THE INFLUENCE OF SEMIOTIC ADVERTISING EFFICACY ON GEN-Y PURCHASE INTENT: A STUDY OF REPUTABLE MAJOR BRANDS OF SMART PHONE

Elizabeth A. Oputa, A. Fakhrorazi, Rabiul Islam
School of International Studies, University Utara Malaysia, Sintok, Kedah, Malaysia
oputaelizabeth@gmail.com, fakhrorazi@uum.edu.my, rabiul@uum.edu.my

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Abstract

Purpose of the Study: The aim of this study is to influence the semiotic advertising efficacy on Gen-Y purchase intent of reputable major brands of smart phones. Semiotic advertising is an effective, modern approach of advertising that focuses on the use of different signs, symbols, images, and other visual aids for the purposes of marketing a given product or service. Since these signs tend to create an image of the brand in the minds of consumers and also demonstrates the association of the brand with their cultural orientations, beliefs and values, semiotic advertising is said to have a significant impact on the brand equity as perceived by generation Y customers.

Methodology: The data for this study were obtained from existing literatures on reputable major brands of smart phones. The methodology relied on existing previous literatures on the subject being dealt with.

Results: The study presents evidence on the influence of semiotic advertising efficacy on generation-y’s purchase intent of smart phones. The study confirms that since higher brand equity is based on its components of perception, recognition, parity, loyalty, and trust and since it positively influences the purchase intentions and decisions of generation-y smart phone users, semiotic advertising must also have a positive influence on the purchase intention of buyers.

Implications: It is hence implemented that purchase intentions of generation Y smart phone users increase when the efficacy of semiotic advertising increases.

Keywords: Semiotic Advertising; Brand Equity; Purchase Intent; Brand Loyalty; Generation-Y.

INTRODUCTION

Advertising has become one of the key constructs entrenched deep into the society and as diffusion of advertising increases, its influence on people is also increasing (Jhally, 2014). With the increase in competition across the world, there has been the development of several new methods or styles of advertising to make them more influential. Semiotic advertising is a commonly used approach among the different practices or styles of advertising used by companies and organizations (Bianchi, 2011). Semiotic advertising refers to the advertising approach or strategy wherein specific signs are utilized and adopted for advertising and promoting different products and services to customers (Bianchi, 2011).

Semiotics refers to the special discipline or field of study or analysis related to different signs and symbols. Though often interchangeably used with linguistics, semiotics also include several non-linguistic aspects of communications, signs and symbols (Leeds-Hurwitz, 2012). The overall semiotics related to any given conversation have been divided into two distinct parts, i.e., the signifier and the signified, wherein the signifier refers to the material or any entity that is being referred to by the used signs and the signified refers to the concept or meaning derived from the study and analysis of the used signs (Leeds-Hurwitz, 2012). Hence, the use and study of semiotics has become extremely important for organizations and marketers to be able to identify or use the hidden meaning of symbols or signs in advertisements.

Marketeters often tend to embed semiotics in their advertising at two different levels, i.e., the outside level and the original inside level, wherein the outside level consists of direct images or characters that are created for direct communication of the firm’s or product’s characteristics, such as the logo and the original level consists of different elements that present a hidden or indirect meaning (Najafian & Saeed, 2011). Some of the semiotic elements were thus found to be the most influential and important for advertisements that include logos, use of different colors, texts, websites, iconic individuals, tag lines, and different touch points (Solik, 2014). The example of semiotic advertising can be explained from the logo designed and used by Amazon, wherein there is an arrow pointing from A to Z, suggesting a hidden meaning that the website offers all products named from a to z (Campbell, 2014).

Organizational performance is also viewed as the survival and profitability of an organization in which its measurement is primary both in manufacturing and services., The effectiveness and performance of a service organization is measured
by their customers' satisfaction and such companies prefer good relationship over profit. While the main performance and effectiveness of manufacturing organizations is in the quality of their products and they are more concerned with profit maximization (Islam & Abdullah, 2013; Islam & Al-Nasser, 2013; Islam & Al-Homayan, 2013; Al-Nasser et al., 2013a, 2013b, 2013c; Al-Homayan et al., 2013; Sarker & Islam, 2013; Al-Naser et al., 2015; Saad et al., 2016; Al-Nasser et al., 2016a, 2016b; Khan et al., 2017).

Semiotic advertising is said to be extremely effective, especially in the modern global environment, because the use of signs and symbols makes it easier for marketers to accomplish a higher balance of the brand and its interpretation across different cultures (Hopearuoho & Eija, 2009). Companies can either change signs or convey hidden meanings in their advertisements for different countries to enhance the cultural alignment of the advertisements (Hopearuoho & Eija, 2009). The comparison of traditional and semiotics-based advertising approaches and practices establish that semiotic advertising is more effective. Such conclusion has been drawn by experts (Hippala, 2012; Freire, 2014; Haji Mohammadi, 2012) because traditional marketing focuses on surveying consumers so that their needs can be identified before developing the marketing strategies, but semiotic advertising completely incorporates the consumers’ beliefs, values, cultures, etc., leading to a more positive impact on the purchase decisions of buyers. The study thus focuses on the way semiotic advertising efficacy affects the purchase intention of buyers. The study evaluates the way semiotic advertising influences different aspects of branding as perceived by consumers to understand the impacts of such advertising on their purchase intentions.

LITERATURE REVIEW

The use of semiotic advertising is thus said to be extremely beneficial in creating a specific meaning of the object that is being marketed to influence consumers and their willingness to purchase the product (Serban, 2014). One of the common areas of application of semiotic advertising is in cross-cultural marketing because different cultures result in different interpretations of signs and symbols and hence, the adoption of such an approach towards advertising helps in not only giving information to consumers, but also helps in defining a resonance between them and the products (Serban, 2014). Further discussions explore the way semiotic advertising influences a brand so that its relevance for consumer decision making can be established.

The key elements of brand equity as identified in the literature (Aaker, 2009; Christodoulides and De Chernatony, 2010; Broyles et al., 2009) include brand recognition, brand parity, trust, brand loyalty, and brand perception. Hence, semiotic advertising is also said to be extremely important for contributing towards the overall equity of a brand by influencing these aspects. It has been established by academics that the use of semiotic advertising helps in communicating the brand heritage and helps in aligning the communications with consumers’ cultural values and hence the use of semiotic advertising is said to have a strong and positive impact on the overall brand equity (Akara & Alden, 2010). In fact, according to Akara and Alden (2010), there have been several companies like Kodak that have failed because of the inability of the brand to align its marketing with the changing culture of consumers across the world.

According to the discussions and study presented by Rossolatos (2014), advertising usually acts as a stimuli for promoting the purchase of a given brand and hence the use of semiotics in advertising results in not only increasing awareness regarding a brand and the meaning associated with it, but also helps in building and establishing a long-term customer loyalty. It is argued that ineffective decoding of messages is communicated by a brand via the used semiotics and it is found that a systematic use of semiotics helps in communicating the message effectively, resulting in positive perceptions towards the brand (Rossolatos, 2014; Santos, 2012). These discussions establish that semiotic advertising can have a positive impact on brand loyalty, awareness, perceptions, and trust, and since these are the key components of brand equity, it can be said that brand equity of a brand as perceived by consumers is positively influenced by the use of this approach towards advertising.

The rationale behind the positive impact of brand equity on consumer purchase intentions has also been explained by academics, who argue that higher brand equity means that the brand offers something different and unique to the consumers and hence, they are more motivated to purchase products and services offered by that brand (Tariq et al., 2017; Chi et al., 2009). However, the brand offering something unique can even charge a premium pricing for it and since consumers are often price-conscious, their purchase intentions for such products might be low. This point however has been explained in literature by researchers like Khan et al., (2014) and Buil et al. (2013) who have established that when the overall brand equity of a brand is high, consumers are not only willing to buy the products and services, but are willing to pay a premium price. The hypotheses are the following:
**H1: Semiotic Advertising:** The use of semiotics in advertising is perceived as an important step towards connecting the consumers with creators of advertisements and marketers to communicate that the marketer aims at communicating with the consumers.

**H2: Semiotic Advertising Efficacy and Brand Equity:** Brand equity refers to the unique attributes offered to its buyers or consumers, which is not offered by other brands.

**H3: Brand Equity and Purchase Intentions of Customers:** Relationship between brand equity and its components and the purchase intentions of consumers has been a subject of study for academic researchers since decades.

**METHODOLOGY**

The study has been carried out on the basis of quantitative survey method. Surveys are commonly used data collection methods for organizational and marketing studies because surveys help in collecting data from a large number of respondents and research participants and also help in gathering numerical and quantitative data and can hence be analyzed statistically (Fowler, 2013). Since the literature review has led to the development of multiple hypotheses, the use of quantitative methods and data seems appropriate because no hypothesis can be tested on the basis of theoretical information and hence numerical information is essential. Survey has been carried out on the basis of a questionnaire developed by the researcher. Use of questionnaire is said to be extremely effective for carrying out survey-based research because questionnaires help in adopting a systematic approach towards data collection and also helps in gathering data on the basis of different scales, which makes it easier to carry out statistical analysis (Fowler, 2013). The researcher has developed a new instrument for measuring perceived semiotics efficacy of an advertisement showed to the respondents along with the questionnaire and also for measuring different aspects of brand equity. As defined by Kim (2015), Reinatz and Saffer (2013) and Malhotra (2015), efficacy of semiotic advertising is based on the perceived artistic values, uniqueness, creativity, attractiveness, and understandability of the used advertisements and hence, the new instrument developed for the study has helped in measuring these aspects of the advertisement to evaluate its efficacy from the semiotics point of view. Similarly, the instruments and measures used in previous studies by Hu and Luo (2016), Buil et al. (2013), Trehan and Mann (2013), and Reinartz and Saffert (2013) have been used to develop measures for different aspects of brand equity. The sample of the study comprehends of Gen-Y smart-phone users. In order to test the semiotic advertising efficacy, the researcher took four major semiotic advertising from four established brands including i-phone, Samsung, Lenovo, and Oppo. The semiotic advertising was in a form of an online poster advertisement. Path analysis was used for this study. The questionnaire consisted of a Likert scale from 1 to 7 wherein 7 reflects that the respondent agrees with the statement completely and 1 reflects that the respondent does not agree with the statement at all. Use of Likert scale helped in quantifying the data, leading to a better analysis. The data was obtained with the help of path analysis / bootstrapping analysis (Shipley, 2016). As explained by Shipley (2016), the value of T and standard deviation as obtained in the method is used for testing if the path coefficient obtained for showing the relationship between two variables is significant or not.

![Conceptual Framework for Research](image-url)

**Figure 1. Conceptual Framework for Research**
Figure 1 presents the conceptual framework for the research, based on the discussions presented in literature:

**Semiotic Advertising:** Visual design is known to be one of the most effective aspects or languages used by marketers for communication purposes and hence the use of semiotics in advertisements is said to be extremely effective (Pieters et al., 2010). Since the primary focus of advertising is to promote products and services to consumers, the construction of any given communicator, whether it be textual or visual, is important to sell the products to the target audience and group of customers (Torresi, 2008). Hence, the use of semiotics in advertising is perceived as an important step towards connecting the consumers with creators of advertisements and marketers to communicate that the marketer aims at communicating with the consumers.

**Semiotic Advertising Efficacy and Brand Equity:** Brand equity, as defined by Keller et al. (2011), refers to the value that is added by a brand to the consumers who purchase products from that brand. Hence, in simpler terms, brand equity refers to the unique attributes offered to its buyers or consumers, which is not offered by other brands. Brand equity is said to result in a higher motivation of customers to purchase the products and/or services offered by the brand on the basis of higher information that contributes to their self-esteem (Keller et al., 2011).

**Brand Equity and Purchase Intentions of Customers:** Relationship between brand equity and its components and the purchase intentions of consumers has been a subject of study for academic researchers since decades. It has been found and established that when the overall brand equity of a brand is higher, the consumers tend to have positive feelings and perceptions towards the brand, resulting in a higher purchase intention for a given product (Jalilvand et al., 2011; Chang and Liu, 2009; Chi et al., 2009; Tariq et al., 2017).

**RESULTS AND DISCUSSION**

The results of impacts of semiotic advertising efficacy on brand equity have been tested, which reflects that the impact of semiotic advertising efficacy is positive on different aspects of brand equity, i.e., brand recognition (t=7.079, P<0.01), brand parity (t=5.077, P<0.001), brand perception (t=55.191, P<0.001), brand loyalty (t=5.515, P<0.001) and brand trust (t=7.379, P<0.001). These findings thus confirm the findings obtained by Christodoulides and De Chernatony (2010), Boyles et al. (2009), and Akaka and Alden (2010) that a higher efficacy of semiotic advertising results in a higher brand equity. The results of the study confirm that semiotic advertising is extremely crucial and important in influencing the brand equity of consumers because the advertising method results in a higher brand recognition, trust, loyalty, parity, and perceptions. Akaka and Alden (2010) and Rossolatos (2014) have established that efficacy of semiotic advertising means that consumers relate to advertisements and consider them to be unique, attractive, and aligned with their values and hence tend to develop positive perceptions towards the brand, resulting in a higher perceived brand value and equity. Hence, the results seem to align with the previous findings in literature that establish a positive influence of semiotic advertising on the brand equity as perceived by consumers.

**Table 1: Results of Path Analysis**

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Relationship</th>
<th>B</th>
<th>S.E</th>
<th>t-value</th>
<th>Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>SAE -&gt; BE</td>
<td>0.00767</td>
<td>0.174624</td>
<td>5.15615*</td>
<td>Yes</td>
</tr>
<tr>
<td>H1a</td>
<td>SAE -&gt; BR</td>
<td>0.483479</td>
<td>0.068291</td>
<td>7.079643*</td>
<td>Yes</td>
</tr>
<tr>
<td>H1b</td>
<td>SAE -&gt; BPA</td>
<td>0.446222</td>
<td>0.087886</td>
<td>5.0729*</td>
<td>Yes</td>
</tr>
<tr>
<td>H1c</td>
<td>SAE -&gt; BP</td>
<td>0.428921</td>
<td>0.082616</td>
<td>5.19172*</td>
<td>Yes</td>
</tr>
<tr>
<td>H1d</td>
<td>SAE -&gt; BL</td>
<td>0.444189</td>
<td>0.080533</td>
<td>5.51615*</td>
<td>Yes</td>
</tr>
<tr>
<td>H1e</td>
<td>SAE -&gt; BT</td>
<td>0.442737</td>
<td>0.059992</td>
<td>7.379946*</td>
<td>Yes</td>
</tr>
<tr>
<td>H2</td>
<td>BE -&gt; PI</td>
<td>0.368273</td>
<td>1.100349</td>
<td>0.334688</td>
<td>No</td>
</tr>
<tr>
<td>H2a</td>
<td>BR -&gt; PI</td>
<td>-0.04529</td>
<td>0.057473</td>
<td>0.7881</td>
<td>No</td>
</tr>
<tr>
<td>H2b</td>
<td>BPA -&gt; PI</td>
<td>0.125171</td>
<td>0.054723</td>
<td>2.287338*</td>
<td>Yes</td>
</tr>
<tr>
<td>H2c</td>
<td>BP -&gt; PI</td>
<td>0.164393</td>
<td>0.046426</td>
<td>3.540999*</td>
<td>Yes</td>
</tr>
<tr>
<td>H2d</td>
<td>BL -&gt; PI</td>
<td>0.118026</td>
<td>0.061178</td>
<td>1.929226*</td>
<td>Yes</td>
</tr>
<tr>
<td>H2e</td>
<td>BT -&gt; PI</td>
<td>0.315435</td>
<td>0.060532</td>
<td>5.211011*</td>
<td>Yes</td>
</tr>
<tr>
<td>H3</td>
<td>SAE -&gt; PI</td>
<td>0.41501</td>
<td>0.073272</td>
<td>5.663951*</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Note: The ‘SAE’ abbreviation refers to Semiotic Advertising Efficacy. BE=Brand Equity, BR=brand recognition, BPA=brand parity, BP=brand perception, BL=brand loyalty, BT=brand trust, and PI=Purchase Intent.

The second hypothesis and its sub-hypotheses evaluate the influence of brand equity on purchase intention. The values of T as obtained from path analysis (Table 1) to exhibit the impacts of different aspects of brand equity, i.e., brand recognition (t=.7881, P<0.01), brand parity (t=2.28, P<0.001), brand perception (t=3.54, P<0.001), brand loyalty (t=1.92, P<0.001) and brand trust (t=5.211, P<0.001) reveal that the values are higher than 1.96 for all variables except for brand recognition. This finding thus does not align with the findings obtained by Malik et al. (2013) and Huang and Sarigollu (2014) who have established that consumers have a positive and higher purchase intention towards the brand that they recognize and hence, recognition of any given brand has a positive influence and impact on the overall purchase intention of consumers.

While the statistical results do not confirm a positive influence of brand recognition on the purchase intent, the influence of other measures or components of brand equity has been found to be positive and significant. These findings thus comply and align with literature findings as presented by Santos (2012), Jalilvand et al. (2011), and Chang and Liu (2009) who revealed that different components of brand equity including trust and loyalty of buyers have a positive and direct impact on purchase intent. Chi et al. (2009) explain that as the brand equity increases, consumers feel that they receive a higher value for their money by purchasing the brand products and services and hence, this results in an increase of their purchase intention. Although the path analysis results obtained for the influence of overall brand equity on purchase intention does not confirm the hypothesis, the brand equity components are shown to influence it positively and it can be hence concluded that the purchase intentions of consumers do increase when the overall equity of brand is higher.

The main purpose of the research as defined earlier was to test the influence and impact of semiotic advertising efficacy on the purchase intent. According to the framework developed from the literature review, semiotic advertising efficacy has a positive impact on brand equity, which in turn has a positive impact on consumer purchase intention, thus suggesting an indirect positive impact of semiotic advertising efficacy on the purchase intent of consumers. The results obtained from the study were to demonstrate the influence of semiotic advertising efficacy on purchase intent reflect a T-value of 5.66 (p<0.01) and hence, the path as defined in the hypothesis seems to be acceptable. The results thus comply and align with the findings and discussions by Freire (2014), Azevedo (2016), and Akbari et al. (2014) that purchase intentions of consumers go higher when the semiotic advertising adopted by a brand is effective and it can hence be suggested that brands need to focus upon and adopt such an approach of advertising and promotions for higher sales. This also implies that semiotic advertising has a strong impact in stimulating customers’ purchase intent.

CONCLUSION

In summary, the analysis presented in the report establishes that semiotic advertising has a strong and significant influence on the purchase intentions and decisions of consumers. The key purpose of the study was to evaluate the influence of semiotic advertising efficacy on the purchase intents of consumers. The statistical results and outcomes obtained from the study reveal and establish that semiotic advertising efficacy results in higher brand equity as perceived by consumers. In addition, the results also confirm that the purchase intentions of consumers get positively influenced by all components of brand equity except for brand recognition and hence, based on the conceptual framework developed during the report to establish the relations between semiotic advertising efficacy, brand equity, and purchase intent of consumers, it can be concluded that the purchase intentions of consumers increase when the semiotic advertising adopted by brands are effective. Companies must thus ensure that their advertisements are appealing to customers from the semiotic point of view. The study has thus helped in meeting the objectives to a large extent, however future studies can focus on multiple brands or carry out separate studies for different geographic clusters for generalizing the outcomes.

REFERENCES


