The Influence of Semiotic Advertising Efficacy on Gen-y Purchase Intent of Smart Phone

Elizabeth Adaobi Oputa
School of International Studies, University Utara Malaysia.
(oputaelizabeth@gmail.com)

Fakhrorazi Ahmad
School of International Studies, University Utara Malaysia.
(fakhrorazi@uum.edu.my)

ABSTRACT

The paper presents an empirical analysis to demonstrate the influence of semiotic advertising efficacy on generation-y purchase intent of smart phone. Semiotic advertising is an effective, modern approach to advertising that focuses on the use of different signs, symbols, images and other visual aids for the purpose of marketing a given product or service. Since these signs tend to create an image of the brand in minds of consumers and also demonstrates the brand association with their cultural orientation, beliefs and values, semiotic advertising is said to have a significant impact on the brand equity as perceived by generation y customers. The study also confirms that since higher brand equity based on its components of perception, recognition, parity, loyalty and trust influences the purchase intentions and decisions of generation-y smart phone users positively, semiotic advertising must also have a positive influence on the purchase intent of the buyers.

The study has thus been based on the responses received from 620 generation-y smart phone users from a survey based on an instrument developed by the researcher to measure semiotic advertising efficacy, brand equity and purchase intentions as perceived towards advertisements of four smart phones shown to the respondents while undertaking the survey. The data obtained from the questions based on Likert scales has been analysed to prove the hypotheses as derived in the study. Outcomes as based on statistical path analysis establish that overall equity of a brand as perceived by generation y customers, increases with an increase in semiotic advertising efficacy and also the perceived brand equity has a positive and direct influence on purchase intentions. It is hence concluded from the discussions and findings that the purchase intentions of generation-y smart phone users increase when the efficacy of semiotic advertising increases. The brands can be recommended to thus make sure that the visual elements and semiotics used in their advertisements align with cultural characteristics of buyers to enhance their overall efficacy.

Keywords: semiotic advertising; brand equity; purchase intent; brand loyalty; Generation-Y.

I INTRODUCTION

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

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

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

Semiotic advertising is said to be extremely effective, especially in the modern global environment because use of signs and symbols makes it easier for marketers to accomplish higher balance of the brand and its interpretation across different cultures (Hopearuoho&Eija, 2009). Companies can either change the signs or convey hidden meanings in their advertisements for different countries in order to enhance the cultural alignment of the advertisements (Hopearuoho&Eija, 2009). The comparison of traditional and semiotics-based advertising approaches and practices establishes that semiotic advertising is more effective.

Such conclusion has been drawn by experts (Hippala, 2012; Freire, 2014; Haji Mohammadi, 2012) because traditional marketing focuses on surveying consumers so that their needs can be identified before developing the marketing strategies, but semiotic advertising completely incorporates the beliefs, values, culture etc. of consumers, leading to a more positive impact on the purchase decisions of buyers. The study would thus focus on the way semiotic advertising efficacy affects the purchase intention of the buyers. The study would evaluate the way semiotic advertising influences different aspects of branding as perceived by consumers to understand the impacts of such advertising on their purchase intentions.

2. LITERATURE
2.1 Semiotic Advertising

Visual design is said to be one of the most effective aspects or languages used by marketers for communication purposes and hence the use of semiotics in advertisements is said to be extremely effective (Pieters et al 2010). Since the primary focus of advertising is said to be on the promotions of products and services to consumers, the construction of any given communicator, whether be it textual or visual, is important to sell the products to the target audience and group of customers (Torresi, 2008). Hence, the use of semiotics in advertising is perceived as an important step towards connecting the consumers with creators of advertisements and marketers in order to communicate that the marketer aims at communicating to the consumer. The use of semiotic advertising is thus said to be extremely beneficial in creating a specific meaning of the object that is being marketed to influence consumers and their willingness to purchase the product (Serban, 2014). One of the common areas of application of semiotic advertising is in cross-cultural marketing because different cultures result into different interpretations of different signs and symbols and hence the adoption of such an approach towards advertising helps in not only giving information to the consumers, but also helps in defining a resonance between them and the products (Serban, 2014). Further discussions explore the way semiotic advertising influences a brand so that its relevance for consumer decision making can be established.
2.2 Semiotic Advertising Efficacy and Brand Equity

Brand equity as defined by Keller et al (2011), refers to the value that is added by a brand to the consumers who purchase products from that brand. Hence, in simpler terms, brand equity refers to the unique attributes of a brand as offered by it to its buyers or consumers, which is not offered by other brands. Brand equity is said to result into higher motivation of customers to purchase the products and/or services offered by the brand based on the provision of higher information and contributing to their self-esteem (Keller et al 2011). It has also been explained by Gunawardane (2015) that brand equity can be measured by brand loyalty, brand loyalty, the quality perceived by the customers, and association with the brand. The key elements of brand equity as identified in the literature (Aaker, 2009; Christodoulides and De Chernatony, 2010; Broyles et al 2009) include brand recognition, brand parity, trust, brand loyalty and also brand perception. Hence, semiotic advertising is also said to be extremely important for contributing towards the overall equity of a brand by influencing these aspects of it. It has been established by academics that the use of semiotic advertising helps in communicating the brand heritage and helps in aligning the communications with consumers’ cultural values and hence the use of semiotic advertising is said to have a strong and positive impact on the overall brand equity (Akara and Alden, 2010). In fact, according to Akara and Alden (2010), there have been several companies like Nokia that have failed because of the inability of the brand to align its marketing with changing culture of consumers across the world. Nokia failed to assess the changing demand of the customers and it failed to understand the customers prefer android over windows, as a result of which several products of the company failed in the market.

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

2.3 Brand Equity and Purchase Intentions of Customers

Relationship between brand equity and its components and the purchase intentions of consumers has been a subject of study for academic researchers since decades. It has been found and established that when the overall brand equity of a brand is higher, the consumers tend to have positive feelings and perceptions towards the brand, resulting into higher intention of them to purchase the given product (Jalilvand et al 2011; Chang and Liu, 2009; Chi et al 2009; Tariq et al 2017). The rationale behind the positive impact of brand equity on consumer purchase intentions has also been explained by academics who argue that higher brand equity means that the brand offers something different and unique to the consumers and hence, they are more motivated to purchase the products and services that are offered by that brand (Tariq et al 2017; Chi et al 2009). However, the brand offering something unique can even charge premium pricing for it and since consumers are often price conscious, their purchase intentions towards the products might be low. This point however has been explained in the literature by researchers like Khan et al (2012) and Buil et al (2013) who have established that when the overall brand equity of a brand is high, consumers are not only willing to buy the products and services offered by it but rather their willingness to pay a premium and higher price for them is also high.
2.4 Summary of Literature

The discussions presented above based on the literature that already exists on the subject confirm that semiotic advertising has positive and direct impacts on brand equity of a brand, which in turn is said to have positive impacts on the purchase intentions of consumers. It can be hence said that brand equity and its components act as the mediating variables demonstrating direct impact of semiotic advertising and its efficacy on consumer purchase intentions.

3. Conceptual Framework and Research Hypotheses

Figure 1: Conceptual Framework for Research

Figure 1 presents the conceptual framework for the research, based on the literature-based discussions presented above. The following hypotheses can be thus developed and need to be tested based on the conceptual framework given above.

**H1: Semiotic advertising efficacy influences brand equity.**

- H1a: Semiotics advertising efficacy influences brand recognition.
- H1b: Semiotic advertising efficacy influences brand parity.
- H1c: Semiotic advertising efficacy influences brand perception.
- H1d: Semiotic advertising efficacy influences brand loyalty.
- H1e: Semiotic advertising efficacy influences brand trust.

**H2: Brand equity influences purchase intent.**

- H2a: Brand recognition influences purchase intent.
- H2b: Brand parity influences purchase intent.
- H2c: Brand perception influences purchase intent.
- H2d: Brand loyalty influences purchase intent.
- H2e: Brand trust influences purchase intent.

**H3: Semiotic advertising efficacy influences purchase intent.**

4. Research Methodology

Research of the study has been carried out based on quantitative, survey method. Surveys are commonly used data collection methods used for organisational and marketing studies because surveys help in collecting data from a large number of respondents and research participants and also help in gathering data that is numerical and quantitative and can be hence analysed statistically (Fowler, 2013). Since the literature review as presented above has led to the development of multiple hypotheses,
use of quantitative method and data seems appropriate because no hypothesis can be tested based on theoretical information and hence numerical information is essential. Survey has been carried out based on a questionnaire instrument as developed by the researcher. Use of questionnaire is said to be extremely effective for carrying out survey-based research because questionnaires help in adopting a systematic approach towards data collection and also helps in gathering data based on different scales, which makes it easier to carry out statistical analysis (Fowler, 2013). The researcher has conducted this study in Malaysia and this why, most of the respondents for the survey questionnaire are Malaysians as well. The researcher ensured that the data collected for this study represents the viewpoint of Generation Y customers by distributing the questionnaire to the people who were born in between 1980 to 1990. The researcher has developed a new instrument for measuring perceived semiotics efficacy of an advertisement showed to the respondents along with the questionnaire and also for measuring different aspects of brand equity. As defined by Kim (2015), Reinartz and Saffer (2013) and Malhotra (2015), efficacy of semiotic advertising is based on the perceived artistic values, uniqueness, creativity, attractiveness and understandability of the used advertisement and hence the new instrument as developed for the study has helped in measuring these aspects of the advertisement to evaluate its efficacy from semiotics point of view. Similarly, the instruments and measures used in previous studies by Hu and Luo (2016), Buil et al (2013), Trehan and Mann (2013) and Reinartz and Saffert (2013) have been used to develop measures for different aspects of brand equity. The questionnaire consists of a Lickert scale from 1 to 7 wherein 7 reflects that the respondent agrees with the statement completely and 1 reflects that the respondent does not agree with the statement at all. Use of Lickert scale has helped in quantifying the data, leading to better analysis. Data has been obtained with the help of Path Analysis/Bootstrapping analysis (Shipley, 2016). As explained by Shipley (2016), the value of T and standard deviation as obtained in the method is used for testing if the path coefficient as obtained for showing the relationship between two variables is significant or not. The hypothesis for which the value of t is found to be higher than 1.96 is accepted and the others are said to be not accepted or rejected. The path analysis method has been thus used to test the conceptual framework as developed above and hence, this statistical test has been used to verify the hypothesis, results for which are given below.

### 5. Results and Discussions

Table 1: Results of Path Analysis

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Relationship</th>
<th>Full Model</th>
<th>Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>S. E</td>
<td>T</td>
<td></td>
</tr>
<tr>
<td>H1 SAE -&gt; BE</td>
<td>0.00767</td>
<td>0.174624</td>
<td>5.515615*</td>
</tr>
<tr>
<td>H1a SAE -&gt; BR</td>
<td>0.483479</td>
<td>0.068291</td>
<td>7.079643*</td>
</tr>
<tr>
<td>H1b SAE -&gt; BPA</td>
<td>0.446222</td>
<td>0.087886</td>
<td>5.07729*</td>
</tr>
<tr>
<td>H1c SAE -&gt; BP</td>
<td>0.428921</td>
<td>0.082616</td>
<td>5.19172*</td>
</tr>
<tr>
<td>H1d SAE -&gt; BL</td>
<td>0.444189</td>
<td>0.080533</td>
<td>5.515615*</td>
</tr>
<tr>
<td>H1e SAE -&gt; BT</td>
<td>0.442737</td>
<td>0.059992</td>
<td>7.379946*</td>
</tr>
<tr>
<td>H2 BE -&gt; PI</td>
<td>0.368273</td>
<td>1.100349</td>
<td>0.334688</td>
</tr>
<tr>
<td>H2a BR -&gt; PI</td>
<td>-0.04529</td>
<td>0.057473</td>
<td>0.7881</td>
</tr>
<tr>
<td>H2b BPA -&gt; PI</td>
<td>0.125171</td>
<td>0.054723</td>
<td>2.287338*</td>
</tr>
<tr>
<td>H2c BP -&gt; PI</td>
<td>0.164393</td>
<td>0.046426</td>
<td>3.540999*</td>
</tr>
<tr>
<td>H2d BL -&gt; PI</td>
<td>0.118026</td>
<td>0.061178</td>
<td>1.929226*</td>
</tr>
<tr>
<td>H2e BT -&gt; PI</td>
<td>0.315435</td>
<td>0.060532</td>
<td>5.211011*</td>
</tr>
<tr>
<td>H3 SAE -&gt; PI</td>
<td>0.41501</td>
<td>0.073272</td>
<td>5.663951*</td>
</tr>
</tbody>
</table>
Table 1 presents the outcomes of the statistical analysis carried out to test the hypotheses given above.

**H1: Semiotic advertising efficacy influences brand equity.**

H1a: Semiotics advertising efficacy influences brand recognition.
H1b: Semiotic advertising efficacy influences brand parity.
H1c: Semiotic advertising efficacy influences brand perception. H1d: Semiotic advertising efficacy influences brand loyalty.
H1e: Semiotic advertising efficacy influences brand trust.

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

**H2: Brand equity influences purchase intent.**

H2a: Brand recognition influences purchase intent.
H2b: Brand parity influences purchase intent.
H2c: Brand perception influences purchase intent.
H2d: Brand loyalty influences purchase intent.
H2e: Brand trust influences purchase intent.

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

While the statistical results do not confirm a positive influence of brand recognition on purchase intent, the influence of other measures or components of brand equity has been found to be positive and significant for Malaysian Generation Y customers. These findings thus comply and align with literature findings as presented by Santos (2012), Jalilvand et al (2011) and Chang and Liu (2009) who reveal that different components of brand equity including trust and loyalty of the buyers have a positive and direct impact on purchase intent. Chi et al (2009) explain that as the brand equity increases, consumers feel that they are receiving higher value for their money by purchasing the products and services being sold by the brand and hence this result into an increase in their decision to purchase the product. Although the path analysis results obtained for influence of overall brand equity on purchase intention does not confirm the hypothesis, the brand equity components are shown to influence it positively and it can be hence concluded that the purchase intentions of Malaysian Generation Y consumers do increase when the overall equity of brand is higher.
**H3: Semiotic advertising efficacy influences purchase intent.**

The main purpose and objective of the research as defined earlier was to test the influence and impact of semiotic advertising efficacy on purchase intent. According to the framework developed from the literature review, semiotic advertising efficacy has a positive impact on brand equity, which in turn has a positive impact on consumer purchase intention, thus suggesting an indirect positive impact of semiotic advertising efficacy on purchase intent of consumers.

The results obtained from the study to demonstrate the influence of semiotic advertising efficacy on purchase intent reflect a T-value of 5.66 (p<0.01) and hence the path as defined in the hypothesis seems to be acceptable. The results thus comply and align with findings and discussions by Freire (2014), Azevedo (2016) and Akbari et al. (2014) that purchase intentions of consumers go higher when the semiotic advertising adopted by a brand is effective and it can be hence suggested that brands need to focus upon and adopt this approach of advertising and promotions for higher sales. In this regard, it can be analyzed here that Malaysian Generation Y customer’s purchase intentions go higher when the semiotic advertising adopted by a brand is effective. In this regard, it can be analyzed here that brands in Malaysia needs to focus on this aspect and use it in its advertising and promotional practices for increasing the sales.

**6. Conclusion**

In summary, the analysis presented in the report establishes that semiotic advertising has a strong and significant influence on the purchase intentions and decisions of Generation Y consumers in Malaysia. The key purpose of the study was to evaluate the influence of semiotic advertising efficacy on purchase intents of consumers. The statistical results and outcomes as obtained from the study reveal and establish that semiotic advertising efficacy results into higher brand equity as perceived by the consumers. In addition, the results also confirm that the purchase intentions of consumers in Malaysia get positively influenced by all the components of brand equity except for brand recognition and hence based on the conceptual framework developed during the report to establish the relations between semiotic advertising efficacy, brand equity and purchase intent of consumers, it can be concluded that the purchase intentions of consumers increase when the semiotic advertising adopted by brands are effective. Companies must thus ensure that their advertisements are appealing to customers from semiotic point of view. The study has thus helped in meeting the objectives to a large extent; however future studies can focus on multiple brands or carry out separate studies for different geographic clusters for generalising the outcomes. Furthermore, it can also be concluded here that various elements of brand equity contribute to the purchase intent of a customer. The findings from the primary and secondary data reveal that when customers become loyal to a brand, their purchase intention is positively affected. Along with this, the findings of the study also reveal that when customers are aware regarding the products and services offered by a brand, their buying decision is influenced in favour of the brand. The quality perceived by the Malaysian Generation Y customers also influences their purchasing intent. When the perception towards the quality of a product or services is positive, the intent to purchase a product will be easily created. In addition to this, it can also be concluded that in order to develop brand equity the organization needs to develop products and services in such a way that it matched with what the customers have in their mind regarding the product and service feature.

**References**


Akbari, Mohsen, Mohammad HasanGholizadeh, and MasoomehZomorrodi. "Purchase intention of products with Islamic labels under time pressure." *Marketing and Branding*


