journal of Marketing Research*, 23, 130-143.

[31] D.H. McKnight, N.L. Chervany, The Meanings of Trust Technical Report 94-04, Carlson School of Management, University of Minnesota, 1996.

[32] Moore, Jensen J; Rodgers, Shelly L. American Academy of Advertising. Conference. Proceedings: 10-18. Lubbock: American Academy of Advertising. (2005)

[33] Misztal, B.A. Trust in Modern Societies: The Search for the Bases of Social Order, Polity Press, 1995

[34] Nelson, Heejo Keum, and Ronald A. Yaros (2010). Advertainment or adcreep games players`attitudes toward advertising and product placements in computer. *Journal of Interactive Advertising*, 5(1) 3-21.

[35] Persaud, A., and Azhar, I. (2012). Innovative mobile marketing via Smartphone: Are consumers ready? *Marketing Intelligence & Planning*, 30(4), 418-443.

[36] K. Ren, T. Li, Z. Wan, F. Bao, R.H. Deng, K. Kim, Highly reliable trust establishment scheme in ad hoc networks, *Eslevier J. Comput. Netw.*, Apr. 2004, pp. 687-699

[37] Sekaran, U. (2004), Research Methods for Business: A Skill Building Approach, John and Wiley Inc., USA.

[38] Shavitt, S.P., Lowrey P., & Haefner J.P. (1998).Public Attitudes toward Advertising: More Favorable than You Might Think. *Journal of Advertising Research*, 38(4), 7-22.

[39] Solomon, M. R. (2013). Consumer behavior: Buying, having and being (10th ed.). United Kingdom: Pearson.

[40] Sorrentino, R. M., Holmes, J. G., Hanna, S. E., and Sharp, A. (1995). Uncertaintyorientation and trust in close relationships: Individual differences in cognitive styles. *Journal of Personality and Social Psychology*, 68, 314-327.

[41] Sweeney J.C. and Soutar G.N. (2001). Consumer perceived value: the development of a multiple item scale, *Journal of Retailing*, 77, 2, 203-220.

[42] Swait, J., and Sweeney, J. C. (2000). Perceived value and its impact on choice behavior in a retail setting. *Journal of Retailing and Consumer Services*, 7(2), 77-88.

[43] Tai, S. H. C. (2007). Correlates of successful brand advertising in China. Asia Pacific. *Journal of Marketing and Logistics*, 19(1), 40-56. <http://dx.doi.org/10.1108/13555850710720894>

[44] Thaler, R. (1985). Mental accounting and consumer choice. *Marketing Science*, 4(3), 199-214.

[45] Tsang, M. M., Ho, S.-C., and Liang, T.-P. (2004). Consumer attitudes toward mobile advertising: An empirical study. *International Journal of Electronic Commerce*, 8, 65-78.

[46] Yamagishi, T. and Yamagishi, M. (1994). Trust and commitment in the United States and Japan. *Motivation and Emotion*, 18, 129-166.

[47] Zeithaml, V. A. (1988), Consumer perceptions of price, quality and value: a means-end model and synthesis of evidence. *Journal of Marketing*, 52, 2-22.

## Appendix

### Questionnaire

Please answer all the questions by circling the appropriate answer, where (1) means strongly disagree and (5) means strongly agree.

No.	The statements	Strongly disagree (1)	(2)	(3)	(4)	Strongly agree (5)
1.	<b>Attitude towards Advertising</b>					
1.1	Advertising helps raise our standard of living					
1.2	Advertising helps me to find products that match my personality and interests					
1.3	Advertising helps me buy the best brand for a given price					
2.	<b>Credibility</b>					
2.1	Advertising by accountant is convincing					
2.2	Advertising by accountant is believable					
2.3	Advertising by accountant is credible.					
3.	<b>Trust</b>					
3.1	Most people are basically honest.					
3.2	Most people are trustworthy.					
3.3	Most people are basically good and kind.					
3.4	Most people are trustful of others.					
3.5	Most people will respond in kind when they are trusted by others.					
4.	<b>Perceived Value</b>					
4.1	Accountant would help me to feel acceptable					
4.2	Accountant would improve the way I am perceived					
4.3	Accountant would make a good impression on other people					
4.4	Accountant would give products owner social approval					