



THE EFFECTS OF PRICE-COMPARISON ADVERTISING ON BUYERS'  
PERCEIVED ACQUISITION VALUE, TRANSACTION VALUE, AND  
BEHAVIORAL INTENTIONS: A STUDY OF PRICE-COMPARISON  
ADVERTISING ON COLOR TELEVISION IN RETAIL STORES

By

RUNGNIYOM PROMPESATSAKUL

A Thesis Submitted in Partial Fulfillment  
of the Requirements for the Degree of

Master of Business Administration

Graduate School of Business  
Assumption University  
Bangkok Thailand

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## 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 be willing 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 be willing 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 have 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.

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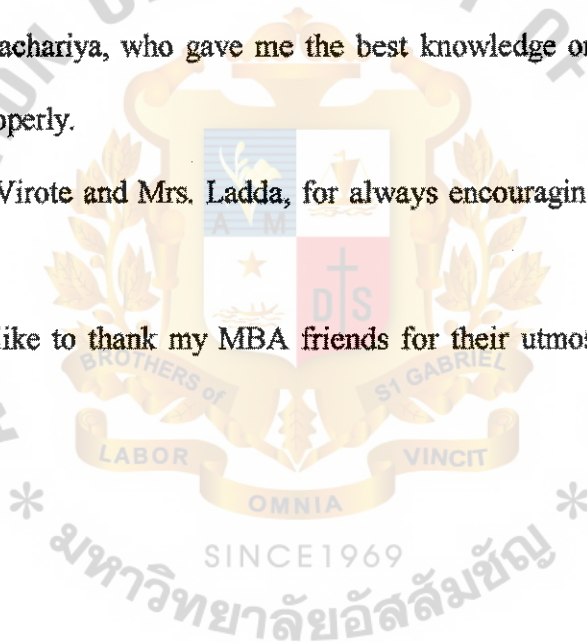
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## **CHAPTER I**

### **GENERALITIES OF THE STUDY**

#### **1.1 Introduction**

Price is an important part of establishing successful products in marketplaces. In an existing marketplace, the price has already been established. A new entrant to the market needs to understand how products are priced and to use these prices as guidelines in setting his price: “Too high and no one will buy his product; too low and no one will think the product is serious” (Wohl, 2001).

There are two very different points of view about price. Firstly, from a marketing viewpoint, price is the money or other considerations (including other goods and services) exchanged for the ownership or use of a good or service (Berkowitz, Kerin, Hartley & Rudelisu 1994, p. 350). Price is one of the four major variables that a marketing manager controls. Price-level decision is especially important because of the effect on both the number of sales a firm makes and how much money it earns.

Secondly, from customers' perspective, price is what must be given up to get the benefit offered by the rest of a firm's marketing mix, so it plays a direct role in shaping customer value. Price is the amount of money that is charged for “something” of value (Perreault & McCarthy 1999, p. 475).

Retailers often use price tactics in attracting customers. One of the price tactics of concern is price-comparison advertising. It is a price tactic that compares an advertised selling price to a higher reference price. In this case, “Was ₪xx, Now ₪xx” is used to

communicate the price-related information in an advertisement. Price increases the perceived saving significantly causing advertising of comparison price.

Hawkins, Best & Coney (2001, p.263) defined price as “a reference price is a price in relation to which other prices are compared”. It includes two types; *an external reference price* is a price presented by a marketer for the consumer to use to compare with the current price, and an *internal reference price* is a price or price range that a consumer retrieves from memory to compare to a price in the market.

Buyers evaluate prices by comparing them either to other prices available for comparison or to reference prices that are stored in memory. Customers' judgments are influenced by the perceived differences between the actual price and the reference price. Consumers usually have a set of prices that are acceptable for them to pay for products they purchase. Since prices are evaluated comparatively, the judgment of acceptability depends not only on consumers' price expectations but also on information provided in promotions or advertisements. The perception of savings conveyed by price advertising leads to positive or favorable behavioral responses.

## 1.2 Background of Study

- **Color Television in Domestic Trade**

The Color television industry in Thailand has an important role in terms of exporting and making profit. Television production in domestic trade (exports) account for about 70 percent and domestic sales are about 30 percent. In 2001, the export volume was approximately 68,500 million baht or 20 percent of the total export of electrical goods' volume of Thailand. However, the figures for exports have decreased by about 14.5 percent because of the effect of world economic recession. So, manufacturers have turned

their attention to the domestic market of Thailand. The total domestic market in 2001 was approximately 55,000 million baht, and the total domestic market in 2002 was valued at about 58,000 –60,000 million baht or demonstrated growth rates of about 6 – 8% (Thai Farmers Research Center Co., Ltd., 2002).

Electronic goods for domestic sale can be segmented in 2 groups 1). Picture and sound group, such as television, radio, stereo, VDO player, VCD and DVD player. 2). Home electronic products, such as air-conditioners, washing machines, rice cookers, etc. Overall, the electronic goods in the picture and sound group has tended to show higher rates of growth when compared with home electronic goods because of technological developments through digital systems and attribute developments aimed at niche markets (Thai Farmer Research Center Co., Ltd., 2001).

There is high competition in the medium-low market because of the import of electronic goods from China, especially in the picture and sound group, when compared with Japanese and Korean brands, especially because these are priced lower by about 20-40 percent. Therefore, manufacturers have consistently used price tactic to motivate this market and have changed distribution channels to places such as discount stores, specialty stores and department stores that also use lower price tactic and displays to promote goods. The Internet is also a new distribution medium which is slowly gaining popularity among Bangkokians (Thai Farmer Research Center Co., Ltd., 2001).

This study will select television as the product, to explore the effect of price comparison advertising, because not only is the television market highly competitive, but consumers also have high involvement with television attributes such as price, before they make their purchase decision.

Another reason for selecting television as the product for this study is that buyers are familiar with this brand and are aware of price comparison advertising in catalogs and price tags on shelves of retailers. Besides, retailers often use price-comparison advertising with popular television brands in order to increase buyer's perceived acquisition value, transaction value, and behavioral intentions.

### **1.3 Statement of Problem**

One of the major mistakes of retailers is to focus only on the final prices (or sale price) to the exclusion of the contextual advertised (or display) reference price, so consumers are not likely to believe that a sale is really a bargain and this issue could be one of the reasons why the "everyday low price" strategy used by several retailers has not been successful (Grewal, Monroe & Krishnan, 1998).

One purpose of price comparison advertising is to act as a point of comparison for a consumer's internal reference price in order to create the perception of value, and stimulate decision making of the product. This research focuses on how advertised reference price, advertised selling price, and perceived quality are related, and how these influence consumers' perceived transaction value, perceived acquisition value and behavioral intentions. Based on this, the following questions are posed in the study.

### **1.4 Research Objective**

The purpose of this research is to study the effect of price-comparison advertising on buyer's perceived acquisition value, transaction value, and behavioral intentions. Therefore, the researcher assumes the following research objectives:

1. To investigate the relationship between perceived quality, advertised reference price, advertised (lower) selling price, and buyers' internal reference price.
2. To investigate the relationship of buyers' perceived quality and the advertised (lower) selling price, and its influence on perceived acquisition value.
3. To investigate the relationship of buyers' internal reference price and the advertised (lower) selling price, and its influence on perceived transaction value.
4. To find the relationship between buyers' perception of acquisition value and behavioral intentions.
5. To find the relationship between buyers' perceptions of transaction value and behavioral intentions.

### **1.5 Research Scope & Limitation**

This research is conducted to gain better understanding of the effects of advertised selling and reference prices on Thai buyers' internal reference prices, perceived quality, perceived acquisition value, perceived transaction value, and behavior intention.

This study examines price-comparison advertisements of retailers in Bangkok and tests only one durable good, which is LG brand television. Most Thai consumers are quite familiar with this product because there are moderately priced and high levels of distribution in Bangkok stores.

This study will employ an experimental survey with a 2 x 2 between-subjects experimental design (two higher advertised reference price and two lower advertised selling price). The target group is only consumers who live in medium-priced apartments (ABAC condo-town and Phanasin Apartment).

## 1.6 Significance

This study intends to study how the pricing tactic used in price-comparison advertising, affects buyer's internal reference prices, perceptions of quality, acquisition value, transaction value, behavior intention.

There are many benefits from doing this research. Firstly, marketing managers can improve price tactics setting by using inflated reference price for acceptable consumer in order to increase the perception of value of consumers. Secondly, managers can promote quality position in developing brand equity, which will to higher market share and profitability in the long run. Finally, managers will improve value strategy and determine which value strategy is appropriate for their target segment and develop their position strategy.

## 1.7 Glossary

<b>Acquisition value:</b>	The buyers' perceptions of the relative worth of a product or service to them. It is formally defined, as the subjectively-weighted difference between the most a buyer would be willing to pay for the item less the actual price of the item (Monroe 1990, p.485).
<b>Advertising:</b>	Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor (Kotler 2000, p. 578).

**Advertised reference price:** A higher advertised comparison (Grewal, Monroe & Krishnan 1998, p. 47).

**Advertised selling price:** A lower advertised selling price (Grewal, Monroe & Krishnan 1998, p. 47).

**Buyer:** The person who participates in the procurement of the product from the marketplace (Sheth, Mittal, & Newman 1999 p. 245).

**Consumer:** Someone who buys goods and services for his or her own, or for household use, rather than to make something to sell (Churchill, G. A., Jr. & Peter, P., 1995, p.230).

**Internal reference price:** is a price or price range that a consumer retrieves from memory to compare to a price in the market (Hawkins, Best & Coney 2000, p. 603).

**Perceived acquisition value:** Perception of net value that accrues from the tradeoff between actual price charge and the perceived benefits of acquiring a product (Chapman & Wahiers 1999, p 4).

**Perceived transaction value:** The perceived merits of a “deal” The perceived merits of a deal are a tradeoff between the perceived sacrifice based on

the reference price and the perceived sacrifice based on the actual price (Chapman & Wahiers 1999, p 4).

**Perceived quality:** The customer's perception of the overall quality or superiority of a product or service with the respect to its intended purpose, relative to alternatives (Aaker 1991, p.85).

**Price:** The formal ratio that indicates the quantity of money or goods or services needed to acquire a given quantity of goods or services (Monroe 1990, p.490).

**Price-comparison Advertising:** A higher advertised comparison (commonly termed. advertised reference price) is compared with a lower advertised selling price (Grewal, Monroe & Krishnan 1998, pp. 453-459).

**Reference price:** The price that buyers use to compare the offered price of a product or service. The reference price may be a price in a buyer's memory or the price of an alternative product. In the claim, "**Regularly...., Now only....**" Regular is the reference price (Hawkins, Best & Coney 2000, p. 603).

<b>Retailer:</b>	An intermediary that sells primarily to ultimate consumers, retailers may buy from either producers or wholesalers (Churchill, G.A., Jr. & Peter, P 1995, p.230).
<b>Search intention:</b>	A buyer's willingness to search for additional price information (Stigler 1961, pp. 213-25).
<b>Transaction value:</b>	The subjectively-weighted difference between the buyer's reference price and the actual price to be paid (Monroe 1990, p. 485).
<b>Value:</b>	A ratio between what the customer <i>gets</i> and what he <i>gives</i> . The customer gets benefits and assumes costs. The benefits include functional benefits and emotional benefits. The cost includes monetary costs, time costs, energy costs, and psychic cost. (Kotler 2000, p. 11).
<b>Willing to buy:</b>	The likelihood that the buyer intends to purchase the product (Dodds, Monroe & Grewa 1991, p. 308).

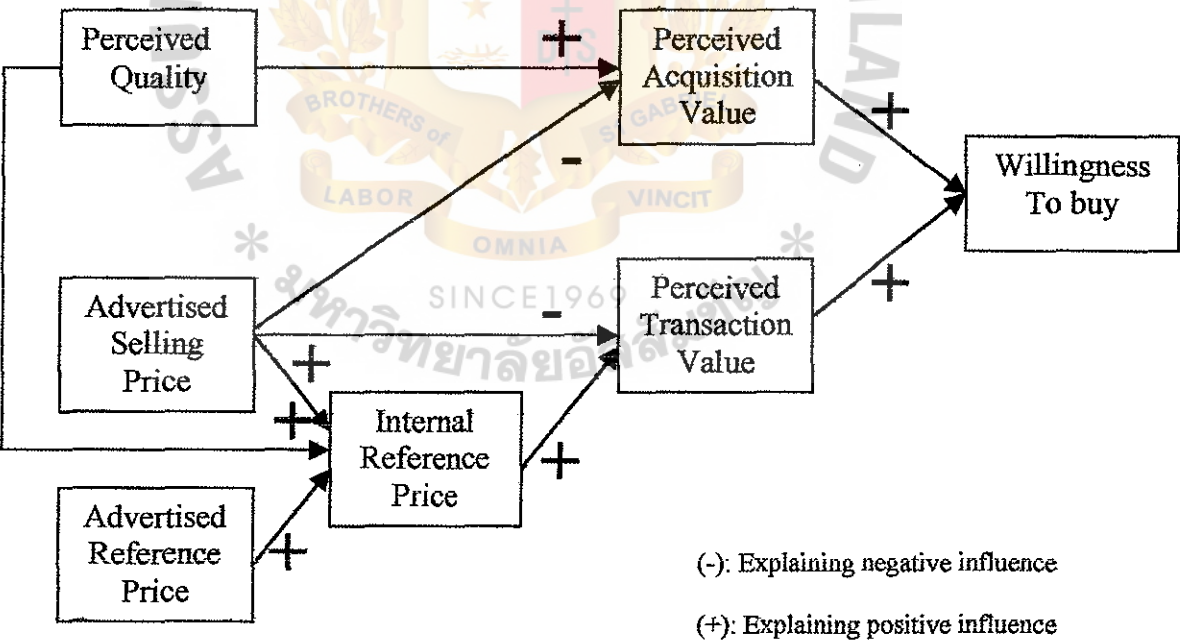
CHAPTER II

REVIEW OF RELATED LITERATURE AND STUDIES

Literature Review

The review of literature begins with the introduction of price-comparison advertising, which has two external constructs (advertised reference price and advertised selling price). The proposed model has five internal constructs (buyers' perceived quality, internal reference price, perceived transaction value, perceived acquisition value, and willingness to buy).

Figure 2 - 1: The Conceptual Framework



Source: Framework is applied from "The Effects of Price-Comparison Advertising on Buyers' Perceptions of Acquisition Value, Transaction Value and Behavioral Intentions", Journal of Marketing, Vol 62 (April), 46-59.

Each of these constructs, as well as the relationships between them, is explained. This is followed by the rationale for price comparison advertising and perceived quality. This enables the marketer to affect buyer's internal reference price, perceived transaction value, perceived acquisition value, willingness to buy, and search intentions.

## 2.1 Comparative Price Advertising

The use of comparative price advertising is widespread. An advertised reference price (e.g. regular price, original price, and manufacturer's suggested price) suggests that consumers will save money in that they will "get a good deal". Whether consumers actually save money depends primarily on the validity of this advertised comparative reference price (Compeau, 1998).

Berkman & Gilson, (1987) reported that a common retailing pricing strategy is to indicate two prices in an advertisement (a high "reference" price and a lower offering or "sale" price). Consumers are most likely to believe that a selling price is really a bargain when an inflated comparative price is indicated and consumer also cultivates positive attitudes towards comparative pricing. Other findings show that:

1. Consumers are skeptical of comparative price claims, the degree of belief depending on the size of "saving" indicated, the type of product being sold, the reputation of the store making the claim, and the past experiences of the consumer.
2. Most consumers like to see comparative prices, even when they believe the claims may be exaggerated. They appear to value the information even if it is thought to be somewhat inaccurate.

3. Purchase behavior tends to be positively affected by “good” comparative price cues. An indication of a substantial price reduction does increase the attractiveness of the offering.

In a price promotion advertisement, consumers are exposed to the focal price information within the context of semantic cues.

## 2.2 External Construct

### 2.2.1 Advertised Reference Price and Advertised Selling Price

Price strategy is to indicate two prices in an advertisement (a high reference price and a lower offering or sale price). The semantic cue is the specific wording of the phrase used to communicate the price-related information in an advertisement (Schiffman & Kanuk, 2000). For example, in an advertisement that states “Was \$350, Now only \$299,” the prices \$350 and \$299 are the focal cues, whereas the wording “Was, Now only” is the semantic cue. The effects of semantic cues used in comparative price advertisements are concrete in nature, whereas others are abstract.

Cue concreteness can be defined as the degree of detail and specificity about the price comparison being made. A cue such as “**Regular Price/Sale Price**” can be considered concrete because it is specific about the nature of the price comparison. The “Regular Price/Sale Price” cue clearly indicates the product’s customary price and the current offer price.

Therefore, retailers attempt to increase internal reference prices by emphasizing the lack of consistency with normal pricing policies (e.g. “was, now only”) or the distinctiveness of the price from other competitors (Lichetnestein, et al., 1991).

## 2.3 Internal Construct

### 2.3.1 Internal Reference Price

Reference price is the price customers expect to pay. If actual price is lower than the reference price, it is perceived as a good economic value. The customer who accidentally walks into the store has the full price as the reference price; in contrast, the customer who has seen advertisements of “huge savings” has many lower reference prices and is therefore disappointed. Advertisement or no advertisement, we all have some reference price in mind for a product or service; this is termed “internal reference price,” the price we believe to be the right price (Sheth, Mittal & Neuman, 1999).

Nagle (1987) reported that the current observed prices that influence a buyer's reference is not the prices of actual products offered by the seller. Presenting higher alternatives prices along with the product's actual selling price is very effective in raising reference price. Raising reference prices by exposing buyers to a higher manufacturer's suggested price, is a higher price changed previously (Was\$\_\_\_\_, Now\$\_\_\_\_).

Reference prices used in conjunction with an offering price in advertisements (“was \$49, now only \$29”) represent an attempt to enhance consumers' perceptions by increasing their internal reference price. Research has generally shown that using an advertised reference price is a very effective means of increasing perceptions of utility or value (Biswas and Blari, 1991).

- ***Setting the reference price:***

A key question for advertisers involves the level at which to set the reference price to maximize its effectiveness. There has been a significant amount of research on the

effect of various levels of a reference price on consumer perceptions and attitudes, given a constant sale price (Blair and Landon, 1981).

Several recent studies have investigated the effects on consumer price perceptions of three types of advertised reference prices: plausible low, plausible high, and implausible high. Plausible low prices are well within the range of acceptable market prices, plausible high are near the outer limits of the range but not beyond the realm of believability, and implausible high are well above the consumers' perceived range of acceptable market prices.

From a theoretical perspective, adaptation-level theory and assimilation contrast theory have been used in explaining the effects of reference prices, as well as semantic cues used in reference price advertisements.

- ***Adaptation-level theory:***

Reference price theory starts from adaptation-level theory (Helson, 1964). Adaptation-level theory contends that an individual's perception of, and corresponding response to, a focal stimulus is dependent upon the relationship of the stimulus to preceding stimuli. "Before stimuli" creates an adaptation level to serve as a center of judgement against which "Subsequent stimuli" are evaluated. Also, the adaptation-level is a function of focal, contextual, and organic cues; focal stimuli are the current prices to which the consumer is directly responding, contextual cues are the background stimuli in the shopping environment. Organic factors are relevant consumer characteristics (Kassarjian & Robertson, 1973) and are expressed along a continuum from acceptance to rejection of the focal stimulus.

In the context of adaptation to changing prices, focal stimuli are the current prices to which the consumer is directly responding. The preceding stimuli, which form the adaptation level, against which the focal stimulus is judged, are the past prices of the brand.

In applying adaptation-level theory, to argue that buyers' internal reference prices are influenced by the key focal cues in an advertisement; both the advertised selling price and the advertised reference price must be considered (Bitta, Monroe & McGinnis, 1981).

Adaptation-level theory (Helson, 1964) suggests that consumers have a range of internal reference prices against which advertised external prices are judged. The internal price range represents the primary organic cue and is affected by two other classes of cues, focal and contextual (Gotlieb and Dubinsky 1991; Lichtenstein and Bearden 1989; Monroe 1990). Focal cues are the major focus of the consumers' attention and include the promoted price and product information in retail advertisements. Contextual cues include background information in the advertisement and other secondary stimuli to which the consumer is not attending directly. According to various pricing studies (Biswas and Blair 1991; Urbany, Bearden, and Weilbaker 1988), contextual cues in an advertisement may affect how the focal cue is judged relative to the internal reference price range that is retrieved from memory for the product/brand.

The major implication derived from adaptation-level theory is that consumers perceive that there is a range of acceptable prices for any given product, and any external price information that falls within this range is not likely to change or shift the consumer's internal reference price range (Biswas and Blair 1991; Lichtenstein and Bearden 1989; Lichtenstein, Burton, and Karson 1991; Urbany, Bearden, and Weilbaker 1988). Buyers carry reference prices in their minds. This knowledge may come from previous

experience, of remembering, noticing prices, and analyzing prices within the context of the current buying situation.

Finally, a consumer's internal reference price (or adaptation level price) is influenced by an advertised reference price. If the advertised reference price is higher than the consumer's internal reference price and still is plausible, then the individual's internal reference price should be moved up.

If buyers have an internal reference price for a product, they will compare this internal reference price to the advertised reference price to determine the plausibility of the advertised reference price. If the advertised reference price is judged as plausible or believable, then they are likely to use that price to assess the product's benefits and quality. But if the advertised reference price is judged as implausible, or not believable, buyers will either use their internal reference prices to judge product quality and benefits, or they will search for more price information before judging the product.

- ***Assimilation Contrast Theory:***

Assimilation contrast theory (Sherif & Hovland, 1961) has been used in conjunction with adaptation-level theory to explain how external reference prices may influence consumers' internal reference prices and subsequent purchase evaluations.

Assimilation contrast theory suggests that consumers have latitude of acceptance around their price beliefs that influences their reaction to an external reference price (Shelth, Mittal & Neuman, 1999). The major implication of this theory is that external reference prices can be either assimilated into, or contrasted against the consumers' internal reference price range. Thus, the internal reference price of a consumer, and consequently the range of acceptable prices, is likely to shift in accordance with

information acquired through external sources, such as reference price advertisements (Lichtenstein, Buton, and Karson 1991; Monroe, Bitta, and Downey 1997).

Kassarjian & Robertson (1973) reported that evidence of assimilation-contrast in a pricing context is meager, but, if applicable, the implications are profound.

First, the high and low prices in a definable product offering may be more noticeable to a buyer and thus influence his/her perceptions. These end prices, along with the standard price, may accentuate the perceived value for a given product (a bargain), or may diminish the perceived value (too expensive), depending on where the product's price lies in the price range. In addition, if either or both end prices are outside the acceptable price range, the reference prices cues may increase the ambiguity of the price stimuli.

Second, the perception of a sale price may depend on its position in the price range. Positioning it below other offerings may lead to the perception of a bargain (assimilation effect) or to a disbelief that the sale price is a reduction from the advertised original (contrast effect).

A third consideration is the effect of reducing the range of stimuli by shifting one or both end values toward the stimulus center. Available evidence indicates that respondents then have greater difficulty in discriminating among stimuli, and that this increase in ambiguity leads to assimilation. Thus, as the range of alternative prices narrows, buyers may have greater difficulty in discriminating between choices, leading to a judgement of no price differences (assimilation effect); in these cases it can be expected that other cues e.g., brand name) will dominate the decision process.

Sherif (1953) reported that when a (price) range exceeded the latitude of acceptance (range of acceptable prices), higher values were assimilated into acceptable categories; but at the same time, a contrast effect occurred, as revealed in the tendency to lump together

highly discrepant values into a broad objectionable category. As a result of the interaction between internal anchor and stimulus range, subjects discriminated most keenly among the acceptable values when they were not faced with numerous objectionable items. The results indicate that the range of stimulus values presented for judgment is an important variable in determining whether effects of internal anchors will be detected at all.

Drawing from assimilation-contrast theory, it has been predicted that if the advertised reference price is within the acceptable range for a given consumer (even if it is close to the outer limit of acceptability), then the external reference price is considered “plausible” and is assimilated (Monroe, 1990). The consumer accepts the advertised reference price as a reasonable indicator of the market price and a valid referent for comparison. If the advertised reference price falls outside the range of acceptable price (i.e. it is implausible), it will be contrasted and thus will not be perceived as a valid reference point.

Therefore, assimilation-contrast theory suggests that an advertised reference price should be set at a high, yet plausible level, so it will be assimilated into the consumers' estimates of normal market prices, thereby increasing the internal reference price for the product.

### 2.3.2 Perceived Quality

Perceived Quality has been defined as customers' perception of the overall quality or superiority of a product or service relative to relevant alternatives and with respect to its intended purpose (Aaker, 1991).

Consumers often judge the quality of a product or service on the basis of a variety of informational cues that they associate with the product. Some of these cues are intrinsic to the product or service, others are extrinsic.

Cues that are intrinsic concern physical characteristics of the product itself, such as size, color flavor, or aroma. In some cases, consumers use physical characteristics to judge product quality. Consumers like to believe that they base their evaluations of product quality on intrinsic cues, because that enables them to justify their product decisions (either positive or negative) as being “rational” or “objective” product choices. More often than not, however, the physical characteristics they use to judge quality have no intrinsic relationship with the product’s quality. For examples of extrinsic cues are pricing, packaging, advertising, and even peer pressure. In the absence of actual experience with a product, consumers often “evaluate” quality on the basis of cues that are external to the product itself, such as price, brand image, manufacturer’s image, retail store image, or even the country of origin (Schiffman & Kanuk, 2000).

### 2.3.3 Perceived Value

Perception is defined as the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world. It can be described as “how we see the world around us.” Two individuals may be exposed to the same stimuli under the same apparent conditions, but how each person recognizes, selects, organizes, and interprets them is a highly individual process based on each person’s own needs, values, and expectations. There are four elements of perception; Sensation, The absolute threshold, the differential threshold and Subliminal perception (Schiffman & Kanuk, 2000).

Sensation is the immediate and direct response of the sensory organs to simple stimuli (an advertisement, a package, a brand name). A stimulus is any unit of input to any of the senses. Examples of stimuli (that is, sensory input) include products, packages, brand name, advertisements and commercials.

The Absolute Threshold is the lowest level at which an individual can experience a sensation. The point at which a person can detect a difference between “something” and “nothing” is that person’s absolute threshold for that stimulus.

The Differential Threshold or the j.n.d. (*for just noticeable difference*) is the minimal difference that can be detected between them. The j.n.d has important applications in marketing. Manufacturers and marketers endeavor to determine the relevant j.n.d. for their products for two very different reasons: (1) so that negative changes (e.g. reductions in product size or quality, or increases in product price) are not readily discernible to the public (they remain below the j.n.d.) and (2) so that product improvements (such as improved or updated packaging, larger size, or lower price) are very apparent to consumers without being wastefully extravagant (i.e., they are at or just above j.n.d.).

Perception basically involves the process of categorization. That is, we tend to place new experience into existing classifications of familiar experiences. Thus, when buyers are confronted by a price different from what they believe they previously paid, they must decide whether the difference between the old and new prices is significant to them. If the price difference is perceived to be insignificant, they may classify the two prices as similar and act as they have in the past.

Moreover, if the prices of two alternative products are perceived as comparable, even though they are not identical, some buyers may perceive the prices as equivalent and choose on bases other than price. On the other hand, if the price differences are perceived

as significant, buyers may classify the products as different and make their choices on the basis of price (Monroe, 1990).

Perception of value is partially determined by price, it is important to note that price is also perceptual. The actual price of a product may differ from the price customers associate with the product. This is because customers often do not pay attention to, or remember actual prices. Prices are registered in their minds in ways that are easy to remember. They sound prices off, recall a range of prices they may have paid over time, remember a price some friends or associates claim to have recently paid, or think in volume terms, such as the price of a dozen units of some items. For many purchases, the customer may recall the price as being nothing more than “fairly cheap” or “pretty expensive”(Morris & Morris, 1992).

The concept of value is ever present in the minds of most consumers. Such phrases as “value for the money,” “best value” and “you get what you pay for,” are fairly commonplace. The word value is used in a variety of ways by customers and has a number of interpretations.

An important study on the relationship between price and perceived value, according to Zeithaml (1987), is that consumers have at least four different definitions of value:

Value is low price. Some buyers use the word value to refer to situations where they simply pay a relatively low price, such as when an item is on sale. The focus here is purely on what is given up monetarily. When a product or service is sold at a specially reduced price, such as at an inventory clearance, or when a customer receives a discount for using a coupon or takes advantage of a one-time rebate, there is a sense of getting value.

Value is getting what one wants in a product. Other buyers look at value in terms of the benefits they receive from the item. They focus on their own subjective estimate of the usefulness or amount of needs satisfaction resulting from the purchase. Buyers typically enter into a purchase decision process with specific choice criteria in mind. The extent to which they perceive that a product or service performs well on those criteria is one way in which value is defined.

Value is the quality one gets for the price paid. An alternative approach is to view value as perceived quality received from a purchase divided by the price paid. The buyer's focus is affordable quality. The best value is not the highest-quality item or the lowest-priced item. Instead, quality is divided by price for each available alternative, and the one producing the highest quotient represents the best value. Such calculations may not be even precise, as quality is subjectively estimated in the mind of the customer.

Value is what one gets for what one gives. A final perspective is to approach value as a trade-off between what a buyer is going to receive from the purchase and what a buyer is required to give up. The best value is the one that provides the most benefit (in terms of the customer's desired set of attributes) for the least price. The buyer has a set of attributes, which vary in terms of their relative importance. A product is evaluated on these attributes. The result is divided by the price of the product to produce an indicator of value.

Customer value is defined by (Zeithaml, 1988) as a "consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given," and implicit in her definition is the notion of a consumer trade-off between a "get" and a "give" component. Although Zeithaml's use of the get and give components are in terms of the benefits and sacrifices involved in the use of a product or service, it has most often been

operationalized in terms of the trade-off between quality (benefit) and cost (price) (Bolton and Drew 1991). As Monroe (1990) notes, value is “the trade-off between the quality or benefits consumers perceive in a product relative to the sacrifice they perceive by paying the price”

Therefore, perceived value represents a tradeoff between buyers’ perceptions of quality and sacrifice. Consumers’ perceptions of a price derive from their interpretations of the price differences (real or implied) and from their interpretations of focal and contextual cues in the offer. Consumers make their purchase decision in a two-step process. First they judge the value of an offer; then they decide whether to make the purchase. It is also possible that they will postpone the purchase decision until they have more information about the offer and/or about other offers in the marketplace. Of concern here is (1) how buyers use price information and other cues to judge the value of the offer and (2) the influence this evaluation has on their purchase decisions.

Buyers evaluate prices by comparing them either to other prices available for comparison or to reference prices that are stored in memory. For example, when sellers advertise both the offered price and a (higher) comparative (regular) price, they are attempting to impose an external reference price instead of the consumers’ internal reference price to be used for comparisons. To convince consumers to accept the higher price as reference price, sellers include such words as “formerly,” “regularly,” and “usually” to describe the higher price. Words can be used in a variety of ways to enhance consumers’ perceptions that a sale is taking place and that the offer represents a savings to consumers.

Consumers usually have a set of prices that are acceptable for them to pay for products they purchase. If an offered price is not acceptable, consumers are likely to

refrain from purchasing the product and will either search for an acceptable offer or forgo any purchase. Since prices are evaluated comparatively, the judgment of acceptability depends not only on consumers' price expectations but also on information provided in promotions or advertisements. The perception of savings conveyed by price advertising leads to positive or favorable behavioral responses.

### 2.3.3.1 Perceived Acquisition Value

Total perceived value of a product being considered for purchase is comprised of acquisition value. Therefore, perceived acquisition value of the product will be positively influenced by the benefits buyers believe they are getting. By acquiring and using the product, the negative influence of the money given up to acquire their product fades.

Monroe (1990), stated that buyers' perception of acquisition value represents a cognitive tradeoff between the benefit they perceive in the product and the sacrifice. This is by paying the monetary price of the product:

$$\text{Perceived acquisition value} = \frac{\text{Perceived Benefits}}{\text{Perceived sacrifice}}$$

In part, the perceived benefits of a product are related to the buyers' judgments about the product's quality. Lacking perfect information on the inherent quality of the product, many consumers tend to believe that there is a positive relationship between a product's price and its quality ("You get what you pay for"). Other things remaining the same, a higher priced product would be perceived to provide more benefits because of its higher perceived quality.

A higher price increases buyers' perceptions of their sacrifice. Within some range of prices, the perceived benefits in the product will be larger than the perceived sacrifice, and buyers will perceive that there is positive acquisition value in the product. The greater the perceived acquisition value, the greater is the likelihood that a consumer would be willing to purchase the product.

### **2.3.3.2 Perceived Transaction Value**

The reference price may be internal to the buyer (e.g., an expected price, a believed fair or "just" price, or use of comparative price advertising or price tags to communicate the usual or regular price, and a lower actual price is an attempt to provide buyers with a price frame of reference and to capitalize on transaction value by augmenting buyers' perceptions of value.

Including an external reference price in a purchase offer allows the seller to frame the buyers' choices. Comparative-price advertising or point-of-purchase tags giving the usual or regular price and the lower asking price (sale price) provide buyers with a price frame of reference.

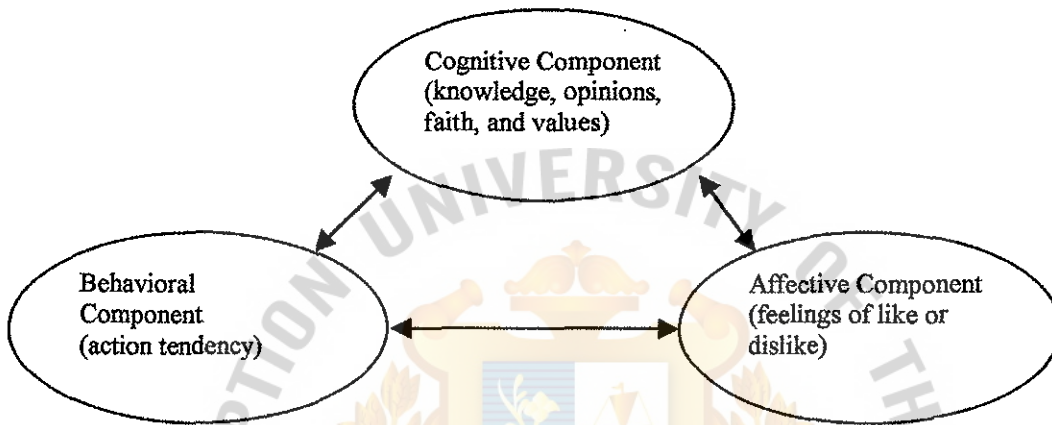
In the context of theoretical development sketched here, a price frame of reference enhances perceived value by enhancing both perceived value (perceptions of quality associated with the higher external reference price) and perceived transaction value (reduction in sacrifice associated with the lower sale price).

Transaction value can have a positive or negative effect on overall perceived value. Positive transaction value is the perceived reduction of a loss by a small gain. Similarly, if a buyer perceives that a price has increased, this increase is perceived as a loss.

### 2.3.4 Behavior Intention

It is useful to consider attitudes as having three components. This suggests a classification consisting of four broad categories: affect (feeling, evaluations), cognition (opinions, beliefs), conation (behavioral intentions), and behavior (observed overt acts).

Figure 2.1: Schematic Conception of Attitudes: The Traditional Model



Source: Nessim Hanna and Richard Wozniak (2001)

#### • The Cognitive Component

The cognitive component is what we think we know about an attitude object, that is the knowledge and perceptions that are acquired by a combination of direct experience with the attitude object and related information from various sources. This knowledge and resulting perceptions commonly take the form of beliefs, that is, the consumer believes that the attitude object possesses various attributes and that specific behavior will lead to specific outcomes (Schiffman and Kanuk, 2000).

Beliefs could be based on knowledge, opinion, faith and values (Hanna and Wozniak 2001). Whereas attitude refers to a person's favorable or unfavorable evaluation of an object, belief represents the information he/she has about the object. Specifically, a belief links an object to some attribute. The terms "object" and "attribute" are used in a

generic sense, and they refer to any discriminable aspect of the individual's world (Fishbein and Ajzen, 1975).

- **The Affective Component**

A consumer's emotions or feelings about a particular product or brand constitute the affective component of an attitude. These emotions and feelings are frequently treated by consumer- researchers as primarily evaluative in nature; that is, they capture an individual's direct or global assessment of the attitude object (or the extent to which the individual rates the attitude-objects as "favorable" or "unfavorable," "good" or "bad") (Schiffman and Kanuk, 2000).

- **The Conative Component**

Conation is concerned with the likelihood or tendency that an individual will undertake a specific action or behave in a particular way with regard to the attitude object. According to some interpretations, the conative component may include the actual behavior itself (Schiffman & Kanuk, 2000).

- **Behavioral Intentions**

The third class of variables refers to a person's intentions to perform various behaviors. In many respects, intentions may be viewed, as a special case of beliefs, in which the object is always the person himself/herself and the attribute is always a behavior. As with a belief, the strength of an intention is indicated by the person's subjective probability that he/she will perform the behavior in question. It can thus be recommended that the strength of an intention, or more simply, "intention," be measured by a procedure,

which places the subject along a subjective-probability dimension involving a relation between himself/herself and some action (Fishbein and Ajzen, 1975).

#### **2.3.4.1 Willingness to buy**

Willingness to buy is defined as the likelihood that the buyer intends to purchase the product (Dodds, Monroe and Grewal 1991).

Kassarjian & Robertson (1973, p.263), defined intention to buy as “the buyer’s forecast of which brand he will buy”. It includes the buyer’s predisposition toward a brand and also a forecast of inhibitors. Intention to buy has been used extensively in predicting the purchase of durable goods, with some recent refinements in terms of the buyer’s confidence in his own forecast.

All things being equal, willingness to buy is positively related to overall perceptions of acquisition and transaction value. Monroe & Krishnan (1985) developed a model which link perception of quality, price and sacrifice to perceived value, which then linked to purchase via the concept of willingness to buy. The perception of value in turn directly influences willingness to buy (Szybillo and Jacoby, 1974).

#### **2.4 Empirical findings**

A previous study expands and integrates prior price-perceived value models within the context of price comparison advertising. More specifically, the conceptual model explicates the effects of advertised selling and reference prices on buyer's internal reference prices, perceptions of quality, acquisition value, transaction value, and purchase and search intentions. Two experiments are used to test the hypothesis. Results indicate that the experiments support the hypothesis that buyer's internal reference prices are influenced by

both advertised selling and reference prices as well as the buyer's perception of the product's quality. In addition, the effect of advertised selling price on buyers' acquisition value was mediated by their perceptions on transaction value, and the effects of perceived transaction value on buyers' behavioral intentions were mediated by their acquisition value perceptions.

These hypotheses (and models) were tested using causal modeling. Two studies were conducted. Both studies used a 2 x 2 between-subjects experimental design, that is, two selling price levels (\$249.95 and \$349.95) and two advertised reference price levels (\$400 and \$500). In both studies, the subjects were shown a booklet containing an advertisement for a bicycle and a questionnaire. The advertisement used a known brand name (Raleigh USA). The subjects then responded to a set of questions that assessed the various latent constructs.

Influences on internal reference price indicate that buyers' internal reference prices are functions of perceived quality, advertised selling price, and advertised reference price.

Perceived acquisition value is a positive function of subjects' perceptions of quality. Therefore, we provide empirical support in a price comparison context for the proposition that perceived acquisition value is influenced, in part, by buyers' perceptions of quality.

Influences on perceived transaction value. The model suggests that perceived transaction value is a function of buyers' internal reference prices and the actual selling price. These relationships were supported by both studies. There is a significant negative relationship between the actual selling price and subjects' perceptions of transaction value. Moreover, there is a positive relationship between subjects' internal reference prices and their perceptions of transaction value. Thus, the theoretical arguments for the influence of

selling price and buyers' internal reference prices on buyers' perceptions of transaction value (i.e., the perceived merits of the offer) have empirical support.

The results indicated a significant positive relationship between perceived acquisition value and willingness to buy. The direct relationship between perceived transaction value and willingness to buy.

## 2.5 Summary review

In price comparison, advertising indicates a higher advertised comparison price (commonly termed advertised reference price) which is compared with a lower advertised selling price. In this research, the specific wording of the phrase used to communicate the price-related information in an advertisement states "Was ₦x,xxx, Now ₦x,xxx". These stimuli directly affects consumers who are most likely to believe that a selling price is really a bargain when they will compare this internal reference price, the advertised reference price, to determine the plausibility of the advertised reference price.

Perception of value is partially determined by price and the concept of value is ever present in the minds of most consumers such as "value for the money", "best value" and "you get what you pay for". In this case, consumers use physical characteristics to judge product quality. That is to view value as perceived quality received from a purchase divided by the price paid. It's effective to increase perception of value. There are two variables: perceived acquisition value and perceived transaction value influencing the willingness to buy.

The literature supports the possibility of the relationship of price comparison advertising with perceived value in order for customers to make purchasing decision and this literature review can be useful for supporting the framework of the next chapter.



## CHAPTER III

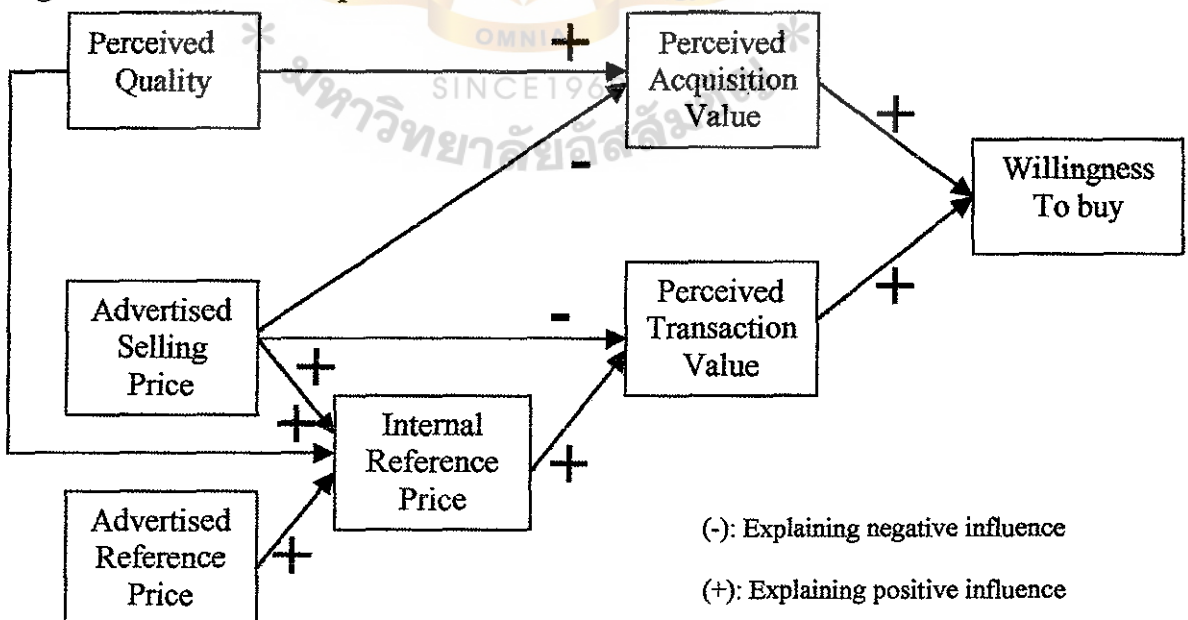
### RESEARCH FRAMEWORKS

This study examines price-comparison advertising when a higher advertised comparison price (commonly termed advertised reference price) is compared with a lower advertised selling price. Buyers' judgments of these advertised prices depend not only on the prices per se, but also on the contextual cues presented within the advertisement, the situational influences surrounding buyers, and buyers' internal reference prices.

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). Each of these constructs and the relationship between them are explained subsequently.

#### 3.1 Conceptual Framework

**Figure 3 - 1: The Conceptual Framework**



Source: Framework is applied from "The Effects of Price-Comparison Advertising on Buyers' Perceptions of Acquisition Value, Transaction Value and Behavioral Intentions", *Journal of Marketing*, Vol 62 (April), 46-59.

Figure 3 - 1 shows the full framework of the research. It indicates buyers' response to comparative price advertisements and its impact on buyers' internal reference price, perceptions of quality, acquisition value, transaction value, and purchase and search intentions.

### 3.2 Definition of the variables

**Perceived Quality;** buyers will estimate and memorize the good prominent from advertising of television because a buyer has perceptions of the physical characteristics such as size, color, model and any attribute of a product. Buyers will have quite a good familiarity with and knowledge of the product category and a buyer is not likely to use these advertised prices to shift their perceptions of quality. From this figure 3-1 it is not expected that the advertised selling price and the advertised reference price will affect buyers' perceptions of quality.

**Price-Comparison Advertising;** a higher advertised comparison price in terms of advertised reference price is compared with a lower advertised selling price (Advertised selling price). Presenting higher alternatives prices along with the product's actual selling price is very effective in raising reference price. When buyers have seen this advertisement, they will think that they can save a lot of money from getting a good deal according to this advertised comparative reference price. Moreover, buyers also cultivate positive attitudes towards comparative pricing (Monroe, 1990).

**Internal Reference Price;** is defined as a price (or price scale) in buyers' memory during judging or comparing actual prices. A buyer forming an initial level of perceived quality for the product depends on information in the advertisement and on previously acquired information. Using this level of perceived quality for the product and the

advertised prices (sales and reference) as basis, buyers develop internal reference prices to be used during subsequent judgments of value. Buyers' internal reference prices adapt to the stimuli prices presented in the advertisement. That is, buyers either adjust their internal reference price or accept the advertised reference price to make judgements about the product's value and the value of the deal. Consequently, advertised reference price, advertised selling price, and perceived product quality positively influence buyers' internal reference prices.

**Perceived Acquisition Value;** is the buyers' net gain (or trade-off) from acquiring the product or service and represents "a more global and enduring kind of value which takes into account both price and quality". The benefits buyers will receive will positively influence the perceived acquisition value of the product and buyers will believe that they are satisfied after they have bought and used the product. Product quality or buyer's perceived quality is also one component to positively influence perceived acquisition value when buyers believe the high quality of product after obtaining the offered product.

The perceived acquisition value of the product will negatively influence by the money given up to acquire the product (Advertised selling price)

**Perceived Transaction Value;** is the perception of psychological satisfaction or pleasure obtained from taking advantage of the financial terms of the price deal. Buyers exposed to price-comparison advertisements and similar price promotions are presented with an expressed deal or bargain in terms of a selling price that is explicitly reduced in magnitude. They are likely to assess the worth or value of such a deal by comparing the selling price to their internal reference price. Advertised selling price is higher than higher internal reference price, buyers will have a negative attitude towards the perceived

transaction value. But when buyers' internal reference price falls inside of the range of acceptable price, its effect positively influence perceived transaction value.

**Willingness to buy**; is defined as the likelihood that the buyer intends to purchase the product. Willingness to buy is positively related to overall perceived transaction value and perceived acquisition value.

### 3.3 Research Hypotheses

The main purpose of this study is to study the effect of price-comparison advertising (a higher advertised price is compared with a lower advertised selling price) on buyers' perceptions of acquisition value, transaction value, or behavioral intentional.

The researcher examines ninth hypotheses for supporting research objectives. The first objective of this research includes three hypotheses, which focus on the relationship between perceived quality, advertised reference price, the advertised (lower) selling price, and buyers' internal reference price (H1-H3). The second objective includes two hypotheses, which focus on the relationship between perceived quality and the advertised (lower) selling price, and its influence on perceived acquisition value (H4-H5). The third objective includes two hypotheses, which focus on the relationship between internal reference price and advertised (lower) selling price (H6-H7). The third objective focuses on perceived acquisition value and behavioral intention (H8). The forth objective focuses on perceived transaction value and behavioral intention (H9). These hypotheses are as follows;

1. H1: There is a positive relationship between buyers' perceived quality and internal reference price.

2. H2: There is a positive relationship between advertised selling price and buyers' internal reference price.
3. H3: There is a positive relationship between advertised reference price and buyers' internal reference price.
4. H4: There is a positive relationship between buyers' perceived quality and their perceived acquisition value.
5. H5: There is a negative relationship between the advertised selling price and buyers' perceived acquisition value.
6. H6: There is a positive relationship between buyers' internal reference price and their perceived transaction value.
7. H7: There is a negative relationship between the advertised selling price and buyers' perceived transaction value.
8. H8: There is a positive relationship between buyers' perceived acquisition value and their willingness to buy.
9. H9: There is a positive relationship between buyers' perceived transaction value and their willingness to buy.

### 3.4 Expected outcome

**Advertised prices and perceived quality;** advertised selling price and advertised reference price do not affect buyers' perceived quality.

**Influences on internal reference price;** buyers' internal reference prices are functions of perceived quality, advertised selling price, and advertised reference price.

**Influences on perceived acquisition value;** perceived acquisition value is a positive function of subjects' perceived quality and advertised selling price is a negative element of buyer's perceived acquisition value.

**Influences on perceived transaction value;** perceived transaction value is a function of buyers' internal reference price and the actual selling price. Internal reference price has a positive relationship with perceived transaction value and have a negative relationship with advertised selling price.

**Value perceptions and behavioral intentions;** this study expects a significant positive relationship between perceived acquisition value and the willingness to buy. The direct positive relationship between the perceived transaction value and the willingness to buy.

## **CHAPTER IV**

### **RESEARCH METHODOLOGY**

The objective of this research is to study the effect of price-comparison advertising on buyers' perceived acquisition value, transaction value in order to know how this price tactic affects buyers' purchase decision. This chapter presents population & data collection, measurement and data analysis.

#### **4.1 Data source**

##### **4.1.1 Target population**

The target population of this study consists of students who are at Ramkhamhaeng and Assumption University, live in ABAC condo-town and Thanasin Apartment which are near Big C Department store, and Carrefour. Most respondents will pay monthly rent fee of about 3,000 – 5,500 baht.

This area is selected for data collection because of the right target population who is homogeneous because most respondents are university students and have own television set in the rented room or they are searching for a new television. Most respondents like to temporarily live in the apartments and also have limited income.

Respondents must memorize some reference prices, consider price comparisons and the highest quality of what benefits they get before they decide to purchase a television.

##### **4.1.2 Sampling method**

The sampling size has been determined based on previous studies whose subjects were 361 undergraduate students at a western State university. The objective of the

research was to find acceptable price range for television. For this study, the researcher also distributes 360 questionnaires to respondents as a guideline. The respondents for this research survey has an equal chance of being selected as they are selected after the researcher has set- equal proportion of the sample size as follows;

Table 4.1 Number of rooms in equal proportion

Name of Apartment	Total (rooms)	Proportion in percentage of sample size	Number of room (equal chance)
ABAC Condo-town, Building A.	400	26%	94
ABAC Condo-town, Building B.	187	12%	43
Phanasis Apartment	960	62%	223
Total	1,547	100%	360

Table 4.2 Sampling Frame

No.	Name	Building	No. of Floor room	No. room per floor	Total (rooms)	Address
1.	ABAC Condotown	Condo A.  Condo B.	10 floor  11 floor	40 room  17 room	587	136 Soi Ramkhamhaeng 24, Ramkhamhacng Rd., Huamak, Bangkapi, Bangkok, 10240.

2.	Phanasis Apartment	Bulding 1	4 floor	30 room	120	2100/1-1200 Soi Ramkhamhaeng 24/1, Ramkhamhaneg Rd., Huamark, Bangkok, Bangkok 10240
		Bulding 2	4 floor	30 room	120	
		Bulding 3	4 floor	30 room	120	
		Bulding 4	4 floor	30 room	120	
		Bulding 5	4 floor	30 room	120	
		Bulding 6	4 floor	30 room	120	
		Bulding 7	4 floor	30 room	120	
		Bulding 8	4 floor	30 room	120	

### 4.1.3 Sampling Procedure

#### 4.1.3.1 Simple Random Sampling

In this study, the researcher uses simple random sampling by selecting a sample of 137 rooms from a total of 587 rooms at ABAC condo-town. In building A of ABAC condo-town, an equal chance of select is about 94 rooms. Each room number in the building is assigned a number from 136/1 – 400. A random number map is drawn of ABAC condo-town.

**Table 4.3 Layout of Building A of ABAC Condo-Town**

136/400	136/399	136/398	136/397	136/396	136/395	136/394	136/393	136/392	136/391	136/390	136/389	136/388	136/387	136/386	136/385	136/384	136/383	136/382	136/381	136/380	12th
136/379	136/378	136/377		136/375	136/374	136/373		136/371	136/370	136/369	Lift			136/367	136/366	136/365	136/364	136/363	136/362	136/361	
136/359	136/358	136/357		136/355	136/354	136/353		136/351	136/350	136/349	136/348	136/347	136/346	136/345	136/344	136/343	136/342	136/341	136/340	11th	
136/339	136/338	136/337		136/335	136/334	136/333		136/331	136/330	136/329	Lift			136/327	136/326	136/325	136/324	136/323	136/322	136/321	
136/319	136/318	136/317		136/315	136/314	136/313		136/311	136/310	136/309	136/308	136/307	136/306	136/305	136/304	136/303	136/302	136/301	136/300	10th	
136/299	136/298	136/297		136/295	136/294	136/293		136/291	136/290	136/289	Lift			136/287	136/286	136/285	136/284	136/283	136/282	136/281	
136/279	136/278	136/277		136/275	136/274	136/273		136/271	136/270	136/269	136/268	136/267	136/266	136/265	136/264	136/263	136/262	136/261	136/260	9th	
136/259	136/258	136/257		136/255	136/254	136/253		136/251	136/250	136/249	Lift			136/247	136/246	136/245	136/244	136/243	136/242	136/241	
136/239	136/238	136/237		136/235	136/234	136/233		136/231	136/230	136/229	136/228	136/227	136/226	136/225	136/224	136/223	136/222	136/221	136/220	8th	

138/219	138/218	138/217	138/216	138/215	138/214	138/213	138/212	138/211	138/210	138/209	Lift	138/208	138/207	138/206	138/205	138/204	138/203	138/202	138/201	
138/199	138/198	138/197	138/196	138/195	138/194	138/193	138/192	138/191	138/190	138/189	138/188	138/187	138/186	138/185	138/184	138/183	138/182	138/181	138/180	7th
138/179	138/178	138/177	138/176	138/175	138/174	138/173	138/172	138/171	138/170	138/169	Lift	138/168	138/167	138/166	138/165	138/164	138/163	138/162	138/161	
138/159	138/158	138/157	138/156	138/155	138/154	138/153	138/152	138/151	138/150	138/149	138/148	138/147	138/146	138/145	138/144	138/143	138/142	138/141	138/140	6th
138/139	138/138	138/137	138/136	138/135	138/134	138/133	138/132	138/131	138/130	138/129	Lift	138/128	138/127	138/126	138/125	138/124	138/123	138/122	138/121	
138/119	138/118	138/117	138/116	138/115	138/114	138/113	138/112	138/111	138/110	138/109	138/108	138/107	138/106	138/105	138/104	138/103	138/102	138/101	138/100	5th
138/99	138/98	138/97	138/96	138/95	138/94	138/93	138/92	138/91	138/90	138/89	Lift	138/88	138/87	138/86	138/85	138/84	138/83	138/82	138/81	
138/79	138/78	138/77	138/76	138/75	138/74	138/73	138/72	138/71	138/70	138/69	138/68	138/67	138/66	138/65	138/64	138/63	138/62	138/61	138/60	4th
138/59	138/58	138/57	138/56	138/55	138/54	138/53	138/52	138/51	138/50	138/49	Lift	138/48	138/47	138/46	138/45	138/44	138/43	138/42	138/41	
138/39	138/38	138/37	138/36	138/35	138/34	138/33	138/32	138/31	138/30	138/29	138/28	138/27	138/26	138/25	138/24	138/23	138/22	138/21	138/20	3rd
138/19	138/18	138/17	138/16	138/15	138/14	138/13	138/12	138/11	138/10	138/9	Lift	138/8	138/7	138/6	138/5	138/4	138/3	138/2	138/1	
ABAC CONDO-TOWN OFFICE																				2nd
																				1st

In building B of ABAC Condo-Town, an equally chance of about 43 rooms is selected. The next four numbers are randomly selected from 138/1 –138/187 about 46 rooms.

**Table 4.4 Layout of Building B of ABAC condo-town**

138/171	138/172	138/173	138/174	138/175	138/176	138/177	138/178	138/179	138/180	138/181	138/182	138/183	138/184	138/185	Lift	138/186	138/187	12th
138/154	138/155	138/156	138/157	138/158	138/159	138/160	138/161	138/162	138/163	138/164	138/165	138/166	138/167	138/168	Lift	138/169	138/170	11th
138/137	138/138	138/139	138/140	138/141	138/142	138/143	138/144	138/145	138/146	138/147	138/148	138/149	138/150	138/151	Lift	138/152	138/153	10th
138/120	138/121	138/122	138/123	138/124	138/125	138/126	138/127	138/128	138/129	138/130	138/131	138/132	138/133	138/134	Lift	138/135	138/136	9th
138/103	138/104	138/105	138/106	138/107	138/108	138/109	138/110	138/111	138/112	138/113	138/114	138/115	138/116	138/117	Lift	138/118	138/119	8th
138/86	138/87	138/88	138/89	138/90	138/91	138/92	138/93	138/94	138/95	138/96	138/97	138/98	138/99	138/100	Lift	138/101	138/102	7th
138/69	138/70	138/71	138/72	138/73	138/74	138/75	138/76	138/77	138/78	138/79	138/80	138/81	138/82	138/83	Lift	138/84	138/85	6th
138/52	138/53	138/54	138/55	138/56	138/57	138/58	138/59	138/60	138/61	138/62	138/63	138/64	138/65	138/66	Lift	138/67	138/68	5th
138/35	138/36	138/37	138/38	138/39	138/40	138/41	138/42	138/43	138/44	138/45	138/46	138/47	138/48	138/49	Lift	138/50	138/51	4th
138/18	138/19	138/20	138/21	138/22	138/23	138/24	138/25	138/26	138/27	138/28	138/29	138/30	138/31	138/32	Lift	138/33	138/34	3rd
138/1	138/2	138/3	138/4	138/5	138/6	138/7	138/8	138/9	138/10	138/11	138/12	138/13	138/14	138/15	Lift	138/16	138/17	2nd
Parking Area																entrance	1st	

For Phanasin Apartment, an equally chance of about 223 rooms is selected and 28 rooms in each building are collect (total 8 buildings). Therefore, the next seven numbers on each floor of each building are randomly selected.

Table 4.5 Layout of Building 1-8 of Phanasin Apartment

Building 1			Building 2			Building 3			Building 4		
2100/51-150			2100/331-450			2100/631-750			2100/931-1050		
PHANASIN STREET											
Building 8			Building 7			Building 6			Building 5		
2100/181-300			2100/481-600			2100/781-900			2100/1081-1200		

4.1.4 Research Instrument/Questionnaires

In this investigation, questionnaire is used as instrument and this study uses a 2 x 2 between subjects experimental design. That is, two low advertised selling price levels (฿7,850 and ฿7,250) and two high advertised reference price levels (฿6,990 and ฿6,390). In this study, the subjects are shown a questionnaire containing advertisement for television. The advertisement used a known brand name (LG). The questionnaire is divided into seven parts.

**Part I.** Price comparison advertising: there are 4 sets of questionnaire using a 2 x 2 subject for comparing a lower advertised selling price to a higher advertised reference price. “Was” is the advertised reference price and “Now” is the advertised selling price

- Set 1: Was 7,850 baht.....Now 6,900 baht.
- Set 2: Was 7,850 baht..... Now 6,390 baht.
- Set 3: Was 7,250 baht.....Now 6,900 baht.
- Set 4: Was 7,250 baht.....Now 6,380 baht.

- Part II.** Internal reference price: Buyers' internal reference price is assessed using two common measures: average market price estimate and fair price estimate.
- Part III.** Perceived quality: Buyers' quality perceptions are measured using three Likert statements assessed the product's quality, durability, and reliability.
- Part IV.** Perceived acquisition value: Buyers' acquisition value are measured using nine Likert statements that were built on past scales of perceived value. The proposed measure of perceived acquisition is an attempt to capture the trade-off between a product's benefits and the cost of its acquisition.
- Part V.** Perceived transaction value: this study measures the perceived transaction value using three Likert statements.
- Part VI.** Willingness to buy: A three-item scale measures buyers' willingness to buy. The specific items were anchored from "very low" to "very high"
- Part VII** Personal Data consist of gender, age, Marital status, education attainment, income and occupation.

#### 4.2 Pre-testing

A number of 30 sets of questionnaires for pre-testing (Biwas, Pullig, Krishnan & Burton, 1999) for the English language were distributed in ABAC University and most of the respondents were ABAC students. Each questionnaire provided information about the subject's knowledge, involvement, and acceptable price range for a television. The purpose of this pretest was to check whether a television set was a personally-relevant product. Moreover, the results helped the researcher to understand respondents' feedback, check mistakes, and make adjustments for better understanding. The results and a market survey

of prices suggest that 7,250 baht was around the average market price and 7,850 baht is an above-average market price(i.e., an inflated advertised reference price) for this television.

The results of reliability analysis based on the pilot study is shown in Table 4.2.

**Table 4.6: Reliability Analysis-Scale (Coefficient Alpha)**

Concept	Reliability
Perceived Quality (PQ)	.9270
Perceived Transaction Value (PTV)	.8848
Perceived Acquisition Value(PAV)	.9286
Willingness to Buy(WB)	.8387

A value which is at least 0.6, is considered reliable (Hawkins and Tull, 1993). As the result of reliability analysis based on the pilot study, the questionnaires in this research are sufficient for examining the effects of price-comparison or reference-price advertising on buyers' perceived acquisition value, transaction value, or behavioral intentions. Reference to the test?

### 4.3 Data Collection

Experimental survey was utilized in this study and the respondents may participate by filling out a questionnaire from four sets of questionnaires. Primary data were collected from the questionnaire in order to assess the hypotheses. This study selected of probability sampling by using Simple Random Sampling that assures that each element of the target population who lived in ABAC Condo-town and Phanasin Apartment, had an equal chance

of being selected. This research selected a proportion of the total number of rooms of the two rental apartments (ABAC Condo town and Phanasin Apartment).

First, at Building A of ABAC Condo-town, the researcher distributed 94 questionnaires starting Monday 4<sup>th</sup> November to Tuesday 5<sup>th</sup> November 2002. The researcher did the survey from 12.00p.m. – 18.00 pm.

Second, at Building B of ABAC Condo-town, the researcher distributed 43 questionnaires. Only one day, on Wednesday 6<sup>th</sup> November 2002 was used. The researcher did the survey from 12.00 – 18.00 pm.

Third, at Buildings 1 and 8 of Phanasin, the researcher surveyed 56 rooms with questionnaires for only one day, on Thursday 7<sup>th</sup> November 2002. The researcher did the survey from 12.00 – 18.00 pm.

Fourth, at Buildings 2 and 7 of Phanasin, the researcher surveyed 56 rooms with questionnaires for only one day, on Friday 8<sup>th</sup> November 2002. The researcher did the survey from 12.00 – 18.00 pm.

Fifth, at Buildings 3 and 6 of Phanasin, the researcher surveyed 56 rooms with questionnaires for only one day, on Saturday 9<sup>th</sup> November 2002. The researcher did the survey from 12.00 – 18.00 pm.

Sixth, at buildings 4 and 5 of Phanasin, the researcher surveyed 56 rooms with the questionnaires for only one day, on Sunday 10<sup>th</sup> November 2002. The researcher did the survey from 12.00 – 18.00 pm.

#### **4.4 Measurement**

For this study, subjects would be shown a questionnaire containing the advertisements. A 2 x 2 between-subject experimental design, that is, two low selling price

levels (฿7,850 and ฿7,250) and two high advertised reference price levels (฿6,990 and ฿6,390) was used. The subjects were shown a booklet containing an advertisement for a television and a questionnaire. Therefore, there were 4 sets of questionnaires in this study. “Was” is the high advertised reference price and “Now” is the low advertised selling price

Set 1: Was 7,850 baht.....Now 6,990 baht.

Set 2: Was 7,850 baht..... Now 6,390 baht.

Set 3: Was 7,250 baht.....Now 6,990 baht.

Set 4: Was 7,250 baht.....Now 6,390 baht.

Concepts can be defined as an abstract idea generalized from particular facts. Without a concept, there can be no theory (David and Cosenza, 1993). Attitude Rating Scales are measurements that require the respondents to estimate the magnitude of a characteristic or quality that an object possesses (Zikmund, 1997). Semantic differential is a series of statements rated on a seven-point bipolar scale that allows responses to a “concept”.

In this research, the constructs of buyers’ perceptions of quality, acquisition value, transaction value, willingness to buy, and search intention are assessed using a seven-point rating scale. Buyers’ internal reference prices are baht estimates provided by the subjects. Table 3 – 1 describes the measurement of the influence of each variable.

### 4.3.1 Operationalization of the Independent and Dependent Variables

**Table 4.7: Operationalization of Influencing Variables**

CONCEPT	CONCEPTUAL DEFINITION	OPERATION DEFINITION	QUESTION	LEVEL OF MEASURE MENT
Advertised Reference Price	Presenting higher alternatives prices along with the product's actual selling price	High reference price	Show booklet containing an advertisement for television in reference price (฿6,990 and ฿6,390)	2 x 2 between subject experimen tal design
Advertised Selling Price	Presenting low selling price for huge saving to influence consumers	Low selling price	Show booklet containing an advertisement for television in reference price (฿7,850 and ฿7,250)	2 x 2 between subject experimen tal design
Internal Reference Price	A price (or price scale) in buyers' memories that serves as a basis for judging or comparing actual prices (Monroe 1973; Monroe, Grewal, and Compeau 1991)	- Average market price estimated - Fair price	1. What is your estimate of the average market price of this television?  2. What do you think would be a fair price for this television?	Nominal  scale

Perceived Quality	Buyer's estimate of a product's cumulative excellence (Zeithaml 1998)	<ul style="list-style-type: none"> <li>- Good quality</li> <li>- Durable</li> <li>- Reliable</li> </ul>	<p>3. The Television appears to be of good quality</p> <p>4. The Television appears to be durable</p> <p>5. The Television appears to be reliable</p>	Likert scale
Perceived Transaction Value	The perception of psychological satisfaction or pleasure obtained from taking advantage of the financial terms of the price deal (Lichtenstein, Netemeyer, and Burton 1990; Monroc and Chaman 1987; Thaler 1985; Urbany and Bearden 1989).	<ul style="list-style-type: none"> <li>- Perception of psychological satisfaction</li> <li>- Take advantage of the price deal</li> </ul>	<p>6. Taking advantage of a price-deal like this makes me feel good.</p> <p>7. I would get a lot of pleasure knowing that I would save money at this reduced sales price.</p> <p>8. Beyond the money I save, taking advantage of this price deal will give me a sense of joy.</p>	Likert scale
Perceived Acquisition Value	The buyers' net gain (or trade off) from acquiring the product or service represents "a more global and enduring kind of value which takes into account both price and quality" (Urbany and Bearden 1990, p.4)	<ul style="list-style-type: none"> <li>- Value of Money</li> </ul>	<p>9. If I bought this television at (selling price), I feel I would be getting my money's worth.</p> <p>10. I feel that I am getting a good quality television for a reasonable price.</p> <p>11. After evaluating the advertised</p>	Likert scale

		<p>television features, I am confident that I am getting quality features for (selling price).</p> <p>12. If I acquired this television, I think I would be getting good value for the money I spend.</p> <p>13. I think that given this television's feature, it is good value for the money.</p> <p>14. I feel that acquiring this television meets both my high-quality and price requirements.</p> <p>15. Compared to the maximum price I would be willing to pay for this television, the sale price conveys good value.</p> <p>16. I would value this television as it would meet my needs at a reasonable price.</p> <p>17. This television would be a worthwhile acquisition</p>	
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			because it would help me exercise judgement at a reasonable price	
Willingness to buy	Buyer intends to purchase the product (Dodds, Monroe, and Grewal 1991)	<ul style="list-style-type: none"> <li>- Buy product at model shown</li> <li>- Probability considered</li> <li>- Ability to buy</li> </ul>	18. If I were going to buy a television, the probability of buying this model is ----- 19. The probability that I would consider buying this television is ----- 20. The likelihood that I would purchase this television is -----	Likert scale

Table 4.8: Part of questionnaire

Part No.	Variable	Question no.	Measure
Part I	2* 2 experiment design (two lower advertised selling price) (two higher advertised reference price)	4 sets	Set 1: Was 7,850 baht, Now 6,900 baht. Set 2: Was 7,850 baht, Now 6,390 baht. Set 3: Was 7,250 baht, Now 6,900 baht. Set 4: Was 7,250 baht, Now 6,390 baht.

Part 2	Internal Reference Price	Q. 1-2	<ul style="list-style-type: none"><li>• Average market price</li><li>• Fair price estimated</li></ul>
Part 3	Perceived Quality	Q. 3-5	3 Likert
Part 4	Perceived Transaction Value	Q. 6-8	3 Likert
Part 5	Perceived Acquisition Value	Q. 9-17	9 Likert
Part 6	Willingness to buy	Q. 21-23	3 Likert
Part 7	Personal Data	Q. 1-6	Gender, Age, Status, Education, Income, Occupation

4.5 Data Analysis

After the data is collected, the research report should communicate the research findings effectively. Several methods of statistical analysis applied in this study will be encoded and processed by SPSS statistical software.

4.5.1 Fundamental of the Simple Correlation Coefficient: Pearsons Correlation

Measurement levels of this study are interval and ratio scales, so Pearsons correlation  $r$  that indicates the relationship of one variable to another is used as the method for analysis. The test statistics is given by the formula:

$$r_{xy} = \frac{n \sum xy - (\sum x)(\sum y)}{(n \sum x^2 - \sum x^2) (N \sum y^2 - \sum y^2)^{1/2}}$$

When  $r_{xy}$  = The correlation coefficient between x and y

N = The size of the sample

- $n$  = The number of the sample
- $x$  = The individual's score on the y variable
- $y$  = The individual's score on the x variable
- $xy$  = The product of each x score times its corresponding y score
- $x^2$  = The individual x score, square
- $y^2$  = The individual y score, square

**Table 4.9: Type of Statistics of Hypotheses Testing**

No.	Hypotheses Statements	Types of Statistics
H1	There is a positive relationship between buyers' perceived quality and internal reference price.	Pearson correlation
H2	There is a positive relationship between advertised selling price and buyers' internal reference price.	Pearson correlation
H3	There is a positive relationship between advertised Reference price and buyers' internal reference price.	Pearson correlation
H4	There is a positive relationship between buyers' Perceived quality and their perceived acquisition value.	Pearson correlation
H5	There is a negative relationship between the advertised selling price and buyers' perceived acquisition value.	Pearson correlation
H6	There is a positive relationship between buyers' internal Reference price and their perceived transaction value.	Pearson correlation
H7	There is a negative relationship between the advertised selling price and buyers' perceived transaction value.	Pearson correlation
H8	There is a positive relationship between buyers'	Pearson correlation

	Perceived acquisition value and their willingness to buy.	
H9	There is a positive relationship between buyers' Perceived transaction value and their willingness to buy.	Pearson correlation

4.6 Pre-testing

A number of 30 sets of questionnaires for pre-testing (Biwas, Pullig, Krishnan & Burton, 1999) for the English language were distributed in ABAC University and most of the respondents were ABAC students. Each questionnaire provided information about the subject’s knowledge, involvement, and acceptable price range for a television. The purpose of this pretest was to check whether a television set was a personally-relevant product. Moreover, the results helped the researcher to understand respondents’ feedback, check mistakes, and make adjustments for better understanding. The results and a market survey of prices suggest that 7,250 baht was around the average market price and 7,850 baht is an above-average market price(i.e., an inflated advertised reference price) for this television. The results of reliability analysis based on the pilot study is shown in Table 4.2.

Table 4.10: Reliability Analysis-Scale (Coefficient Alpha)

Concept	Reliability
Perceived Quality (PQ)	.9270
Perceived Transaction Value (PTV)	.8848
Perceived Acquisition Value(PAV)	.9286
Willingness to Buy(WB)	.8387

A value which is at least 0.6, is considered reliable (Hawkins and Tull, 1993). As the result of reliability analysis based on the pilot study, the questionnaires in this research are sufficient for examining the effects of price-comparison or reference-price advertising on buyers' perceived acquisition value, transaction value, or behavioral intentions.



## CHAPTER V

### RESEARCH FINDING AND ANALYSIS

This chapter covers the findings presented in two sections: section 1 summarizes the demographic profile in terms of gender, marital status, age, education level, occupation category, and income level which are presented by frequency and percentage of personal data. Section 2 measures the relationship among elements in the nine hypothesis tested.

Table 5.1: Summary of the Demographic Profile

Demographic Characteristics	Frequency	Percentage
<b>Gender</b>		
Male	153	44.20
Female	193	55.80
Total	346	100.00
<b>Age</b>		
15-25 year old	280	80.90
26-35 year old	55	15.90
36-45 year old	9	2.60
46-55 year old	2	.6
Total	346	100.00
<b>Marital Status</b>		
Single	322	93.10
Married no children	9	2.60
Married with children	15	4.30
Total	346	100.00
<b>Income</b>		
Below 5,000 baht	94	27.20
5,001 - 10,000 baht	161	46.50
10,001 - 15,000 baht	52	15.0
15,001 - 20,000 baht	14	4.0
Above 20,000 baht	25	7.2
Total	346	100.00

Education	19	5.50
Secondary school and below	7	2.00
Diploma	306	88.40
Under graduate	14	4.0
Post graduate	346	100.00
Total		
Occupation	6	1.70
Primary & secondary school student	248	71.70
University student	49	14.20
Officer	19	5.50
Business owner	16	4.60
Government employee	5	1.40
Housewife	1	0.30
Employee	2	0.60
Others	346	100.00
Total		

**Hypothesis 1 : There is a positive relationship between buyers' perceived quality and internal reference price**

Ho1: There is no significant relationship between perceived quality and internal reference price.

Ha1: There is a significant relationship between perceived quality and internal reference price.

Table 5.2: Correlation Coefficients of perceived quality and internal reference price

Correlations			
		PQ	IRP
PQ	Pearson Correlation	1.000	.143**
	Sig. (2-tailed)		.008
	N	346	346
IRP	Pearson Correlation	.143**	1.000
	Sig. (2-tailed)	.008	
	N	346	346

\*\* . Correlation is significant at the 0.01 level

The Bivariate Correlation Test (Pearson correlation analysis) shown in Table 5.2 indicates that there was a statistically significant correlation between perceived quality and internal reference price and a 2-tailed significance of 0.01 was used.

The correlation coefficient of two factors at 0.143, and p-value was 0.008, are less than the level of significance of 0.01. Thus, the null hypothesis was rejected indicating that buyers' internal reference prices are functions of perceived quality. This means that the perceived quality and internal reference price have a positive relationship and enhance consumers' perceived quality increases internal reference price.

Explanation: price creates a positive attitude toward a high quality television when consumers see the advertisement of television that is assumed to have more quality, durability, and reliability. Consumers judge this television advertisement to have a relatively high quality. High quality has a positive effect on increasing price in the mind of the consumers who expect to pay high price.

**Hypothesis 2: There is a positive relationship between advertised selling price and buyers' internal reference price.**

Ho2: There is no significant relationship between advertised selling price and internal reference price.

Ha2: There is a significant relationship between advertised selling price and internal reference price.

Table 5.3: Correlation Coefficients of advertised selling price and internal reference price.

Correlations			
		ASP	IRP
ASP	Pearson Correlation	1.000	.140**
	Sig. (2-tailed)	.	.009
	N	346	346
IRP	Pearson Correlation	.140**	1.000
	Sig. (2-tailed)	.009	.
	N	346	346

\*\* . Correlation is significant at the 0.01 level

The Bivariate Correlation Test (Pearson correlation analysis) shown in Table 5.3 indicates that there is a statistically significant correlation between advertised selling price and buyers' internal reference price and a 2-tailed significance of 0.01 is used.

Explanation: As the correlation coefficient of two factors at 0.140, and p-value was 0.009, which was less than the significance level of 0.01, the null hypothesis is rejected. This indicates that buyers' internal reference prices are functions of advertised selling price. It means that the advertised selling price and internal reference price has a positive relationship. Advertised selling price is compared with internal reference price. Internal reference prices adapt to the selling price in the advertisement. Position of sale price is

lower than the price the consumer expects to pay. Selling price may influence consumers' internal reference price and subsequent purchase evaluations.

**Hypothesis 3: There is a positive relationship between advertised reference price and buyers' internal reference price.**

Ho3: There is no significant relationship between advertised reference price and internal reference price.

Ha3: There is a significant relationship between advertised reference price and internal reference price.

Table 5.4: Correlation Coefficients of advertised reference price and internal reference price

Correlations			
		ARP	IRP
ARP	Pearson Correlation	1.000	.051
	Sig. (2-tailed)	.	.344
	N	346	346
IRP	Pearson Correlation	.051	1.000
	Sig. (2-tailed)	.344	.
	N	346	346

The Bivariate Correlation Test (Pearson correlation analysis) shown in Table 5.4 indicates that there is not a statistically significant correlation between advertised reference price and buyers' internal reference price and a 2-tailed significance of 0.01 is used.

From table 5.4, the correlation coefficient of two factors at 0.051, and the p-value equaled to 0.344, indicate that the value is greater than the significance level of 0.01. Thus,

the null hypothesis is accepted. It implies there is not a significant relationship between advertised reference price and buyer's internal reference price.

Explanation: Higher reference price is advertised by the researcher in that higher advertised selling price is compared with low selling price in order for customers to have high bargains. In this study, higher reference price is not believed by the consumers because setting reference prices higher is outside the price ranges accepted. Thus, the research cannot convince consumers to increase their price in mind. Consumers do not consider advertising reference price in purchasing decision. They use internal reference price which they see from this advertisement, window shopping or leaflet from retail stores to make judgement about the value.

**Hypothesis 4 : There is a positive relationship between buyers' perceived quality and perceived acquisition value.**

Ho4: There is no significant relationship between perceived quality and perceived acquisition value.

Ha4: There is a significant relationship between perceived quality and perceived acquisition value.

Table 5.5: Correlation Coefficients of perceived quality and perceived acquisition value.

Correlations			
		PQ	PAV
PQ	Pearson Correlation	1.000	.582**
	Sig. (2-tailed)	.	.000
	N	346	346
PAV	Pearson Correlation	.582**	1.000
	Sig. (2-tailed)	.000	.
	N	346	346

\*\* . Correlation is significant at the 0.01 level

The Bivariate Correlation Test (Pearson correlation analysis) shown in Table 5.5 indicated that there is a statistically significant difference in correlation between perceived quality and perceived acquisition value and a 2-tailed significance of 0.01 is used.

From the correlation coefficient of two factors at 0.582, and p-value of 0.000, which was less than the significance level of 0.01. Thus, null hypothesis was rejected indicating that buyers’ perceived acquisition value is a positive function of perceived quality. It means that the perceived quality and internal reference price have a positive relationship and enhance consumers’ perceived quality of acquisition value.

Explanation: Consumers could judge the quality of this television on the basis of a variety of informational cues that consumers associate with this television. Some of these cues are color, size, pricing and advertising. These cues provide the basis of perception of product. Thus, consumer has perceived high good quality, durability and reliability with this television. The perceived acquisition value of the product will positively be influenced by the benefits consumers believe they are getting high quality feature.

**Hypothesis 5: There is a negative relationship between advertised selling price and buyers’ perceived acquisition value.**

Ho5: There is no significant relationship between advertised selling price and perceived acquisition value.

Ha5: There is a significant relationship between advertised selling price and perceived acquisition value.

Table 5.6: Correlation Coefficients of advertised selling price and perceived acquisition value.

Correlations			
		ASP	PAV
ASP	Pearson Correlation	1.000	-.038
	Sig. (2-tailed)		.472
	N	360	360
PAV	Pearson Correlation	-.038	1.000
	Sig. (2-tailed)	.472	
	N	360	360

The Bivariate Correlation Test (Pearson correlation analysis) shown in Table 5.6 indicated that there was not a statistically significant correlation between advertised selling price and buyers’ perceived acquisition value at a 2-tailed significance of 0.01.

From table 5.6, the correlation coefficient of two factors at -0.038, with the p-value equal to 0.472 that was greater than the 0.01 significance level, this null hypothesis was

accepted. It implied there was not a significant relationship between advertised selling price and buyer's internal reference price.

Explanation: after consumers evaluate this television and price comparison in advertisement, advertised reference price is implausible, advertised selling price seems unreasonable. Consumers think they would not be getting good value for the money they spend at the selling price of this television.

**Hypothesis 6: There is a positive relationship between buyers' internal reference price and perceived transaction value.**

Ho6: There is no significant relationship between internal reference price and perceived transaction value.

Ha6: There is a significant relationship between internal reference price and perceived transaction value.

Table 5.7: Correlation Coefficients of internal reference price and perceived transaction value

**Correlations**

		IRP	PTV
IRP	Pearson Correlation	1.000	.230**
	Sig. (2-tailed)	.	.000
	N	346	346
PTV	Pearson Correlation	.230**	1.000
	Sig. (2-tailed)	.000	.
	N	346	346

\*\* . Correlation is significant at the 0.01 level

The Bivariate Correlation Test (Pearson correlation analysis) shown in Table 5.7 indicated that there was a statistically significant correlation between perceived transaction value and internal reference price at a 2-tailed significance of 0.01.

From the correlation coefficient of two variables at 0.230, and p-value was 0.000, which was less than the level significance of 0.01, the null hypothesis was rejected. This indicated that buyers' internal reference prices are functions of perceived transaction value. It meant that the perceived quality and internal reference price have a positive relationship and enhances consumers' internal reference price influencing perceived transactions.

Explanation: consumers have price in memory to judge this television in terms of internal reference price and they believe that memory price is the right price with high quality television. They take advantage of and feel good about paying at a price related to the internal reference price for high quality television.

**Hypothesis 7: There is a negative relationship between advertised selling price and buyers' perceived transaction value.**

Ho7: There is no significant relationship between internal reference price and perceived transaction value.

Ha7: There is a significant relationship between internal reference price and perceived transaction value.

Table 5.8: Correlation Coefficients of Advertised Selling Price and Perceived Transaction Value.

Correlations			
		ASP	PTV
ASP	Pearson Correlation	1.000	-.015
	Sig. (2-tailed)	.	.774
	N	346	346
PTV	Pearson Correlation	-.015	1.000
	Sig. (2-tailed)	.774	.
	N	346	346

The Bivariate Correlation Test (Pearson correlation analysis) shown in Table 5.8 indicated that there was not a statistically significant correlation between advertised selling price and buyers' perceived transaction value at a 2-tailed significance of 0.01 ..

From the correlation coefficient of two factors at  $-0.015$ , and p-value was  $0.774$ , which was greater than the level significance of  $0.01$ , then the null hypothesis was accepted. It implied that there was not a significant relationship between advertised selling price and buyer's perceived transaction value.

Explanation: after consumers evaluate this television and price comparison in advertisement, advertised reference price is implausible, advertised selling price seems unreasonable and net bargain for consumers is more preferable. Consumers would not take advantage of price-deal and would not get a lot of pleasure knowing that responding would not save money at this low selling price.

**Hypothesis 8: There is a positive relationship between buyers’ perceived acquisition value and willingness to buy.**

Ho8: There is no significant relationship between perceived acquisition value and willingness to buy.

Ha8: There is a significant relationship between perceived acquisition value and willingness to buy.

Table 5.9: Correlation Coefficients of Perceived Acquisition Value and Willingness to Buy

Correlations			
		PAV	WB
PAV	Pearson Correlation	1.000	.595**
	Sig. (2-tailed)	.	.000
	N	346	346
WB	Pearson Correlation	.595**	1.000
	Sig. (2-tailed)	.000	.
	N	346	346

\*\* . Correlation is significant at the 0.01 level

The Bivariate Correlation Test (Pearson correlation analysis) shown in Table 5.9 indicated that there was a statistically significant difference in correlation between perceived acquisition value and willingness to buy at a 2-tailed significance of 0.01 ..

From the correlation coefficient of two factors at 0.595, and p-value was 0.000, which less than the level significance of 0.01, null hypothesis was rejected. This indicated that buyers’ perceived acquisitions are functions of willingness to buy. It meant that and perceived acquisition value has a positive relationship with willingness to buy.

Explanation: the perceived acquisition value of this television will be positively influenced by the benefits consumers believe they are getting by acquiring and using the high quality television but not influenced by the money given up to get the television. However, net gain from acquiring product will positively influence willingness to buy the product.

**Hypothesis 9: There is a positive relationship between buyers’ perceived transaction value and willingness to buy.**

Ho9: There is no significant relationship between perceived acquisition value and willingness to buy.

Ha9: There is a significant relationship between perceived acquisition value and willingness to buy.

Table 5.10: Correlation Coefficients of Perceived Transaction Value and Willingness to Buy

**Correlations**

		PTV	WB
PTV	Pearson Correlation	1.000	.445**
	Sig. (2-tailed)	.	.000
	N	360	360
WB	Pearson Correlation	.445**	1.000
	Sig. (2-tailed)	.000	.
	N	360	360

\*\* . Correlation is significant at the 0.01 level

The Bivariate Correlation Test (Pearson correlation analysis) shown in Table 5.10 indicated that there was a statistically significant in correlation between perceived transaction value and willingness to buy and a 2-tailed significance of 0.01 ..

From the correlation coefficient of two factors at 0.445, and p-value was 0.000, which was less than the level of significance of 0.01, the null hypothesis was rejected. This indicated that buyers' perceived transaction value is functions of willingness to buy. It meant that perceived transaction value has a positive relationship with willingness to buy.

Explanation: Consumers would not assess value of such a deal by comparing the selling price to their internal reference price but they have perception of psychological satisfaction obtained from taking advantage of the price in mind that they can accept not the price deal. Consumers have certainty with right price with high quality of product in terms of perceived transaction value which reduces searching information and willingness to buy the product.



## **CHAPTER VI**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

The final chapter of this study is divided into three sections. The first section is summary of finding including the demographic characteristics and nine hypotheses testing. The second part is the conclusion. The third part discusses the recommendations, and the last part is the suggestions for further study.

#### **6.1 Summary of Findings**

In summary, the research objective is to study the effect of price-comparison advertising on buyers' perceived acquisition value, transaction value, and willingness to buy. The researcher chooses home color television of LG brand as the product of the research. Three hundred and sixty (360) samples in ABAC-condo and Phanasin Apartment were collected. The collected data was analyzed by using the Statistical Package for Social Science (SPSS).

##### **6.1.1 Summary of Demographic Characteristics**

The sample included 56.70 percent of respondents who were female and 43.30 percent who were male. A total of 294 respondents or 81.7 percent were in the 15-25 years age range and these made up the majority. The minority group was composed of 55 respondents or 15.30 percent forming the second group and were in the 26-35 years age range.

From the survey data, there were 319 respondents who had bachelor's degree, which formed the majority at 88.60 percent.

Therefore, the largest group, 261 or 72.5 percent of respondents studied in university. The second group of 49 or 13.6 percent was company officers.

In terms of income, the majority of respondents, 469 or 46.9 percent earned incomes of between 5,001-10,000 baht per month. This followed by 98 or 27.2 of respondents who earned below 5,000 baht per month. The third group, 53 or 14.7 percent of respondents earned between 10,001–15,000 baht.

### 6.1.2 Summary of results from hypothesis testing

This research studies the relationship of price-comparison advertising (advertised reference price and advertised selling price) on buyers' perceived acquisition value, transaction value, and willingness to buy.

**Table 6.1 Summary of Results from Hypotheses Testing**

Hypothesis	Relationship	Significance	Results
H1: There is a positive relationship between perceived quality and internal reference price.	.143	.008	R
H2: There is a positive relationship between advertised selling price and internal reference price.	.140	.009	R
H3: There is a positive relationship between advertised reference and internal reference price.	.051	.344	NR
H4: There is a positive relationship between perceived quality and perceived acquisition value.	.582	.000	R
H5: There is a negative relationship between the advertised selling price and perceived acquisition value.	-.038	.472	NR
H6: There is a positive relationship between	.230	.000	R

H6: There is a positive relationship between internal reference price and perceived transaction value.	.230	.000	R
H7: There is a negative relationship between the advertised selling price and buyers' perceived transaction value.	-.015	.774	NR
H8: There is a positive relationship between perceived acquisition value and willingness to buy.	.595	.000	R
H9: There is a positive relationship between buyers' perceived transaction value and willingness to buy.	.445	.000	R

R= relationship

NR= no relationship.

### **Influence on Internal Reference Price**

***Perceived quality and internal reference price (H1):*** The result of LG television shown to subjects in advertisement, which demonstrated positive relationship between perceived quality and internal reference price indicated that buyers' internal reference prices are functions of perceived quality.

Consumers could judge the quality from the advertising of television on the basis of a variety of informational cues that consumers associated with this television. Some of these cues are color, size, pricing and advertising. These cues provide the basis of perception of product. Thus, consumers perceived this product as having high good quality, durability and reliability. Consumers rely on high price in memory as an indicator of high product quality.

***Advertised selling price and internal reference price (H2):*** The result supported a positive relationship between advertised selling price and internal reference price. It indicated that those consumers' internal reference prices were functions of advertised selling price. The 6,390 baht selling price in advertisement was perceived to be a good price which lie in the acceptable price range of 6,407 baht as fair price. The 6,390 baht selling price in advertisement may influence the 6,734 baht internal reference price of this research that consumers expected to pay. It means that when the actual price is lower than the internal reference price, it is perceived as a good economic value.

***Advertised reference price and internal reference price (H3):*** The result of this research advertised reference price has no relationship with internal reference price which demonstrated consumers' internal reference price was not influenced by advertised reference price. In this research, if the advertised reference price is higher than the consumers' internal reference price, it is still implausible. Consumer did not accept the advertised reference price when making judgments about the product's value. Consumers may use their internal reference price to judge product quality and benefits.

- **Influence on perceived acquisition value**

***Perceived quality and perceived acquisition value (H4):*** In this study, perceived acquisition value was a positive function of subjects' perceived quality. Consumers just get a feeling about this television's advertisement. However, it usually will be based on underlying dimensions that include characteristics of the products to which LG is attached such as reliability and durability. The perceived acquisition value of the product will be positively influenced by the benefits buyers believe consumers were getting by acquiring and using this advertised television.

***Advertised selling price and perceived acquisition value (H5):*** The result supports that advertised selling prices have no relationship with perceived acquisition value. Price comparison advertising is not effective and unbelievable for consumers because higher reference price is set higher than the acceptable price range of consumers. It affects low selling price and disbelief and not real bargain selling price which influences consumers to feel that they are getting a good value for money.

- **Influence on perceived transaction value**

***Internal reference price and perceived transaction value (H6):*** The result suggests that perceived transaction value was a function of buyers' internal reference price. There was a positive relationship between subjects' internal reference prices and their perceptions of transaction value. Consumers take disadvantage of price comparison advertising because advertised reference price is higher than the consumer's internal reference price. They strongly believe their memory prices as the right price only with high quality television and judgement of this television is based on high perception of satisfaction when compared with internal reference price.

***Advertised selling price and perceived transaction value (H7):*** The result supports that advertised selling prices have no relationship with perceived transaction value when implausible reference price is compared to the sale price which is close to internal reference price. Thus, consumers do not believe that they get a huge bargain with this sale price in price comparison advertising. The reduction of sale price in comparison advertising has no effect on the increased perception of transaction value.

- **Value perceptions and behavioral intention**

*Perceived acquisition value and willingness to buy (H8):* The result indicated a significant positive relationship between perceived acquisition value and willingness to buy. Consumers' willingness to buy was positively linked to their perceived acquisition value.

*Perceived transaction value and willingness to buy (H9):* The result indicated a significant positive relationship between perceived transaction value and willingness to buy. Consumers' willingness to buy was positively linked to their perceived transaction value.

## 6.2 Discussion

Price comparison advertising is a widely used price promotion tactic. This research tried to understand how and why it works. The purpose of the field experiment was to provide evidence on how consumers evaluate price comparison advertising of a brand of television. The subjects were shown questionnaires containing the advertisements. This research used a 2 x 2 between subject experimental design. The study tested the relationship between 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).

Although this research emphasizes exploration of the relative effects of price comparison advertising which indicated two prices in an advertisement (a high reference price and a lower offering or sale price) "Was, Now" on buyer' perception of value, it

could not confirm that consumers' internal reference price is influenced by both the sellers' advertised (higher) reference price and the advertised (lower) selling price. As

conceptualized by adaptation-level theory, this research demonstrated that only advertised selling price presented in a price comparison advertisement influence consumers' internal reference prices.

For this research, consumers accept price range of this advertised television at between 6,407 baht – 7,061 baht, but the advertised reference price of this research fell outside the range of the acceptable price it was contrasted (it's implausible) and thus would not be perceived as a valid reference point. Therefore, assimilation-contrast theory suggested that an advertised reference price should be set at a high, yet plausible level, so it will be assimilated into the consumers' estimates of normal market prices, thereby increasing the internal reference price for the product. Moreover, it has been shown that consumers' internal reference price was influenced by their relative assessment of product quality.

Buyers' perceptions of value are formed from a trade-off between perceived quality and price. But this research suggested that perceived acquisition value is a function of perceived quality but has no relationship with advertised selling price. Perceived acquisition value has a direct influence on willingness to buy.

Perceived transaction value as a function of buyer's internal reference price has been confirmed. Low selling price which was advertised had no relationship with perceived transaction value. Perceived transaction value has a direct influence on willingness to buy.

### 6.3 Conclusion

Business researchers are interested in understanding how buyers' perceptions of value are formed and influenced. This research reviewed an important aspect of price comparative price advertisement in a television.

After exposure to the advertised reference price and the advertised selling price with a subject, by asking respondents who were university students to respond to the questionnaires, the results indicate that the university students liked to see the comparative advertising price of this television.

This research focuses on how advertised reference price, advertised selling price, and perceived quality are related, and how these influence consumers' perceived transaction value, perceived acquisition value and behavioral intentions as based on the objective in the study:

*To investigate the relationship between perceived quality advertised reference price, advertised (lower) selling price, and buyers' internal reference price.*

The researcher can conclude that price comparison advertising (a high advertised reference price and a lower advertised sale price) for this television in this study is not effective to increase the price in the memory to compare with our set price.

One reason from the mistake of the set price in this tactic is that the researcher set higher advertised reference price over and above the consumers' perceived range of acceptable market price. So advertised reference price in price comparison advertising cannot build up internal reference price because consumers have probably familiar price concept of this television and know prices well from seeing any price advertisement in retail stores. Consumers still use their prices, retrieved from their memories to judge the

price of this television. Thus, there is no relationship between advertised reference price and internal reference price.

For setting advertised selling price near the fair price and lowering a consumer price, internal reference price of consumer is influenced by advertised selling price. In this study, consumers also have perception of their right prices in their memories and also find it hard to believe that a selling price is really a bargain for them. Therefore, consumers will not take advantage of the price deal with this selling price and not getting their money's worth at the selling price.

The current research findings support that consumers have perception of high quality, durability and reliability from seeing advertised television price and information cues in advertising. It must be concluded that when consumers have high benefit and quality, consumers have high price in mind to expect to pay for this television. Increasing internal reference price of consumers' influence is by high-perceived quality of this product selling price.

***To investigate the relationship of buyers' perceived quality and the advertised (lower) selling price, and its influence on perceived acquisition value.*** In this study, the researcher provides a variety of information cues in advertisement such as color television, size of television and function of television in this price comparison advertisement in order to raise the perception of consumers on this television. From the results, consumers see advertisement and evaluate and judge this television with reliability and durability. When consumers have perception of high quality of this television, they believe that they get high benefit and get good value. Therefore, consumers' perceived quality as positively related to perceived acquisition value.

From the finding, there is no relationship between advertised selling price and perceived acquisition value. Regarding disbelief of selling price with no huge saving when compared with the maximum price, consumers would not be willing to pay for this television, because consumers would not be getting good value for the money consumers spend on this television.

*To investigate the relationship of internal reference price and the advertised (lower) selling price, and its influence on perceived transaction value.* Price comparison advertising is presented with an expressed bargain in terms of selling price. Consumers assess the value of this deal by comparing the selling price in advertisement with their internal reference price. Advertised selling price is near fair and internal reference price. Consumers never get to save money at this reduced selling price. Hence, its there are no relationships between advertised selling price and perceived transaction value.

When the set price comparison advertising is not effective, consumers have some reference price in mind for this television when they see an advertisement that they believe their internal reference price to be the right price. When using internal reference price in consumers' memories to judge this television, consumers' internal reference price falls inside the range of acceptable prices. which positively influences the perceived transaction value.

*To find the relationship between buyers' perceived acquisition value and willingness to buy.* The perceived acquisition value of consumers in this research focuses on high quality in advertisement so that quality is subjectively estimated in the mind of consumers. These high quality benefits will positively influence the perceived acquisition

value of the television and consumers believe that they are satisfied after they are getting and using the product that they are willingness to buy.

*To find the relationship between buyers' perceived transaction value and willingness to buy.* When new internal reference price is formed because advertised reference price is judged, as implausible or not believable, buyers will use their internal reference prices to judge product quality and benefit to capitalize on transaction value by augmenting consumers' perceptions of value. Therefore, consumers' willingness to buy is positively linked to their perceptions of transaction value.

#### 6.4 Recommendations

This price comparison strategy is one price tactic which can influence consumers to see huge saving with this advertisement that they are interested in and is acceptable for them to pay for products. The perception of saving conveyed by price advertising leads to favorable behavioral responses. This research is a demonstration of how advertised prices in terms of reference and sale price provided in price comparison advertisement affect buyers' internal reference price. In turn, these internal reference prices are linked to consumers' perception of value and willingness to buy.

From studying consumers having perception of a price from the interpretation of the price difference and from their interpretation of focal cues in the offer, the retailer advertisers often present some comparative price information to document the saving represented by the offering. The researcher recommends retailers to use price comparison advertising as price tactic to include such words as "was," "formerly," "regularly," and

“usually,” as focal cues to describe the high advertised reference price compared to low advertised selling price with such words as “now” and “save”.

For this study, these subsequent effects of this outcome were not favorable for the retailer: no shift in internal reference price occurred due to advertised reference price because of the implausibility of setting reference price. Consumers do not believe this price because consumers evaluate prices by comparing them either to other prices available for comparison or to reference price that are stored in memory.

Thus, the retailer must study average market prices and fair prices from expected consumers when consumers received new information in the market in order to set inflated advertised reference price which is within the accepted range for a given consumer. Inflated advertised reference price has the potential to be deceptive compared with actual selling price. If consumers believe that the quoted higher price indeed is representative of the television’s market value, then it is likely that the higher regular price will be used to assess the television’s quality and benefit.

The findings support the fact that perceived quality enhances acquisition value and willingness to buy. From advertising with information cues, consumers has belief that this television’s advisement shows high quality, reliability and durability because consumers study and collect information from advertising to evaluate the quality of this television, in order to move up price in mind.

The retailer should have input and concentrate on other number of variables that affects the consumers’ perception of high quality such as the nature of product, its physical attributes, the product design, the brand name, the advertisement and commercial (including copy claims, choice and sex of model, positioning of model, size of ad., typography), positioning of a print ad or a commercial and the edition environment). The

high-quality position is also important in developing brand equity and leads to higher market share and profitability in the long run. The results of this study indicate that high quality position is not necessarily incompatible with a low price position. On the other hand, most variables influence the perceived acquisition value of this television and consumers believe that they have the highest satisfaction after they get and use the product. Hence, consumers will express a willingness to buy or preference for the television.

Thus, retailers should consider acquisition value strategy according to the perception of high quality of advertising and perceived value for money while giving less consideration to the price, which must be paid.

The retailer must decide where to place product position on quality and price from the nine price-quality strategies (Kotler 2000, p. 457). Many retailers try to maximize value to buyer by offering above-average quality at reasonable prices. This positioning can be achieved through well-designed price promotion that emphasizes the fairness or reasonableness of their selling price and thereby enhancing buyers' perceptions of transaction value.

The results of this study suggest that acquisition value has considerable influence on consumers' willingness to buy. It must be noted that consumers balance the benefit they perceived in the television. Benefit can be functional, operational (durability and reliability) and the sale price they perceive to be required by paying the monetary price of the television. The retailer must understand the variables affecting the acquisition value of the television. They also must understand where their product fit on a continuum ranging from satisfying unique need.

Of concern in the findings is how consumers evaluate a purchase situation in which the consumer gains a product but loses the money paid for the television. Consumers

compare reference price to the actual price. According to the use of comparative price, advertising is used to communicate regular price and a lower actual price to provide consumers with a reference to capitalize on transaction value by augmenting consumer perception of value. Consumers would get a lot of pleasure knowing that consumers would save money at this reduced sales prices in order to increase willingness to buy.



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**Appendix A**

**Questionnaires**



Place \_\_\_\_\_ Questionnaire No. \_\_\_\_\_ Set no. 1

Interviewer \_\_\_\_\_ Time \_\_\_\_\_ Date \_\_\_\_\_

### Questionnaire

I am a student in MBA program at Assumption University. The topic is a study how advertised Pricing tactics (comparison price-advertising) affects buyers' purchase decision. This questionnaire is designed to obtain information on my research topic. I would like to ask your full co-operation in responding to all items in this questionnaire.



**MODEL : CA-21D32W**

SIZE : 21"

- ปรับสภาวะภาพ แสง สี อัตโนมัติ และช่วยถนอมสายตาด้วยระบบ Golden Eye
- บันทึกช่องสัญญาณเสถียรอัตโนมัติ 100 สถานี (Turbo Search)
- รับสัญญาณทุกรูปแบบทั่วโลก (Multi System) และเคเบิลทีวี (Hyper Band)



Was  
7,850.-

Now  
**6,990.-**

- ระบบเสียงสเตอริโอแบบ Digital Nicam Stereo/German Stereo 2 ภาษา
- ระบบเสียงเซอร์ราวด์รอบทิศทาง (SRS) 2 ลำโพง
- แสดงคำสั่งหน้าจอ 8 ภาษา
- ช่องสัญญาณ AV IN ด้านหน้าและ AV IN-OUT ด้านหลัง

1. What is your estimate of the average market price of this television? \_\_\_\_\_ Baht.
2. What do you think would be a fair price for this television? \_\_\_\_\_ Baht.

Questionnaire

I am a student in MBA program at Assumption University. The topic is a study how advertised Pricing tactics (comparison price-advertising) affects buyers' purchase decision. This questionnaire is designed to obtain information on my research topic. I would like to ask your full co-operation in responding to all items in this questionnaire.



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- แสดงคำขึ้นหน้าจอ 8 ภาษา
- ช่องสัญญาณ AV IN ด้านหน้าและ AV IN-OUT ด้านหลัง

1. What is your estimate of the average market price of this television? \_\_\_\_\_ Baht.
2. What do you think would be a fair price for this television? \_\_\_\_\_ Baht.

Place \_\_\_\_\_ Questionnaire No. \_\_\_\_\_ Set no. 3

Interviewer \_\_\_\_\_ Time \_\_\_\_\_ Date \_\_\_\_\_

### Questionnaire

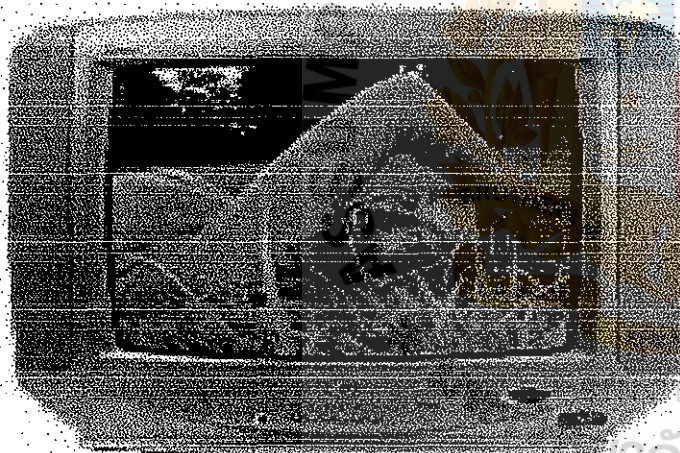
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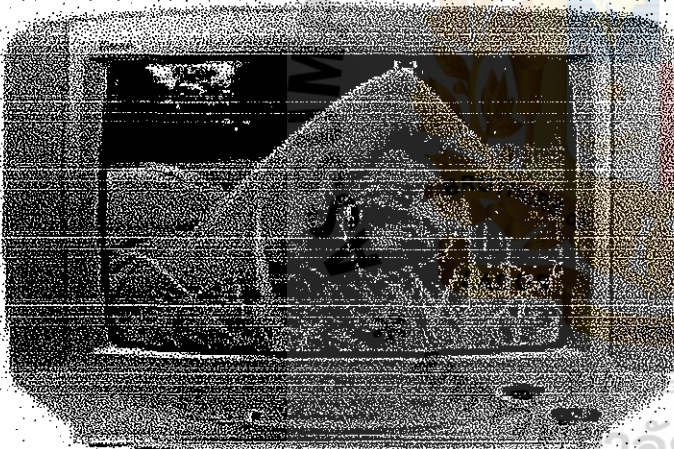
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- มีบันทึกช่องสัญญาณสถานีอัตโนมัติ 100 สถานี (Turbo Search)
- รับสัญญาณทุกรูปแบบทั่วโลก (Multi System) และเคเบิลทีวี (Hyper Band)



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- ช่องสัญญาณ AV IN ด้านหน้าและ AV IN-OUT ด้านหลัง

1. What is your estimate of the average market price of this television? \_\_\_\_\_ Baht.

2. What do you think would be a fair price for this television? \_\_\_\_\_ Baht.

Please express the following items by checking ✓ the most nearly choice that represent your opinion:

Perceived Quality

3. The Television appears to be of good quality	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree
4. The Television appears to be durable	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree
5. The Television appears to be reliable	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree

Perceived Transaction Value

6. Taking advantage of a price-deal like this make me feel good.	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree
7. I would get a lot of pleasure knowing that I would save money at this reduced sales price.	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree
8. Beyond the money I save, taking advantage of this price deal will give me a sense of joy.	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree

Perceived Acquisition Value

9. If I bought this television at (selling price), I feel I would be getting my money's worth.	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree
10. I feel that I am getting a good quality television for a reasonable price.	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree
11. After evaluating the advertised television features, I am confident that I am getting quality features for (selling price).	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree
12. If I acquired this television, I think I would be getting good value for the money I spend.	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree
13. I think that given this television's feature, it is good value for the money.	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree
14. I feel that acquiring this television meets both my high-quality and price requirements.	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree
15. Compared to the maximum price I would be willing to pay for this television, the sale price conveys good value.	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree
16. I would value this television as it would meet my needs for a reasonable price.	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree
17. This television would be a worthwhile acquisition because it would help me exercise judgment at a reasonable price.	Strongly Agree	7	6	5	4	3	2	1	Strongly Disagree

## Willingness to Buy

18. If I were going to buy a television, the probability of buying this model is
- Very High 7 6 5 4 3 2 1 Very Low
19. The probability that I would consider buying this television is
- Very High 7 6 5 4 3 2 1 Very Low
20. The likelihood that I would purchase this television is
- Very High 7 6 5 4 3 2 1 Very Low

## Personal Data

1. Gender  
☐ Male ☐ Female
2. Age:  
☐ 15-25 years old  
☐ 26-35 years old  
☐ 36-45 years old  
☐ 46-55 years old  
☐ 56-60 years old
3. Married status  
☐ Single ☐ Married no children ☐ Married with children
4. Education  
☐ Secondary School and below ☐ Diploma  
☐ Under Graduate ☐ Post Graduate
5. Income per month  
☐ below 5,000 baht  
☐ 5,001 - 10,000 baht  
☐ 10,001-15,000 Baht  
☐ 15,001-20,000 Baht  
☐ above 20,000 Baht
6. Occupation  
☐ Primary and Secondary School student ☐ Business Owner  
☐ University student ☐ Government Officer  
☐ Employee ☐ Other \_\_\_\_\_

**Thank you for your kind cooperation.**

แบบสอบถาม เลขที่ _____	สถานที่ _____	ชุดที่ 1
สัมภาษณ์ _____	เวลา _____	วันที่ _____

แบบสอบถาม

กระผมเป็นนักศึกษาปริญญาโท MBA มหาวิทยาลัย ในหัวข้อจะศึกษา ใช้กลวิธีในตั้งราคาอย่างไร (โดยใช้การโฆษณาเปรียบเทียบในด้านราคา) ซึ่งจะมีผลกับการตัดสินใจซื้อของผู้ซื้อ แบบสอบถามจัดทำขึ้นเพื่อไว้เก็บข้อมูล และพัฒนา เพื่อนำไปพิสูจน์สมมุติฐานในหัวข้อที่จัดทำขึ้น โดยทางคณะผู้จัดทำขอขอบคุณในความร่วมมือนของท่านมา ณ ที่นี้



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เดิม  
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2. อะไรที่คุณคิดว่าน่าเป็นราคายุติธรรมสำหรับโทรทัศน์เครื่องนี้ \_\_\_\_\_ บาท

แบบสอบถาม เลขที่

สถานที่

ชุดที่ 2

สัมภาษณ์

เวลา

วันที่

แบบสอบถาม

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เปรียบเทียบในด้านราคา) ซึ่งจะมีผมกับการตัดสินใจซื้อ ของผู้ซื้อ แบบสอบถามจัดทำขึ้นเพื่อไว้เก็บข้อมูล และพัฒนา เพื่อนำไปพิสูจน์  
สมมุติฐานในหัวข้อที่จัดทำขึ้น โดยทางคณะผู้จัดทำขอขอบคุณในความร่วมมือของท่านมา ณ ที่นี้



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ราคาขาย

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แบบสอบถาม เลขที่

สถานที่

ชุดที่ 3

สัมภาษณ์

เวลา

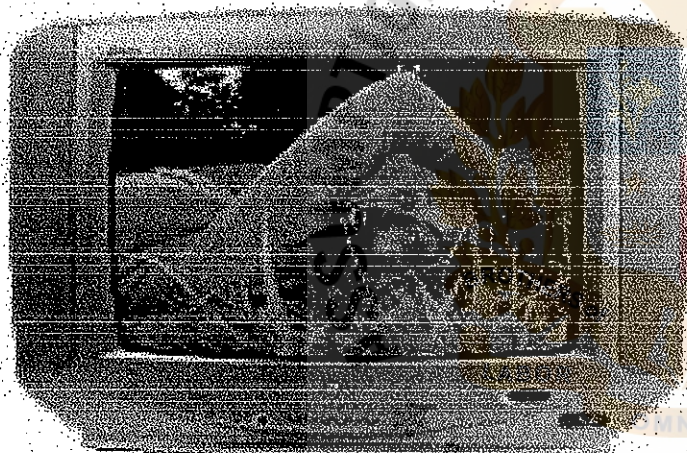
วันที่

แบบสอบถาม

กระผมเป็นนักศึกษาปริญญาโท MBA มหาวิทยาลัย ในหัวข้อจะศึกษา ใช้กลวิธีในตั้งราคาอย่างไร (โดยใช้การโฆษณาเปรียบเทียบในด้านราคา) ซึ่งจะมีผลกับการตัดสินใจซื้อ ของผู้ซื้อ แบบสอบถามจัดทำขึ้นเพื่อไว้เก็บข้อมูล และพัฒนา เพื่อนำไปพิสูจน์สมมุติฐานในหัวข้อที่จัดทำขึ้น โดยทางคณะผู้จัดทำขอขอบคุณในความร่วมมือนของท่านมา ณ ที่นี้



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แบบสอบถาม เลขที่

สถานที่

ชุดที่ 4

สัมภาษณ์

เวลา

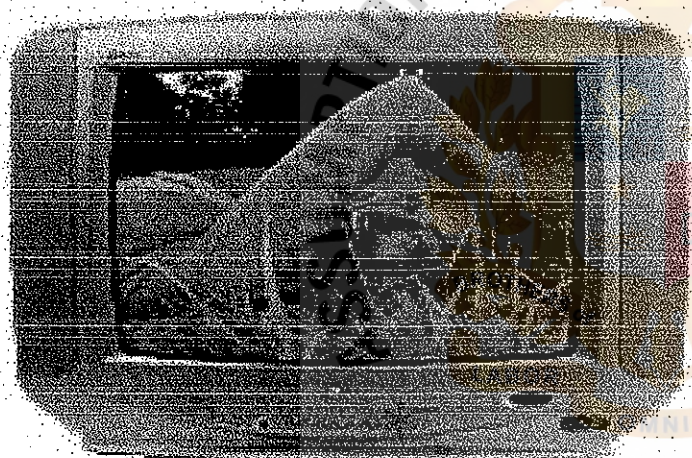
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บาท

2. อะไรที่คุณคิดว่าน่าเป็นราคายุติธรรมสำหรับโทรทัศน์เครื่องนี้

บาท

โปรดแสดงเครื่องหมายถูก ✓ ในหัวข้อที่ตรงกับความคิดของท่านที่สุด

การรับรู้คุณภาพ

3. โทรทัศน์ที่แสดงอยู่เป็นคุณภาพดี	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง
4. โทรทัศน์ที่แสดงอยู่เป็นที่น่าคงทน	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง
5. โทรทัศน์ที่แสดงเป็นที่น่าเชื่อถือ	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง

การรับรู้ในคุณค่าด้านซื้อขาย

6. ได้ประโยชน์ของการซื้อขายในด้านราคาเช่นนี้ทำให้ข้าพเจ้ารู้สึกดี	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง
7. ข้าพเจ้าจะได้รับความพอใจว่าจะประหยัดกับการราคาขายที่ลดลงเช่นนี้	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง
8. นอกเหนือจากเงินที่ข้าพเจ้าได้ประหยัดแล้ว การได้รับประโยชน์ในด้านราคาของการซื้อขายเช่นนี้จะทำให้ข้าพเจ้ามีความรู้สึกปลอดภัยยิ่งขึ้น	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง

การรับรู้ในคุณค่าของการได้มา

9. ถ้าข้าพเจ้าได้ซื้อโทรทัศน์ที่มีราคาขาย ข้าพเจ้าจะรู้สึกว่าข้าพเจ้าจะคุ้มกับเงินของข้าพเจ้า	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง
10. ข้าพเจ้าจะรู้สึกว่ากำลังได้รับโทรทัศน์ที่มีคุณภาพ กับราคาที่สมเหตุสมผล	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง
11. หลังจากที่เราประเมินลักษณะของโทรทัศน์ที่ถูกโฆษณา ข้าพเจ้ามั่นใจว่าจะได้ รับลักษณะที่มีคุณภาพเหมาะสมกับราคาขาย	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง
12. ถ้าข้าพเจ้าได้รับโทรทัศน์เครื่องนี้ ข้าพเจ้าคิดว่าจะได้รับ ความพอใจสำหรับเงินที่ใช้จ่ายไป	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง
13. ข้าพเจ้าคิดว่าลักษณะของโทรทัศน์ที่ถูกนำเสนอ เป็นคุ้มค่ากับเงิน	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง
14. ฉันรู้สึกว่า การได้รับโทรทัศน์ จะทำให้พบคุณภาพที่สูง และความ ต้องการในด้านราคา	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง
15. การเปรียบเทียบกับราคาที่สูงสุด ข้าพเจ้าจะพอใจที่จะจ่ายสำหรับโทรทัศน์เครื่องนี้ และราคาขายก็นำไปสู่ความพอใจ	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง
16. ข้าพเจ้าจะมีคุณค่าของโทรทัศน์เครื่องนี้ ขณะเดียวกันโทรทัศน์ตรงกับความต้องการในด้านราคาที่สมเหตุสมผล	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง
17. โทรทัศน์จะได้รับมาอย่างคุ้มค่า เพราะมันจะทำให้ข้าพเจ้าได้จ่ายที่ราคาที่เหมาะสม.	เห็นด้วยอย่างยิ่ง	7	6	5	4	3	2	1	ไม่เห็นด้วยอย่างยิ่ง

## พอใจต่อการซื้อ

- |   |               |   |   |   |   |   |   |             |
|---|---------------|---|---|---|---|---|---|-------------|
| 18. ถ้าข้าพเจ้ากำลังจะซื้อโทรทัศน์เครื่องหนึ่ง โอกาสเป็นไปได้ว่าจะซื้อรุ่นนี้ | ก่อนข้างสูง 7 | 6 | 5 | 4 | 3 | 2 | 1 | ก่อนข้างต่ำ |
| 19. ความเป็นไปได้ซึ่ง ข้าพเจ้าจะพิจารณาการซื้อโทรทัศน์เครื่องนี้              | ก่อนข้างสูง 7 | 6 | 5 | 4 | 3 | 2 | 1 | ก่อนข้างต่ำ |
| 20. ความเป็นไปได้ซึ่งข้าพเจ้าจะซื้อโทรทัศน์เครื่องนี้                         | ก่อนข้างสูง 7 | 6 | 5 | 4 | 3 | 2 | 1 | ก่อนข้างต่ำ |

## ข้อมูลส่วนตัว

1. เพศ

\_\_\_ ชาย

\_\_\_ หญิง

2. อายุ

\_\_\_ 15-25 ปี

\_\_\_ 26-35 ปี

\_\_\_ 36-45 ปี

\_\_\_ 46-55 ปี

\_\_\_ 56-60 ปี

3. สถานะภาพ

\_\_\_ โสด

\_\_\_ แต่งงาน และไม่มีบุตร

\_\_\_ แต่งงานและมีบุตร

4. การศึกษา

\_\_\_ มัธยม หรือต่ำกว่า

\_\_\_ปริญญาตรี

\_\_\_ ประกาศนียบัตร

\_\_\_ปริญญาโท หรือสูงกว่า

5. รายได้ต่อเดือน

\_\_\_ ต่ำกว่า 5,000 บาท

\_\_\_ 5,001 - 10,000 บาท

\_\_\_ 10,001-15,000 บาท

\_\_\_ 15,001-20,000 บาท

\_\_\_ มากกว่า 20,000 บาท

6. อาชีพ

\_\_\_ นักเรียนมัธยม

\_\_\_ นิสิต / นักศึกษา

\_\_\_ พนักงานบริษัท

\_\_\_ เจ้าของกิจการ

\_\_\_ ข้าราชการ

\_\_\_ อื่น ๆ \_\_\_\_\_

ขอขอบพระคุณอย่างยิ่ง

## Appendix B

### Reliability of Questionnaires



## Reliability of Perceived Quality

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

### RELIABILITY ANALYSIS - SCALE (ALPHA)

Reliability Coefficients

N of Cases = 30.0      N of Items = 3

Alpha = .9270

Perceived Transaction Value

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

### RELIABILITY ANALYSIS - SCALE (ALPHA)

Reliability Coefficients

N of Cases = 30.0      N of Items = 3

Alpha = .8848

Perceived Acquisition Value

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

### RELIABILITY ANALYSIS - SCALE (ALPHA)

Reliability Coefficients

N of Cases = 30.0      N of Items = 9

Alpha = .9286

## Search Intention

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

### RELIABILITY ANALYSIS - SCALE (ALPHA)

Reliability Coefficients

N of Cases = 30.0

N of Items = 3

Alpha = .9345

## Willingness to Buy

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

### RELIABILITY ANALYSIS - SCALE (ALPHA)

Reliability Coefficients

N of Cases = 30.0

N of Items = 3

Alpha = .8387

