

# THE EFFECTS OF ADVERTISING STRATEGIES ON CONSUMER TRUST: A CASE OF SKIN CARE PRODUCTS IN TAIWAN

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## ABSTRACT

The main aim of this study was to develop advertising strategies in order to increase consumer trust. Four advertising elements: celebrity endorsement, branding, product attribute, and third party certification were investigated. Data were collected to answer two research questions: (1) To investigate the advertising strategies of skin care products leading to consumer trust, (2) To know the effects of advertising strategies in skin care products on consumer trust. A 5-point Likert scale survey was distributed to the female population in Taipei area. Via online and personal approaches, 266 questionnaires were returned. Targeting on 18-30 years old female skin care product users who stay in Taipei area more than six months, 240 qualified questionnaires were analyzed. The four independent variables are found having a significant relationship with trust in skin care advertising, in which branding has the greatest influence on increasing consumer trust. The control variable which is financial status is not found having statistically significant effect on consumer trust. To conclude, this study is dedicated to the communities in order to optimize their marketing strategies.

**Keywords:** advertising strategies, consumer trust, celebrity endorsement, branding, product attribute, third party certification

## INTRODUCTION

In the past few years, according to the market research firm, Euromonitor International, the growth of global skin care market has increased with strong demands from Asia regions, as well as the importance of having great looking skin. Taiwan was ranked as the sixth country that had high sales of beauty and personal care products in Asia Pacific in 2012 (Anuwong, 2013). According to his analysis, skin care accounted the highest sales among other segments in beauty and personal care category, including hair care, color cosmetics, oral care, bath and shower, men's grooming,

sets/kits, fragrances, baby and child-specific, sun care, and deodorants. The rapid development in skin care industry has been showed as many cosmetic firms gradually drive focus on producing skin care products, which are face and body care products. There are thousands of skin care products available in the market these days which offer various functions, such as whitening, hydrating, moisturizing, and anti-aging.

The phrase "You never get a second chance to make a first impression" might be a good reference to figure out how important advertising, whether online or offline, as a communication tool to inform the consumer and catch their attention within seconds.

Basically, consumers are looking for a sensory experience which can give them the knowledge to evaluate what is offered and find it interesting through advertising.

In Taiwan, advertising can be easily found anywhere through different types of media at any time. It can be found posted in or on the public buses, in the MRT, newspaper, television, and everywhere on your gadgets, e.g. laptop, computer, and cell phone when you connect to the internet. These ways help many firms introduce their products to public and increase their target market, without exception to cosmetic companies. This is followed by most young Taiwanese become more conscious having healthy skin nowadays, therefore number of skin care products consumed in Taiwan are getting increase year by year. Evidently, the number of new skincare stores and beauty clinics are increasing, such as Watson, Cosmed, 86shop, Skin Food, Face Shop, and among others.

This phenomenon caused both local and foreign cosmetic firms need to pay more attention on cosmetic market due to the competition become tougher. People have more choices of skin care products, and this becomes a trigger for cosmetic companies to develop more strategy in promoting their product and creating trust on their consumer.

Hence, the purpose of this study is to find out the elements of skin care advertising strategies that influence consumer trust. Through quantitative approach, the research will be conducted with aim to answer the research questions as follows: (1) What are advertising strategies of skin care products leading to consumer trust? (2) What are the effects of advertising strategies in skin care products on consumer trust?

Specifically, this research is expected to develop a guideline for skin care companies, marketers and advertisers to be able to improve precise advertising strategies to appeal young consumers in Taiwan. In fact, there are several consumer segments in the market, thus different marketing strategies are needed. The results of this research will provide the critical advertising strategies to reach different target markets. It is also can be used as a reference or additional knowledge for the development of advertising, particularly associated with increasing consumer trust towards skin care products.

In this study, skin care market will be taken as the focus industry to testify the effects of elements used in advertising on consumer trust. To be more specific, all the elements in the article should be the ones that are used and demonstrated only in advertising, regardless its means and approaches. In this research, Northern Taiwan is targeting area of study, especially the advertising strategy being practiced in the skin care industry. The research looks at four elements of advertising strategies, namely celebrity endorsement, branding, product attribute, and third party certification that can motivate consumer trust to provoke their buying intention of skin care products.

Consumer purchasing decision is often associated with consumer trust. Trust also plays

the role as a foundation of a relationship, including the relationship in business between marketers and consumers. Trust can be defined in a common way as an individual or group's willingness to be vulnerable to another party based on the confidence that the latter party is benevolent, reliable, competent, honest, and open (Tschannen-Moran & Hoy, 2000). However, in this current study proposes to examine the relationship between advertising and consumer trust in the field of marketing.

In marketing, Geyskens *et al.* (1996) defined trust as a belief or expectation that the word or promise by the merchant can be relied upon, and the seller will not take advantage of the consumer's vulnerability. According to Soh, Reid, and King (2009), trust in advertising is a multidimensional construct and should be measured at the multidimensional level. In his study of measuring trust in the U.S. national advertising across five media types of advertising using 20-item ADTRUST scale, subsequently, there is finding that four distinct components have been defined from 20-item ADTRUST scale which can be used to measure trust in advertising. They are reliability, usefulness, affect, and willingness to rely on. This is supported by Kim and Cho (2012) who are conducting similar research used the 20-item ADTRUST scale developed by Soh, Reid, and King (2009) to measure consumer trust towards advertising in different media.

Although many studies in terms of trust in various disciplines have been done, there is a limited source of previous researchers that have precisely conducted a focused investigation on consumer trust in advertising without specifying the use of media. Consumer trust in advertising, for the purposes, means that consumers tend to be accepting of advocacy factors in the advertising. Consumers in high level of trust in the advertising tend to believe what they experience about in advertising. Based on the prior studies, this research will use reliability usefulness, affect, and willingness to rely on to measure consumer trust.

Consumer behavior and attitude are formed and influenced by advertisement (Rai, 2013). Various studies have been undertaken to observe the elements of advertising. Hingorani (2008) studied the skin care advertising visuals chosen from four popular women's magazines in Australia. This study found that twenty-four types or elements which are product(s), presenter(s) (celebrities/non-celebrities), ingredient(s), problem and solution (before/after presentation), illustration, and so forth, and five roles of skin care advertising visuals: communicate a product attribute; portray a benefit; convey information about product usages; communicate an image; suggest an experience by using the product. Researchers have looked in multidimensional construct, and there is no common model of advertising elements in magazine. Since this study looks at advertising in general, the elements here are the ones that widely used among printed (offline) and Internet-based (online) advertising. Therefore, this study adopted previous studies' findings and

chose some of the most mentioned and important advertising elements: celebrity endorsement, branding, and product attribute to see how they influence consumer trust. It is supported by Rai (2013) who said that product evaluation and brand recognition in a variety of advertising had influenced consumers' purchasing attitude and behavior. In addition, third-party certification is included as one of advertising element. That is certificate or seal from an institution, organization or expert that plays important role as part of marketer considerations in order to set marketing strategies. Chen and Xie (2005) said that published third party reviews logo based on laboratory tests or expert evaluations have been growing in popularity to attract consumers recently.

According to Rai (2013), McDonald advertising use of famous models such as Yuri Ebiharahas influenced Japanese consumers to buy the ebi fillet-o burger in Japan. The productivity for McDonald went high as compared to other brands with even less or similar price. People in Japan can easily link Ebihara to ebi filet-o, without saying anything about hamburger. In other cases, the author also found out that people of India tend to buy products that have better advertising strategies featuring Sports or Bollywood celebrities (e.g. Onida old brand which used to provide huge sales in early 1990's lack of sales due to less advertisement). Consumers can obtain trustworthy perceived value through advertising endorser's recommendation, and high credibility celebrity is able to connect product value by deepening consumer's impression and transfer their feelings on a product or service (Chi, Yeh, & Tsai, 2011).

According to Hingorani (2008) addressing the categories of endorser or presenter can be integrated into two groups: celebrities and non-celebrities. The author found skin care products advertising using non-celebrity presenter are more frequent than celebrity, he argued that it is because of associated costs regarding the return on their investment in them. Therefore, it is necessary to have depth research about celebrity endorsement has positive correlation with consumer trust in skin care advertising or not. Accordingly, a hypothesis is created and will be investigated in this research as follow:

H1: Celebrity endorsement is positively associated with consumer trust in skin care advertising.

A brand is a name, term, sign, symbol or design (or combination) intended to identify a seller's goods or services, and to differentiate them from competitors (Lau & Lee, 1999). Ladha (2007) investigate that branding has become a key step in successfully marketing and selling products. Chi, Yeh, & Yang (2009) stated that a product which has famous brand name, it can draw consumers' attention and increase their purchasing intention. Another report studying the effect of brand image on leisure travelers' purchase intention also points that brands are under great consideration when people search information

for booking hotel (Chernev, 2007). Tiwari and Roy (2012) study about brand image, they said brand image significantly associates with quality and value perceived by consumers and appeared to be a positive determinant in trust; trust portrays the extent to which customers have faith in a product, service, and brand. Consequently, the hypothesis as described below:

H2: Branding is positively associated with consumer trust in skin care advertising.

Among the marketing mix that influence consumers' decision making listed in Mounghem and Surakiatpinyo (2010) research, product attributes are the most influential factors affecting consumers' attitude and decision making of their purchase intention, followed by product's ingredient. Inconsistent to Sukato and Elsey (2009), consumer's attitudes toward applying skin care products are evidently dominated by product attributes. Therefore, it is realized that product attribute has certain influence on consumers' behavior and their purchasing decision (Chernev, 2007). This underlies the hypothesis as follow:

H3: Product attribute is positively associated with consumer trust in skin care advertising.

According to Wang (2005) understanding on how people react to consensus among third-party label is vital importance to advertising practitioners who rely on expert opinions or word-of-mouth to disseminate information. Bickart and Ruth (2012) studied impact of green eco-seals which given or sponsored by manufacturer or government (third party) and advertising persuasion, the author pointed out low eco-concern consumers react more favorably to a seal sponsored by third party or government agency because this source is less biased than the manufacturer, while high eco-concern consumers have more favorable when the eco-seals source was the manufacturer themselves, not the third party. This study shows a significant difference in consumer attitude toward eco-seals source in advertisement. Daignault *et al.* (2002) supported, consumer trust is also affected by the opinions of other parties, and an important source of opinion is the seals of approval from trusted third parties. Third party certification here is talking about certification or approval seal given by the government agency or expert institution to a product, but not from manufacturer itself. Based on the review above, a hypothesis as described below is created and will be investigated later in this research.

H4: Third party certification is positively associated with consumer trust in skin care advertising.

Based on prior literature that is relevant to the topic, this research will focus on studying the relationship between advertising elements and consumer trust by generally looking at the level of consumer trust. A survey will be distributed to test

the likely elements in skin care advertising to the trust levels in order to find out which element should be focused on the most in approaching different target consumers. This research will follow the conceptual framework as in Figure 1.

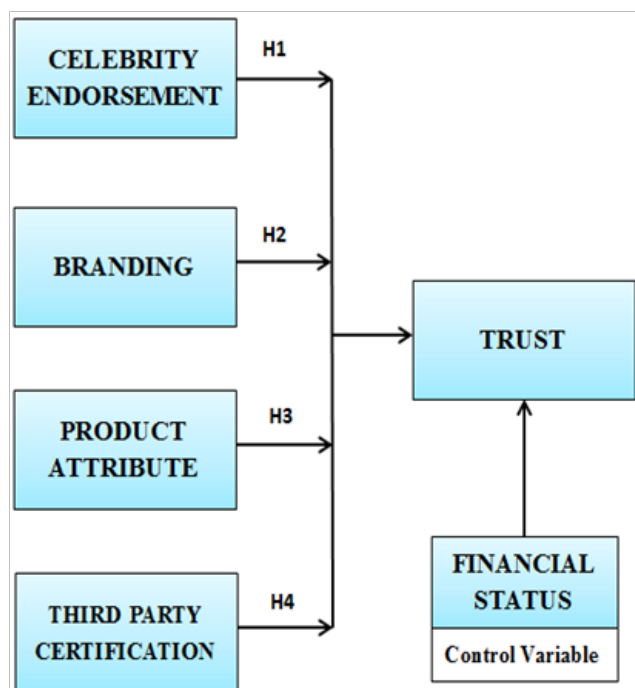


Figure 1 Conceptual Framework

## METHODS

This study has chosen quantitative research to testify the result. The target population of this research will be young female consumers of skin care products, who have been living for more than six months in Taipei, Taiwan without looking at the respective nationality. The choice of Taipei is because it is the most populated area in Taiwan so that it will be relatively easy to access the target sample. Furthermore, companies will take Taipei as the first consideration when promoting and marketing their products since it represents the strategic position in Taiwan's skin care market.

The age range of respondents falls between 18 and 30 years old. This study will exclude male to avoid their bias responses because they tend not to use skin care product, and they would answer the questionnaire based on their own assumptions. Moreover, the survey is designed to collect the data from 250 skin care users and the data collection for the empirical part of this study will take place from January to March of 2015. This research will use non-probability sampling as the selection method by choosing only young female consumers in Taiwan who are able to participate in the survey. Non-probability sampling means members' proximity and willingness to participate (Powell, 1997).

## RESULTS AND DISCUSSIONS

Data collections have been done through online and personal approach, with a total number of questionnaires returned, was 266. It has been found that 26 surveys were deemed invalid while 240 valid results will be used to be analyzed.

This study will identify the difference in three categories; respectively respondents' occupation category, 47,9% of the respondents are full-time students, while the remaining respondents are students with part time jobs (33,4%), followed by full-time worker (17,1%), unemployed (0,8%), and others (0,8%) (Table 1). It is also found that most of the respondents' income is lower than NTD10,000. It has been followed by income in the range between NTD 10,001 – NTD 20,000 (Table 2).

Results from buying interval is dominant by buying interval of once every three months (42,1%), followed by once every six months (26,2%), once a year or longer (19,2%) and once a month (12,5%) (Table 3). Based on the multiple regression results, it is clearly shown which of the variables has the strongest relationship with trust. In short, branding tends to have the greatest effect on increasing consumer trust, follow by third party certification, product attribute, and celebrity endorsement that have been shown in Table 4. Moreover, in this study, ANOVA analysis is used between financial status and trust as shown in Table 5.

Table 1 Statistic by Occupation

		Frequency	%	Valid %	Cumulative %
Valid	Student only	115	47,9	47,9	47,9
	Student with part time job	80	33,4	33,4	81,3
	Full-time worker	41	17,1	17,1	98,3
	Unemployed	2	0,8	0,8	99,2
	Others	2	0,8	0,8	100,0
	Total	240	100,0	100,0	



Table 2 Statistics by Financial Status

		Frequency	%	Valid %	Cumulative %
<b>Valid</b>	NTD 0 – NTD 10,000	92	38,3	38,3	38,3
	NTD 10,001 – NTD 20,000	71	29,6	29,6	67,9
	NTD 20,001 – NTD 30,000	56	23,3	23,3	91,2
	NTD 30,001 or more	21	8,8	8,8	100,0
	Total	240	100,0	100,0	

Table 3 Statistics by Occupation

		Frequency	%	Valid %	Cumulative %
<b>Valid</b>	Once a month	30	12,5	12,5	12,5
	Once in three months	101	42,1	42,1	54,6
	Once in six months	63	26,2	26,2	80,8
	Once a year or longer	46	19,2	19,2	100,0
	Total	240	100,0	100,0	

Table 4 Multiple Regression Result

Variable	Unstandardized Coefficients $\beta$	Standardized Coefficients $\beta$	t	Mean	Sig.
<b>Celebrity Endorsement</b>	0,123	0,139	2,484	2,630	0,014
<b>Branding</b>	0,229	0,298	4,402	3,465	0,000
<b>Product Attribute</b>	0,130	0,156	2,216	3,585	0,028
<b>Third Party Certification</b>	0,232	0,240	3,893	3,071	0,000
<b>R Square</b>		0,258			
<b>Adjusted R Square</b>		0,255			
<b>F-value</b>		43,438			

a. Predictors: (Constant), Celebrity Endorsement, Branding, Product Attribute, Third Party Certification

Table 5 One-way ANOVA Analysis

	<b>Trust</b>		
	<b>Frequency</b>	<b>Mean</b>	<b>Std. Deviation</b>
NTD 0 – NTD 10,000	92	3,192	0,658
NTD 10,001 – NTD 20,000	71	3,157	0,635
NTD 20,001 – NTD 30,000	56	2,957	0,732
NTD 30,001 or more	21	3,190	0,747
<b>Total</b>	240	3,127	0,680
<b>F-value</b>		1,575	
<b>Sig.</b>		0,196	

Table 5 shows that the highest mean trust level is 3,192 as financial status falls between NTD 0 – NTD 10,000; whereas the lowest mean is 2,957 that fall in the group of NTD 20,001 – NTD 30,000. Between falls the means of the other two financial statuses.

The F-value and the significance level can determine whether the control variable, which is the financial status, has an effect on consumer trust. The F-value is 1,575, which is less than 4, and that of the significance level is 0,196 which is greater than 0,05. Therefore, there is no statistically significant relationship between consumer trust and the financial status category.

This study shows the results of the analysis of the effects of skin care advertising strategies toward

consumer trust which were measured among 240 female participants aged from 18 to 30 years old in Taipei area. There are various factors that could affect consumer trust. Consistent with previous studies, four out of the diverse elements that are widely applied in other studies were chosen to determine the advertising strategies in skin care products: celebrity endorsement (Chi, Yeh, & Tsai, 2011), branding (Chi, Yeh, & Yang, 2009), product attribute (Sukato & Elsey, 2009), and third party certification (Bickart & Ruth, 2012). Based on the results, it is found that advertising strategies drive consumer trust. The findings revealed that there is positive correlation among the variables which has significant level at 0,01. Both stepwise and combines regression outcomes indicated that four independent

variables significantly related to consumer trust.

Evidently through the result of this research, it is found that H1, H2, H3, and H4 are accepted, which means celebrity endorsement, branding, product attribute, and third party certification are positively associated with consumer trust in skin care advertising. Branding plays the most important variable that has the strongest correlation to the consumer trust in skin care advertising, follow by third party certification, then product attribute, and celebrity endorsement. The findings revealed that young female consumers seem to react positively to the four advertising elements.

## CONCLUSIONS

Four hypotheses are accepted, this study is expected in contributing to the field of skin care industry in suggesting suitable strategies for increasing consumer trust. The findings of this study can be of great value to practitioners in advertising. Hence, there are several managerial implications may be implemented. First, this study suggests proper advertising strategies for skin care companies, marketers, and advertisers in targeting young female consumers in Taipei. The crucial elements which have positive effects in influencing consumer trust on skin care advertising are celebrity endorsement, branding, product attribute, and third party certification. Second, the results of this study showed that branding generates the highest trust for consumers in skin care advertising so that branding could be the main focus in the advertising content. The presence of branding in skin care advertising provides viewable impressions about the products on potential consumers. In short, brand-focused advertising boosts consumer trust. Finally, since financial status of consumer has no significant relationship with trust, the skin care advertising practitioners could pay less attention on this when promoting the products.

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