

Abstract

Most retail advertisements offer durable product at special price. Often this special price is compared with a previous price, a manufacturer's price, a rival seller's price, the price of similar merchandise, or an area price. Consumer can pay a lower than normal price for the durable product if consumer will buy if from the advertiser. The seller promotes a special price in the advertisement in the belief that more consumers will purchase the item if they believe the price is comparatively lower.

The research objective is to find the effect of advertised reference price and advertised selling price on buyers' internal reference price, perceived quality, perceived acquisition value, perceived transaction value and willingness to buy. The proposed model has two external constructs (advertised reference price and advertised selling price) and five internal constructs (buyers' perceived quality, internal reference price, perceived transaction value, perceived acquisition value, and willingness to buy).

The data analysis presentation and interpretation based on the data of hypotheses based on the relationship depicted in this model were formulated and tested using 2*2 between subjects experimental design, that is, two high advertised reference price levels (฿7,850 and ฿7,250), and two low advertised selling price level (฿6,990 and ฿6,390). Data to test the hypotheses was gathered using questionnaires containing an advertisement for a television. Of the survey random sampling, 360 samples collected from respondents who are university students have own television in ABAC condo and Phanasin apartment. The correlation analysis is used for testing relationship among advertised selling price and

advertised reference price, perceived quality, internal reference price, perceived transaction value, perceived acquisition value and willingness to buy.

Based on the research finding, First, consumers may necessarily use the price information previously encountered as internal reference price evaluations by comparing with advertised reference price. The higher advertised reference or regular price will be used either to directly assess the product's quality and benefits or to form a new internal reference price. The results implied that a new internal reference price is formed because the advertised reference price is judged as implausible, it will be used by consumers to judge the product's benefit and quality. This perceived transaction value of consumers influenced from internal reference price suggests getting a good deal or bargain in order to willingness to buy. Second, compared to the maximum price consumers would be willing to pay for this television, the sale price didn't convey good value. When consumers have perceived benefit from evaluating and judge this television with reliable and durable, consumers have high perceived acquisition value in order to willingness to buy.

Price comparison strategy is one price tactic, which can influence to see huge saving with this advertisement. Consumers are interested and acceptable to pay for this television. In this price tactic includes such words as "was, and "now" as focal cues to describe the high advertised reference price compared low advertised selling price. Retailers must study accepted price range of consumers in terms of average market price and fair prices because retailers can set inflated advertised reference price with believable and implausible. Retailers should concentrate information cues in advertising that consumers has belief with high quality in order to evaluate high price in mind of consumers. Most reasons will link to consumers' perception of value and willingness to buy.