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The effect of brand credibility on search and credence goods: A cross-country analysis of Korea, China & France

Joonyong Park
School of Business, Hanyang University, Seoul, Korea
hyjyphd@gmail.com
ORCID 0000-0003-1058-3257

Xuan Chenghui
School of Business, Hanyang University, Seoul, Korea
seunghuihyun@hotmail.com

Renee B. Kim
School of Business, Hanyang University, Seoul, Korea
kimrby@gmail.com
ORCID 0000-0001-8983-2580

Abstract. The purpose of this research is to investigate how brands as signals affect brand attributes/benefits and brand choices for search and credence goods. The empirical model approximates the relationship between brand credibility (BR) and consumers' purchase intention (BCP), which is mediated by four selected constructs: perceived quality (PQ), information cost saved (ICS), lower perceived risk (LPR) and relative price (RP). This study examines the importance of brand credibility as a latent construct for brand attributes and benefits which influence consumers' brand choices and purchase intentions. Consumers' brand choice making process is assessed for three major consumer markets – Korea, China and France – for the month of October 2020. Different outcomes of the relative path importance in two product categories of three consumer markets evidently show that brand may need to 'signal' appropriate features (i.e., brand attributes/benefits) and context (i.e., elements of marketing mix) for various product/market conditions and consumer characteristics.

Keywords: signaling theory, brand credibility, cross-country analysis

JEL Classification: G21, L26, O16

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1. INTRODUCTION

According to signaling theory, the marketplace is characterized by information asymmetry or imperfect competition (Spence, 2002; Stigler, 2000; Kirmani and Rao, 2000), and consumers have relatively limited information on products. Consumers are uncertain about product attributes and/or benefits due to the imperfect and asymmetric information in the marketplace (Erdem et al. 2006), and are more cautious and unwilling to make a purchase decision for uncertain product attributes (Baek and King, 2011). Consumer uncertainty about product attributes and/or benefits is a major factor affecting consumer decision making and choice behavior (Erdem and Swait, 2006). Companies tend to make use of brands as 'signals' to convey information about product attributes (such as quality)or benefits to consumers effectively (Erdem and Swait, 1998; Baek et al., 2010). A brand comprises of product/service and images in the mind of consumers that deliver a 'brand promise' which can be considered as a type of quality certification (Keegan and Green, 2015). Clarity and credibility of brands is critical in building consumers' brand loyalty since they may perceive brands as 'signals' of product quality, which may form brand credibility and finally translate to brand loyalty (Erdem and Swait, 1998). 'Signals' refers to manipulable attributes or activities that convey information about the signaler (Spence, 2002), and consumers rely on cues such as advertising, brand name, price and warranty as signals to infer quality (Erdem and Swait, 1988; Rao et al., 1999; Kirmani, 1990; Steenkamp, 1990).Under the imperfect market conditions with asymmetric information, credibility becomes an extremely important construct for the interaction between customers and companies (Erdem and Swait, 1998; Sweeney and Swait, 2008). Brand credibility is the deliverability of the product information contained in a brand, which requires that consumers perceive the brand as having the ability (i.e., expertise) and willingness (i.e., trustworthiness) to deliver continuously what has been promised (Erdem et al. 2006). Thus, companies attempt to diminish consumers' uncertainty by building brand credibility which enables 'signaling' of the quality guarantee (Baek et al., 2010).

Digital disruption is changing the way brands are sold to consumers, as consumers have more access to brand and product information in the marketplace (Gielens and Steenkamp, 2019). This has fundamentally changed the relationship between consumers and brand, as consumers are becoming more informed and demanding and have more power in the market. Effective signaling of brand and product information becomes increasingly important and may be more relevant with current market conditions where information is becoming a prior asset and a medium for transaction between agents in the marketplaces.

Consumer utilize key product attributes (e.g. price, brand name, color etc) as cues to judge product quality according to cue utilization theory (Zeithaml, 1988), and quality perception, which is drawn from assessment of key attributes, is essential to product choice decisions (Olsen, 2007; Rao & Monroe, 1988). Product cues can be further categorized to search, experience and credence attributes subject to uncertainty level of product information. For example, search attributes can be directly examined by consumers prior to purchase, while that of credence attributes cannot be ascertained by consumers even after purchase or consumption due to its intrinsic/inherent nature (Ford et al., 1990). Consumers may exhibit different choice behavior for products with different attributes/cues due to different level of uncertainty.

In this study, the role of brand credibility in the process of consumers' brand choice behavior is examined from the information economics view. The relationship among brand credibility, brand attribute/benefits and brand choice behavior are explored for search goods and credence goods. Consumers' choice for two product categories is explored to assess whether consumers consider different factors for products with different level of information uncertainty in their choice making process. Particularly Erdem et al. (2006)'s framework is applied for comparative analysis of consumers from three countries which have considerable market for brand products. Some studies have reported US consumers'

choice behavior of brands from information economics perspectives (Erdem and Swait,1998; Sweeney and Swait, 2008; Baek and King, 2010 & 2011; Swait et al., 2006 &2014), yet there are limited research focusing on comparison among Asian and European consumers' choice behavior of brands using this framework.

This study assesses the relationship among brand credibility, brand attributes/benefits and consumers' brand choice in major Asian and European markets, including three major countries (i.e. South Korea, China and France). These three countries have advanced consumerism in which brand function as an important construct in consumers' choice behavior. South Korea and China are two most important consumer markets in the Asia-pacific region, yet they have different retail structure and consumer culture (Kim et al., 2002). France is one of the major European consumer markets which has one of the most extensive brand developments, however, there have been limited comparative assessment of French consumers with consumers in other countries, particularly with Asian markets.

Findings from this proposed research framework shed lights on how brand credibility may function as signal for brand attributes/benefits and indirectly impact consumers' brand choice behavior. Perceived quality (PQ), information cost saved (ICS), lower perceived risk (LPR) and relative price (RP) are selected as determinants for consumers' brand consideration & purchase intention (BPC), and brand credibility (BR) may function as a latent construct of these selected determinants for consumers' brand choice. A credible brand can create value for consumers by implying brand benefits (i.e. reducing perceived risk and information costs) and by creating favorable perceptions of the product attributes (i.e. perceived quality and lower price). Positive perception of brand attributes and benefit which is driven by brand credibility can lead to preferrable brand choice for consumers. This paper is organized as follows. The next section includes review of conceptual framework. In the following section, research method is discussed. The final section has findings of empirical analysis and implications.

2. CONCEPTUAL FRAMEWORK

Brand credibility is defined as the integrity and nature of the brand in the perceptions of the consumers (Alam et al., 2012), which can facilitate consumers' decision-making process (Kotler and Keller, 2008). The notions of brand consistency, brand investments and brand clarity are considered as antecedents for brand credibility (Baek et al, 2010; Erdem et al, 2006). A brand with higher level of consistency, clarity and investments may effectively build brand credibility in various types of marketing practices and elements. Also, brand credibility refers to a long-term mutual interaction between a brand and consumers (Sweeney and Swait, 2008; Wernerfelf, 1988). Erdem and Swait's (1998) proposed brand credibility as a major determinant of consumer-based brand equity (Garcia & Prados Pena, 2019; Chin et al., 2019), which is determined by dynamic interaction between a company and consumers. Investment in branding and brand reputation may facilitate communication of credible information of brand attribute/benefit, which may convey quality signals to consumers (Stiglitz, 2000; Kirmani, 1990), and influence consumers' brand choice. Thus, brand credibility poses as a major latent construct for brand attributes/benefits which may implicitly affect consumers' brand choices and consideration.

3. RESEARCH MODEL

In the proposed research model, PQ and RP are selected as brand attributes (Yoo et al., 2000) and ICS and LPR are selected as brand benefits which lead to consumers' brand consideration and purchase intention (BCP) (Figure 1). PQ can be defined as consumers' perception of the entire quality (or superiority) of a specific product (or service) concerning its intended purpose relative to alternative choices (Aaker, 1991; Saleem et al., 2015). It can be also considered as the judgment of customers on excellence or superiority of

product/service (Zeithaml, 1988) which may affect consumers' purchase consideration and intention. A credibly brand may lead to a higher quality perception as a result of signalling effect (Wernerfelf, 1988).

Information costs saved (ICS) is an important construct from information economics perspectives. ICS is defined as the information gathering and processing costs that are saved and reduced, in terms of money, time and psychological costs (Erdem and Swait, 1998). Consumers tend to consider brand credibility as a reference and knowledge source to reduce ICS (Erdem and Swait, 2006). Lower perceived risk (LPR) is another critical construct for consumers' brand choice and decision making. LPR is related to how much consumers feel uncertain when the outcome of a purchase decision is unpredictable, and brand credibility may lower consumers' perceived risk which may lead to positive brand choices and purchase intention. Figure 1 shows the proposed research model of the relationship between BR and four intermediate constructs (PQ, LP, ICS and LPR) and consumers' brand consideration and purchase intention (BCP).

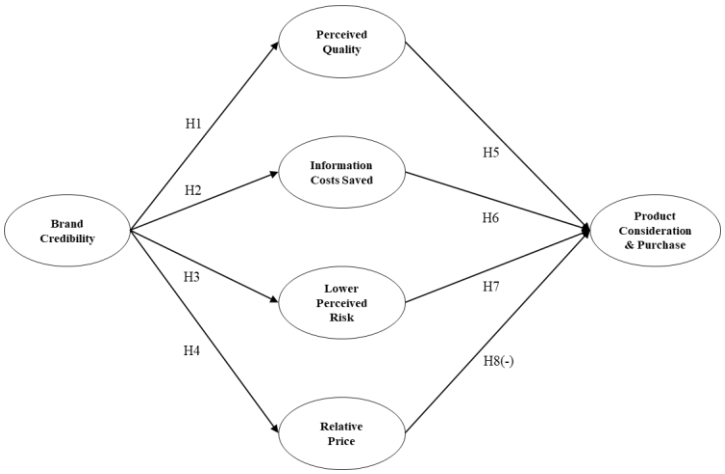

Figure 1. Proposed Research Model
Source: own compilation

The empirical model approximates the relationship between BR and BCP, which is mediated by four selected constructs, PQ, ICS, LPR and RP. Srinivasan and Till (2002) state that equity effect of brand need not equally influence consumers' perception of search, experience and credence claims before they experience the product. Thus, it is necessary to assess the effect of product category in our proposed research model. Thus, the level of consumer uncertainty in product information is controlled by assessing consumers' choice for two product categories; laptop (search goods) and milk (credence goods) (Darby et al. 1973).

4. MEASUREMENT AND METHODOLOGY

The proposed model was assessed with survey data (N=720) that are collected from three countries: China, France and Korea by both online surveys. The survey data in each country were collected from the capital or largest cities such as Seoul, Paris, and Beijing/Shanghai for the month of October 2020. For each country, the questionnaire is about two product categories: laptop and milk. This research does the survey on the laptop to represent search goods (also the high-involvement, high-cost product categories) and milk for ordinary or credence goods (also the low-involvement, low-price categories) based on the classification of Nelson (1970), Darby and Karni (1973). Demographic characteristics of the sample is shown in Table 1.

On average, the respondents were mostly in their 20s and 30s (82.5%); 50.1% of respondents were male; 61.3% of them had income below USD 15,000.

Table 1

Respondents Profile N=720

Variable	Category	Frequency	Percentage (%)
Gender	Male	361	50.10
	Female	359	49.90
Age	18-30	594	82.50
	31-40	101	14.00
	More than 40	25	3.50
Education	Undergraduate	620	86.10
	Master/Ph.D.	100	13.90
Salary	Below 15000 USD	441	61.30
	15000-30000 USD	64	8.90
	30000-50000 USD	79	11.00
	50000-100000 USD	81	11.30
	Above 100000	55	7.60

Source: own calculation

The survey consisted of 15 items, which are validated in previous studies (Erdem & Swait, 1998, 2006) to measure the key constructs and the measurement items are summarized in Table 2. These multi-item scales were measured on Seven-point Likert scales (1=strongly disagree; 7=strongly agree) (Table 2).

Table 2

Measurement Items

Variables	Items	
Brand Credibility (BR)	BR1	This brand delivers what it promises
	BR2	This brand's product claims are believable
	BR3	Over time, this brand kept its promises, no more and no less
Perceived Quality (PQ)	PQ1	The quality of this brand is very high
	PQ2	In regard to overall quality, I would rate this brand as a high quality
Information Cost Saved (ICS)	ICS1	It saves my times knowing what I'm going to get from this brand
	ICS2	This brand gives me what I want, save me time and efforts
Lower Perceived Risk (LPR)	LPR1	I need lots more information about this brand before I buy it
	LPR2	To understand this brand, I have to try it several times
	LPR3	I never know how good this brand will be before I buy it
Relative Price (RP)	RP1	The price of this brand is higher than the average brand price
	RP2	This brand is more expensive comparing to other brands
Brand Consideration& Purchase Intention (BCP)	BCP1	I would seriously consider purchasing this brand
	BCP2	It is very likely that I purchase this brand
	BCP3	Can you rate this brand? Out of 7?

Source: own calculation

5. RESULTS AND DISCUSSION

Structural Equation Modeling (SEM) was applied in this study to test the effect of brand credibility on consumers' brand preference in Korea, China and France. AMOS 23.0 and SPSS 22.0 are used to determine construct validity and reliability, and exploratory factor analysis is conducted. In this research, factor analysis is conducted to proceed with data reduction to test and adjust the measurement in order to measure and improve the model fit and correctness of the research. Kaiser-Meyer-Olkin (KMO) and Bartlett's test is

necessary before the factor analysis is conducted. KMO measure was 0.93 which was higher than the reference value of 0.90, exceeding the recommended values, and the significance of Bartlett's test of sphericity was 0.000, indicating the acceptable significance level. On the grounds of the KMO and Bartlett's test results, it is suitable and proper to run the collected survey data with factor analysis. this research uses the principal component analysis as the extraction method the chooses the varimax rotation method. According to the results of the whole samples collected in China, France, and Korea, all the proposed items are well classified in each component of the constructs (Table 3).

Table 3

Results of Exploratory Factor Analysis

Items	Brand Credibility (Rotated Factor)	Perceived Quality	Information Cost Saved	Lower Perceived Risk	Relative Price	Purchase
BR1	0.825					
BR2	0.817					
BR3	0.848					
PQ1		0.651				
PQ2		0.594				
ICS1			0.789			
ICS2			0.774			
LPR1				0.900		
LPR2				0.831		
LPR3				0.921		
RP1					0.917	
RP2					0.932	
BCP1						0.774
BCP2						0.777
BCP3						0.671

Source: own calculation

Table 4 reports the values of composite reliability (CR) and average variance extracted (AVE) of confirmatory factor analysis. The values of CR were greater than 0.7, and the values of AVE were greater than 0.5, ensuring construct validity.

Table 4

The Results of Confirmatory Factor Analysis

France								
Factor	Laptop				Milk			
	Stan. Factor Loading	AVE	CR	Cronbach α	Stan. Factor Loading	AVE	CR	Cronbach α
BR	0.748	0.573	0.869	0.837	0.727	0.553	0.858	0.823
	0.754				0.747			
	0.812				0.779			
PQ	0.825	0.682	0.811	0.831	0.725	0.579	0.733	0.728
	0.861				0.791			
ICS	0.797	0.554	0.713	0.770	0.773	0.552	0.711	0.764
	0.785				0.802			
LPR	0.221	0.365	0.372	0.073	0.277	0.234	0.349	0.092
	-0.331				-0.673			
	-1.220				-0.765			
RP	0.815	0.615	0.761	0.817	0.922	0.754	0.860	0.912
	0.850				0.910			

BCP	0.658 0.724 0.717	0.571	0.672	0.738	0.716 0.686 0.775	0.628	0.667	0.768
Model Fit	Chi-square=184.413 df=104 p=0.000 GFI=0.931 AGFI=0.899 NFI=0.917 CFI=0.962 RMSEA=0.050				Chi-square=193.334 df=104 p=0.000 GFI=0.934 AGFI=0.904 NFI=0.916 CFI=0.959 RMSEA=0.054			
Korea								
Factor	Laptop				Milk			
	Stan. Factor Loading	AVE	CR	Cronbach α	Stan. Factor Loading	AVE	CR	Cronbach α
BR	0.801 0.880 0.864	0.578	0.872	0.908	0.852 0.918 0.903	0.640	0.899	0.951
PQ	0.904 0.921	0.785	0.880	0.908	0.944 0.942	0.803	0.891	0.942
ICS	0.934 0.870	0.701	0.824	0.896	0.962 0.894	0.741	0.851	0.925
LPR	0.729 0.902 0.793	0.443	0.755	0.846	0.721 0.917 0.848	0.475	0.761	0.866
RP	0.825 1.015	0.764	0.865	0.911	0.909 0.961	0.814	0.897	0.933
BCP	0.783 0.873 0.814	0.538	0.671	0.861	0.806 0.939 0.931	0.566	0.676	0.920
Model Fit	Chi-square=358.247 df=104 p=0.000 GFI=0.932 AGFI=0.900 NFI=0.951 CFI=0.964 RMSEA=0.064				Chi-square=329.172 df=104 p=0.000 GFI=0.940 AGFI=0.912 NFI=0.968 CFI=0.978 RMSEA=0.060			
China								
Factor	Laptop				Milk			
	Stan. Factor Loading	AVE	CR	Cronbach α	Stan. Factor Loading	AVE	CR	Cronbach α
BR	0.834 0.846 0.897	0.648	0.901	0.914	0.877 0.893 0.904	0.686	0.916	0.938
PQ	0.886 0.847	0.676	0.806	0.857	0.935 0.872	0.761	0.864	0.898
ICS	0.887 0.841	0.640	0.780	0.855	0.930 0.931	0.777	0.874	0.928
LPR	0.518 0.813 0.777	0.276	0.771	0.740	0.519 0.783 0.785	0.273	0.773	0.732
RP	0.868 0.924	0.659	0.794	0.890	0.879 0.978	0.734	0.846	0.924
BCP	0.616 0.732 0.911	0.484	0.680	0.789	0.590 0.796 0.877	0.490	0.683	0.791
Model Fit	Chi-square=297.838 df=104 p=0.000 GFI=0.940 AGFI=0.911 NFI=0.954 CFI=0.970 RMSEA=0.059				Chi-square=272.156 df=104 p=0.000 GFI=0.945 AGFI=0.919 NFI=0.965 CFI=0.978 RMSEA=0.055			

Source: own calculation

The values of GFI, AGFI, NFI, and CFI for six different models were greater than 0.8, and the RMSEA values were smaller than 0.1, suggesting sufficient goodness of fit for the measurement models (Table 4). The relationship among constructs were assessed by estimating path coefficients for two models

(i.e. Laptop and Milk) for each country (i.e. France, Korea and China). In total, the values were shown for six different empirical models in Table 5.

Table 5

Results of SEM Analysis

Path	**France**							
	Laptop				Milk			
	Path Coef.	S.E.	C.R.	P	Path Coef.	S.E.	C.R.	P
BR→PQ	0.763	0.138	9.469	***	0.962	0.203	7.907	***
BR→ICS	0.949	0.151	10.459	***	0.782	0.227	7.552	***
BR→LPR	-0.031	0.025	-0.514	0.608	-0.019	0.056	0.317	0.751
BR→RP	-0.442	0.149	-5.91	***	-0.537	0.251	-6.775	***
PQ→BCP	-0.106	0.055	-1.08	0.28	0.755	0.115	5.687	***
ICS→BCP	0.838	0.073	6.611	***	0.009	0.072	0.821	0.412
LPR→BCP	-0.036	0.064	-1.314	0.189	0.028	0.075	0.583	0.56
RP→BCP	-0.159	0.031	-2.463	0.014	-0.008	0.029	-0.123	0.902
Path	**Korea**							
	Laptop				Milk			
	Path Coef.	S.E.	C.R.	P	Path Coef.	S.E.	C.R.	P
BR→PQ	0.814	0.046	19.966	***	0.878	0.036	26.361	***
BR→ICS	0.703	0.055	16.907	***	0.844	0.039	25.304	***
BR→LPR	0.009	0.055	0.197	0.844	0.128	0.004	2.9	0.004
BR→RP	0.246	0.061	5.046	***	0.214	0.043	4.593	***
PQ→BCP	0.454	0.047	9.378	***	0.435	0.051	9.026	***
ICS→BCP	0.348	0.04	7.336	***	0.394	0.047	8.199	***
LPR→BCP	0.065	0.032	1.814	0.07	0.13	0.038	4.349	***
RP→BCP	0.012	0.031	0.349	0.727	-0.026	0.035	-0.897	0.369
Path	**China**							
	Laptop				Milk			
	Path Coef.	S.E.	C.R.	P	Path Coef.	S.E.	C.R.	P
BR→PQ	0.99	0.058	22.066	***	0.963	0.047	24.874	***
BR→ICS	0.83	0.064	18.188	***	0.761	0.057	18.307	***
BR→LPR	0.455	0.058	7.494	***	0.453	0.052	7.521	***
BR→RP	0.33	0.079	6.269	***	0.336	0.071	6.786	***
PQ→BCP	0.706	0.057	8.942	***	0.788	0.042	12.17	***
ICS→BCP	0.155	0.043	2.391	0.017	0.179	0.023	4.386	***
LPR→BCP	0.075	0.036	2.071	0.038	0.077	0.029	2.466	0.014
RP→BCP	0.018	0.019	0.605	0.545	-0.008	0.014	-0.338	0.735

***: $p < .001$, **: $p < .01$, *: $< .05$

Source: own calculation

Table 5 summarizes the path coefficients for two product category models (i.e. Laptop and Milk) in each country (i.e., France, Korea & China). In terms of the path relationships among selected constructs, similar results were found for empirical models of three countries. Overall, the relationship between brand credibility (BR) and perceived quality (PQ) was found to be most significant for six models of three countries. The relationship between BR and information cost saving (ICS) was the second most meaningful path. Regarding the relationship between intermediate constructs and consumers' brand consideration (BCP), PQ and ICS were found to have significant effects. On the other hand, the effects of two constructs: lower perceived risk (LPR) and relative price (RP) were either relatively small or statistically insignificant.

Specifically, for the Chinese model, the relationship between BR and PQ was found to be most significant, and the one for BR and ICS was second most important for both laptop and milk product categories. PQ construct also had important effect on BCP in the Chinese models (Table 6). In the French case, BR had the largest effect on PQ for milk category, while having the largest effect on ICS for laptop category. PQ construct had an important impact on BCP for milk category, and the effect of ICS construct on BCP was significant in the case of laptop. BR was found to have the largest effect on PQ, and the second largest effect on ICS in the Korean models for both product categories (Table 6).

Table 6

Summary of Path Coefficients for Six Models

Path	Standardized Path Coefficients					
	Laptop			Milk		
	China	France	Korea	China	France	Korea
BR→PQ	0.99***	0.763***	0.814***	0.963***	0.962***	0.878***
BR→ICS	0.83***	0.949***	0.703***	0.761***	0.782***	0.844***
BR→LPR	0.455***	-0.031	0.009	0.453***	0.019	0.128**
BR→RP	0.33***	-0.442***	0.246***	0.336***	-0.537***	0.214***
PQ→BCP	0.706***	-0.106	0.454***	0.788***	0.755***	0.435***
ICS→BCP	0.155*	0.838***	0.348***	0.179***	0.009	0.394***
LPR→BCP	0.075*	-0.036	0.065	0.077*	0.028	0.13***
RP→BCP	0.018	-0.159*	0.012	-0.008	-0.008	-0.026
BR→PCP （Total Effect）	0.868	0.786	0.617	0.928	0.801	0.725
No. of respondents	272	150	298	272	150	298
No. of brand observation	544	300	596	544	300	596

***: $p < .001$, **: $p < .01$, *: $< .05$

Source: own calculation

6. CONCLUSION AND IMPLICATIONS

This study examines the importance of brand credibility as a latent construct for brand attributes and benefits which influence consumers' brand choices and purchase intentions. Consumers' brand choice making process is assessed from three major consumer markets, including Korea, China and France. Empirical findings suggest that brand credibility (BR) has the highest impact on perceived quality (PQ) construct overall, followed by information cost saved (ICS). On the other hand, lower perceived risk (LPR) and relative price (RP) are not significantly affected by BR which was similar to previous research findings (Erdem&Swait, 1988; Mrabi et al., 2015). In addition, PQ construct had the highest effect on consumers' brand choice and purchase intention (BCP).

There were slight differences in the findings of three countries. For example, the impact of BR came out to be different among three countries. Korean and French consumers tend to relate BR with PQ for milk product category which may have more implicit or intrinsic cues (credence goods). Milk product may have characteristics of credence goods; thus, consumers may tend to consider brand credibility in judging uncertain product quality (Kirmani 1990; Shapiro, 1983; Wernerfelt, 1988). On the other hand, Korean and French consumers relate BR with ICS for laptop product category which has mor explicit or extrinsic cues and less ambiguous (i.e. search goods). For the product with extrinsic cues, consumers tend to search extensively and diagnose product attributes/benefits. In the case of search goods, consumer is able to inspect the product and draw inferences about the attributes before purchasing, and consumers are least skeptical of search claims (Ford et al., 1990). Thus, Korean and French consumers may relate brand credibility as a signal for information cost saving which facilitate their brand choice process. In case of China, BR PQ had the strongest connection for both laptop and milk. Regardless of product category,

Chinese consumers tend to relate brand credibility with perceived quality. When they can trust a brand, they tend to consider perceived quality of the brand product to be positive in the Chinese market.

This finding provides valuable implication from marketing and managerial perspectives. In order to develop brand loyalty in the Korean and French markets, brand signaling may need to be differentiated for different product category subject to its product nature and characteristics. For search goods which has extrinsic cues, marketers may need to highlight the brand benefit of information cost saved in a credible brand. For credence goods, marketers may need to signal brand credibility with quality guarantee. On the other hand, it may be critical to 'signal' perceived quality with brand credibility in the marketing programs for Chinese consumers regardless of product category.

Different outcomes of the relative path importance in two product categories of three consumer markets evidently show that brand may need to 'signal' appropriate features (i.e. brand attributes/benefits) and context (i.e. elements of marketing mix) for various product/market conditions and consumer characteristics. Findings from this study suggest that for product category with higher uncertainty (i.e. credence goods), consumers tend to rely on brand for product quality, while ones with lower uncertainty (i.e. search goods), consumers tend to relate brand with information cost saved as they can effectively search for information related to product quality (i.e. extrinsic cues). Thus, uncertainty of consumers can be viewed as a major underlying driver for consumers to rely on brand for their brand choice making process (Baek et al, 2010; Kirmani et al, 2000). Marketers need to 'signal' product information which may be unobservable (i.e. intrinsic cues in credence goods), while highlight brand benefit such as information cost saved (ICS) or lower perceived risk (LPR) which are associated with credible brands in the case of search goods. Tirole (1988) suggests that credibility is one of the most effective determinants of a brand signal that works when conveying the product information. Marketers and brand managers should invest considerable efforts in building brand credibility which may affect various brand attributes/benefits, thereby influencing consumers' ultimate brand choices. For consumers in various markets, brand signals which are associated with brand credibility may need to be accordingly tailored to address different needs and interest of consumers.

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