

# The Overall Review of Perceived Quality Determinants: Which are the Most Significant Indicators?

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## Abstract

The paper seeks to discover the most significant indicators or determinants that influence the perceived quality. In this comprehensive paper, past research findings are used to support the significance of each indicator. Six indicators, including price, brand image, familiarity, package size, brand origin, and self-image congruence are examined as follows. The importance of these indicators is compared based on previous or contemporary findings. Present article contributes not only to marketers, but also customers. It allows the marketers to focus on the most significant indicators in targeting consumer perceived quality. On the other side, it raises the awareness in the consumers that they should avoid deceived by their own thoughts of perceived quality. In this paper, the objective is clearly defined. Next, the major findings are cited and some arguments are discussed. Lastly, the conclusion of the article is indicated. The conclusion reveals that brand image and familiarity are to be the most significant indicators, following by brand origin as the moderate significant indicator. The remaining three indicators, price, package size and self-image congruence are concluded as the least significant indicators of perceived quality. Finally, more future research in exploring the most significant indicators is required to carry out with addition of more indicators

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**Index terms**— most significant indicators, perceived quality, customers, consumers.

I. Introduction he article will be reviewing on the indicators that contribute to the consumers' view of perceived quality. It benefits the marketing field not only in the perspective of marketers, but also consumers. Knowing that consumers are apt to be influenced by certain indicators can have the marketers to put more effort in targeting the direct demands of the consumers. Yet, the marketers may pack up these indicators nicely rather than emphasizing their objective quality. Thus, this study may also benefit the consumers. Consumers who have known the tricks by marketers are able to be especially cautious on these targeted indicators.

In marketing field, quality is one of the most significant attributes that contributes to certain product's fame. Advertising or promoting the quality is not only focusing on the objective quality, which is any testable and comparable property (Zeithaml, 1988), of the product service itself. Yet, the method may not be persuasive all the time. From the perspective of consumers, perceived quality, which is the quality interpreted by others rather than real quality existed by itself (Zeithaml, 1988), seems to influence more than the objective quality of product services. It is implausible for all of them to know deeply about the objective quality of every product. One main reason is that the objective quality of product services undergoes changes in almost every year. Also, the manufacturer, seller or servicer may not convey the message regarding the objective quality fully. Hence, it is not ridiculous at all if the consumers link other indicators with quality.

Unknowingly, the majority of the customers tends to associate the quality of the product services with the surface characteristics or indicators, such as price and brand reputation. This happens because it appears to be a 'shortcut' in understanding a product service. Automatically, the consumers are prone to be persuaded in a peripheral route that consists of messages other than central information (Aronson, Wilson, & Akert, 2013).

Could these indicators be reliable? Which indicators appear to be more reliable? It seems wrong because certain objective quality of beneficial or harmful may be hidden from them. However, the process is definitely tiring if one wants to understand fully on all of the product services one is using.

Finding out the indicators that contribute to perceived quality appears to be notable in retailing field too. Past studies have also shown that the perceived quality of retailers is able to greatly affect their initial plan or thought of buying products from sellers (Das, 2014). In one 1993 article, researcher, Selnes has revealed that the way retailers view quality influences brand fame and consumer contentment, which eventually affects their faithfulness towards the brand (as cited in Das, 2014). Similar philosophy also applies to consumer behaviors which their satisfaction and intention of buying back certain brand product services are affected by perceived quality. This shows the significance of knowing the buyer's perceived quality in every marketing connection (from wholesaler and retailer to dealer and consumer). However, indicators that impact more or most under certain circumstances are questioned. Hence, the article reviews numbers of past research studies in order to explain consumer behaviors from the aspect of indicators of the perceived quality.

## 1 II. Indicators and Perceived Quality

There has been tremendous amount of marketing research in seeking the customer perceived quality since half century ago. Although these findings are basic research that finds out explanation and understanding on certain doubts (Aronson, Wilson, & Akert, 2013), they are useful in contributing to contemporary or future application as marketing research field focuses more on applied research, such as seeking solution and solving problems, recently. Still, this article will emphasize on basic research topic and discuss the most important indicators of perceived quality. The topic appears to be novel since handful past research examines the question. In this paper, several indicators that are proposed by past articles including price (Völckner & Hofmann, 2007), familiarity (Sheau-Fen, Sun-May, & 2012), package size (Yan, Sengupta, & Wyer, 2014), brand origin (Bhuan, 1997), self-image congruity (Jamal & Goode, 2001), and brand image or reputation (Cretu & Brodie, 2007) will be reviewed.

## 2 III.

## 3 Price and Perceived Quality

As predicted and examined by many research studies, price is one of the realistic indicators that most of the consumers use to associate with the quality of product services. In one comprehensive finding from 1989 to 2006, researchers find that the correlation between price and quality perception has become weaker (Völckner & Hofmann, 2007). However, Völckner and Hofmann (2007) also reveal that customers continue to utilize price indicator as their quality perception. When certain products are having promotion, customers may associate the dropping of price with dropping of quality. For example, some may consider the discounted products as old or expiring stocks and others may consider them as sampling products. Yet, a longitudinal study in Austrian customers has shown a weak relationship between price and perceived quality (Kirchler, Fischer, & Hölzl, 2010). The correlation seems weak because the indicated situations merely constitute minority in marketing field as a whole.

Still, Kirchler points out that price is a useful indicator in determining quality of products, such as skin care product knowledge, that are hard to be understood by non-experts (as cited in Kirchler, Fischer, & Hölzl, 2010). Besides that, consumers may also adopt price as indicator when they have limited knowledge about the products under time pressing condition. Another research has also supported price-quality perception relationship. Vlaev and his colleagues (2009) have conducted an experiment and found that consumers continue holding the price-quality perception if not knowing the purpose of price reduction. Conversely, the correlation seems to be lowered when knowing the purpose of price reduction such as having large quantity of stocks or having long-term stable supplier (Vlaev, Chater, Lewis, & Davies, 2009).

Furthermore, one latest research conducted in a Japan university reveals the price-perceived quality correlation varies across different context. Shirai (2014) has found that "the "high quality and low price" appeal works better for an inexpensive store than an expensive store". This indicates that price may not be an effective predictor of customer quality perception in so many different contexts. Another study also supports the research by showing that price and quality perceptions are different in various standards of store. Participants in high standard shop with promotion of price reduction are prone to perceive the product value greater than in promotion of improved quality (Yoon et al., 2014). However, Yoon and other colleagues (2014) find no differences between two promotions in low standard shop. The finding, once again shows that priceperceived quality relationship is not strong. In the same finding, the researchers also reveal that price, as a determinant is mediated by other factors (Yoon et al., 2014) which show the greater significance of other determinants than price. Hence, price as a determinant appears to be insignificant due to its weak correlation indicated by overall review of several past studies and consumer's greater emphasis on other indicators.

## 4 IV. Familiarity and Perceived Quality

Perception on certain products is also found to be associated with familiarity. Familiarity acts as a hint for the consumers to access with the desired products they are looking for. This indicator is also useful to predict

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the consumer quality perception. Usefulness of familiarity is confirmed by the scholars in social psychology field (Aronson, Wilson & Akert, 2013). The state of familiarity is also known as mere exposure effect, which people are prone to prefer things that they are familiar (Moreland & Topolinski, 2010). Similarly, customers are apt to select the products that they know better.

The indicator is especially helpful for customers who know nothing or little about the desired product service. However, familiarity as a determinant certainly has its premise. The results shown in Norton's and colleagues' (2007) research reveal that people will increasingly hate the object or person that gives negative impression from its continuous exposure (as cited in Aronson, Wilson, & Akert, 2013). This also explains why companies put effort in reducing negative news of them since negative impression breeds more dislikes as number of exposure increases. Moreover, familiarity can also act as a powerful mechanism to provoke consumer's preference that is embedded unconsciously. For example, a new product may be promoted with the emphasis that it is produced by a renowned company. It is promoted in such way because the selling products of the renowned company are known positively by the consumers. Unknowingly, the consumers may associate the new product with high quality and highly prefer trying it.

Consumers prefer buying new brand may not always because of familiarity with the company. Rather, consumers may be familiar with the products they have not used before. They may make use of their familiarity, or basic knowledge of the products in choosing them. Past research has especially pointed out that familiarity and quality perception relationship is among the strongest link in group-emphasis culture like Malaysia (Sheau-Fen, Sun-May, & Yu-Ghee, 2012). In local (possibly other countries as well), the power of familiarity is contributed by such major factors as promotions and advertisements. Promotion is one of the ways to inject the information of new products or technologies into the customer's mind. Most of the promotions will be held for several days or places. This is to increase the number of exposure to new customers.

Also, advertisements appear to be the most powerful tool in implanting product familiarity in customer mind. Like or not, the ads are released and posted everywhere. The ad content, positive aspects of product services, is checked and approved by specific profitable group (Schaefer, 2010). As customers expose to the favorable promotion and advertisement, their familiarity increases. Another finding reveals that consumers who have used a brand product will more likely to rebuy the same brand product (Labeaga, Lado, & Martos, 2007). Sheau-Fen and other researchers (2012) have also stressed that the effect of familiarity on quality perception may greatly impact consumer's repurchase intention. Various research studies have addressed the importance of familiarity as an indicator. Thus, it should be taken into account in targeting consumer behavior.

## 5 V. Package Size and Perceived Quality

Different package sizes of products are designed to fit different consumer needs. However, package size may also influence the perceived quality despite of having the same objective quality. One latest research on package size as indicator of quality perception shows that smaller packaging goods is viewed as better than the same goods of bigger ones (Yan, Sengupta, & Wyer, 2014). Yet, researchers stress that the effect on how customers see the product quality is depended on the intimate link between package size and unit price (Yan, Sengupta, & Wyer, 2014). This implies that package size as an indicator alone is not strong enough to influence quality perception. Also, there is little research been done and updated in the relation of package size and quality perception. Thus, more research should focus in the correlation between package size and perceived quality in order to make conclusion about the effectiveness of package size as a determinant.

## 6 VI. Brand Origin and Perceived Quality

The origin of the brand somehow seems to affect how consumer perceives its quality too. In this article, brand origin is defined as the place or country where the brand is from. One of the earliest studies of Saudi Arabia has examined the brand origin and quality perception with six countries, including Eastern country of Japan, Western country of United States, and European countries like German (Bhuiyan, 1997). In this research, data reveal that brand origin does affect Arabic consumer quality perception. In another Taiwanese study, Lee and Lee (2011) have also supported previous research that brand origin has an impact on consumer behavior. One of the major mediating factors is quality perception (Frank, Torrico, Enkawa, & Schvaneveldt, 2014). Brand origin appears to be a major determinant in judging the product service quality. Yet, lack of contemporary research supports the correlation between brand origin and quality perception. Still, future research should take brand origin as consideration in studying perceived quality.

## 7 VII. Self-Image Congruence and

Perceived Quality Some consumers may choose products that reflect themselves. They may perceive these products as higher quality. One previous study reveals a related research. Scholars propose that high congruity of product image and consumer self-image can help generating consumer's favorable view towards the products (Jamal & Goode, 2001). Jamal and Goode (2001) also show the results that positive congruence of self-image on the purchased product highly generates the product purchase satisfaction. One of the reasons is that consumers desire to increase their self-image from a real form to ideal form through the products they purchase (McDaniel, Lamb, & Hair, 2012). Another research supports previous study and shows a positive relationship between

brand personality and quality perception (Ramaseshan & Hsiu-Yuan, 2007). However, self-image personality still appears to be a weak indicator (McDaniel, Lamb, & Hair, 2012). Although various findings have supported the correlation between self-image congruence and perceived quality, its effect is more on purchase satisfaction than quality perception.

In selecting the brand that the customers trust and are confident of its quality, brand image or reputation seems to be an important determinant. Several past research have found that international brand image is positively associated with quality (Bauer, Exler & Bronk, 2007). Brand image is defined as the understanding a person deems as true and holds about certain brand (McDaniel, Lamb & Hair, 2012). The determinant contributes to most of the companies who advertise and promote their products using their brand image. Awards, experience and years are the major components that build up a good reputation. For example, a global company, McDowell's brand has positive image in selling whisky drinks. It also utilizes its long history of brand (1826-present; USL at a Glance, 2014), major awards and production experience (McDowell's No.1, 2014) in promoting its products. Many other companies are also doing so in order to support the brand image, and subsequently increase the customer's perceived quality on it. A researcher, Yang (2012) addresses that shop brand is perceived to have poorer quality than national brand even though the objective quality of shop brand is better. This is because consumers are in trust with the better national brand image rather than shop brand image. Also, a prominent finding shows that store brands are able to construct consumer brand loyalty through quality perception (Yang & Wang, 2010). The finding also implies the significance of brand image in predicting the outcomes caused by consumer perceived quality.

In one study, researchers have found that brand image is able to affect the quality of product services perception (Cretu & Brodie, 2007). Corresponding to past research, company prestige will impact consumer value which subsequently brings the effect to consumer loyalty (Cretu & Brodie, 2007). Although Cretu and Brodie (2007) have stressed the difference between company prestige and brand image in impacting particular aspects, both company prestige and brand image will influence consumer perceived quality anyway. Another astonishing finding expounds that it is worse to have a poor brand image than poor quality product services (Homer, 2008). Various evidences show that brand image is able to represent certain product service quality. Past findings even point out that it may surpass the objective quality itself. Therefore, brand image is comparatively appeared to be one of the significant indicators.

## 8 IX. Discussion

Several indicators like price and brand reputation have been reviewed above. Some indicators may appear to be more significant and some indicators appear to be insignificant based on past research findings. However, which indicators are more significant in determining perceived quality? The first indicator reviewed is price. The research on price appears to be one of the hottest topics of perceived quality determinant. In the comprehensive findings of similar studies of so many years, most of the researchers have concluded that price is weak indicator to determine quality perception (Kirchler, Fischer, & Hölzl, 2010; Völckner & Hofmann, 2007). Still, some customers may use price as indicator if little is known about the product. Yet, some of its so-called useful function may get replaced by other indicators too. Although several studies have revealed its effectiveness in certain contexts or status, it is in overall the insignificant determinant.

Another indicator is familiarity. In overall research findings, the implication of review shows that familiarity tends to be a strong indicator. The argument is also supported by social psychology field (Aronson, Wilson, & Akert, 2013). The power of familiarity is applicable to any extent of knowledge a customer has on certain brand. This is because consumers will associate their familiarity with the perceived quality. Automatically, the quality has become reliable even though consumers themselves do not know the evident reason of trusting it. Of course, familiarity is so powerful that can change customer's mind between two opposite extreme—like or hate. Familiarity will lead to devastating effect when a lot of negative comments are found on the brand. Comparatively, familiarity is a more significant and reliable indicator of perceived quality than price. Moreover, package size and quality perception correlation is found to be insignificant. The indicator is shown to work only together with another insignificant indicator, price. However, more research should be conducted and integrated on package size as an indicator alone in order to conclude its effectiveness.

Past study and recent research support another seemingly significant indicator, brand origin (Bhuian, 1997; Frank, Torrico, Enkawa, & Schvaneveldt, 2014). Most of them conclude that brand origin is significant determinant of quality perception. However, present article argues that current research on related indicator is not sufficient to support the conclusion. Present article also argues that brand origin as indicator may not be as strong as brand image. Consumers may not believe in the quality from the place the brand comes from, yet they may still perceive the quality as good due to its brand image. This is supported by enormous findings from past studies which brand image is found to be one of most important determinants (Cretu & Brodie, 2007). The fact is undeniable because various findings reveal the results that show strong positive correlation between brand image and perceived quality. Also, present article finds that familiarity appears to be mediator between brand image and quality perception. Brand image and familiarity work hand-in-hand in influencing perceived quality. Customers may perceive the brand as high in quality due to their familiarity towards the positive brand image. The role of these two most significant indicators is able to influence one another in determining quality perception.

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The importance of last indicator, self-image congruence is supported by little research. Still, its effect on perceived quality is found to be low. This is mainly due to its greater impact on purchase satisfaction than quality perception (Jamal & Goode, 2001). At last, present essay review concludes two most significant indicators, which are brand image and familiarity in determining perceived quality. The only moderate significant indicator is brand origin. This paper also concludes the least significant indicators as price, package size and self-image congruence.

## 9 X. Conclusion

In conclusion, this article review has concluded the significance of indicators from the most important to the least important ones based on the overall evidence provided by past research. The classification of indicator importance is done to examine the effectiveness of every indicator in determining perceived quality. This paper of review is meant to contribute to the study of what makes the consumer to perceive certain product services as high quality. This paper concludes findings from past study to help finding out the most effective indicator and excluding the least significant ones. From evidence shown by past research findings, indicators like familiarity, brand image and brand origin are comparatively found to be the most significant from the perspective of customers. Similar to the marketer's perspective, these indicators appear to require putting more emphasis by the marketer. In some indicators like price, findings from previous studies have arguments on both strong and weak correlation about the indicatorperceived quality relationship. There is lacking of previous support on the firm conclusion of each indicator's influence on perceived quality. Besides that, this review has also found the insufficiency of contemporary research on some indicators. Although this paper concludes that package size and self-image congruence to be the least important indicators, more contemporary research are required to find out the causes and support the findings conducted by previous researchers. In future, more comprehensive research on indicator-quality perception relationship is required to be examined with more indicators to be discussed.



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