



# **Consumer Innovativeness in Consumer - Company Relationship and Mediating Role of Consumer Value: An Empirical Study of Cell Phone Users in Pakistan**

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## **ABSTRACT**

The aim of this study is to find out the relationship between the company image, company trust, consumer value and consumer innovativeness behavior. It focuses on how the company image and company trust influence the consumer value and consumer innovativeness behavior with respect to consumer independent judgment making and consumer novelty seeking. The research design of the study was cross-sectional and exploratory. The data were collected through a questionnaire from university students who were cell phone users. Consumer value has partially mediated between company image, company trust and consumer innovativeness behavior. The results showed the significant impact of company image and company trust on consumer innovativeness behavior rather than consumer value. Marketing manager and policy makers are willing to pay much attention to increase to the maximum consumers of their company's products. Cell phone companies demand young buyers who are frequently changing their cell phones. Hence, this study gives a new aspect to enhance the cell phone consumer with the help of increasing the company image and company trust, instead of focusing on consumer values.

**Keywords:** Company Image, Company Trust, Consumer Value, Consumer Innovativeness Behavior

**JEL Classifications:** D1, M3

## **1. INTRODUCTION**

The size and profits of companies are dependent on the presentation of new products and services in the market. However, launching and making a success of new products and services are the critical job of the marketing department of a company (Dobre et al., 2009). A larger proportion of new products and services are proved unsuccessful during their arrival in the market, consequently, out from the it (Booz Allen and Hamilton, 1982). In accordance with Booz Allen and Hamilton (1982), when a company introduced five new products from that five only one won the hearts of the consumers (Booz Allen and Hamilton 1982). Several survey reports show that 80% of products are successful out of 5000 products which are newly launched in a year (Engel et al., 1990).

Cell phone markets are showing a mature look in many countries of the world (Wang et al., 2005). Cell phone users are changing their mobiles frequently due to a few reasons such as: Adoption of telecom services, mobile breakage and fashion (Wang et al. 2005). Nevertheless, cell phone manufacturing companies are also active in introducing new products frequently as per the desire of consumers (Wang et al., 2005).

Nevertheless, consumers who follow the fashion simply replace the existing cell phone with a new one. Consumers who change their cell phones frequently display innovative behavior (Wang et al., 2005). Those consumers called innovators (Wang et al., 2005; Foxall, 1984; Gatignon and Robertson, 1991; Kotler, 1994. Ch. 14). Company managers are fully aware that innovator

consumers are an important source for introducing a new product in the market (Midgley, 1977). Eventually, innovator consumers are the key to success of a new product that is introduced by companies (Foxall 1984; Gatignon and Robertson, 1991; Kotler, 1994. Ch. 14).

Cell phone companies use so many strategies to improve and retain their product consumers. In this context, company image and company trust also play a vital role to satisfy and obtain loyalty from them. The company image is the protective layer for the company in case the company's performance is not aligned to its consumption promises. It has been found that company image significantly influences consumer loyalty (Sajtos et al., 2010). Also, company image is an important factor that influences consumer behavior which developed by Corporate Social Responsibilities (Klein and Dawar, 2004). However, company image leads to brand evaluation (Klein and Dawar, 2004). Similarly, the trust of a company projects an effective influence on consumers' purchase retention and intention (Chaudhuri and Holbrook, 2001; Erdem and Swait, 2004; Ranaweera and Prabhu, 2003; Willmott, 2003). However, the trust of a company depends on the ability, benevolence and integrity of the company (Keh and Xie, 2009).

Although, company image and company trust are important for the company growth, consumer value is significant as well. The understanding of consumer value is significant for company's decision making (Woodruff, 1997). Therefore, consumer value is not only important for a company, but also substantial for consumers (Parasuraman et al., 1985; Sharma and Lambert, 1994). Eventually, companies learn from consumer values, and consumers learn by companies' products and services (Woodruff, 1997). Companies evaluate the consumer values into four dimensions such as: (1) functional value, (2) social value, (3) emotional value, and (4) perceived sacrifices which measure the consumer value in consumer behavior (Wang et al., 2004).

Consumer innovativeness is used as a criterion variable in this research. Consumer innovativeness behavior here means that consumers are novelty seeking and in favor of independent judgment making (Manning et al., 1995). The trait of innovativeness comes in the consumer purchase decision from companies' products and services.

Primarily, companies are focusing on providing as much as tangible element through their products and services to the buyers. Therefore, there are limited examples of research that incorporate the role of company image and company trust as an element of consumer innovativeness behavior. Inspire of this, researchers are mostly focused on other behavioral factors such as, emotional value, functional value, perceived scarified value and economic values in consumer behavior.

The present study is aimed at answering these few important questions: How does the company image influence the consumer innovativeness through consumer value? How does the company image influence the consumer innovativeness? How does the company trust influence the consumer innovativeness behavior through consumer value? How does the company trust influence

the consumer innovativeness behavior? Does consumer value mediate the relationships among company image and consumer innovativeness, company trust and consumer innovativeness? The purpose of the current study was to recognize the position of the company in regards to image and trust with respect to consumer value and innovativeness. Company image and trust make the relationship better between consumers and company (Sajtos et al., 2010). Additionally, company image and trust build the relations between company and consumer along with good products and services (Sajtos et al., 2010).

The chief contribution of this study is to produce a focus on consumer innovativeness relating to a company's image and trust at micro and macro level. Moreover, this study contributes to enhance the body of literature on company image, company trust, consumer value and innovativeness by providing an empirical model that simultaneously identifies the predictors (company image and company trust) of consumer value and consumer innovativeness behavior.

## 2. LITERATURE REVIEW

### 2.1. Company Image

The terms company image and company reputation have been used interchangeably in many research studies (Sajtos et al., 2010). Company image literature is replete with the identification of its important factor in company-consumer relationship (Bittner, 1991; Gronroos, 1984; Gummesson and Gronroos, 1988). Company image represents the perception towards the company in the mind of consumers (Fombrun, 1996; Hatch and Schultz, 2003; Nguyen, 2006; Bravo et al., 2009). According to Awang and Jusoff, (2009), company image is measured by its long term relationship with its customers, employees and stakeholders. Mainly, company image is based on two components; functional such as physical features which can be evaluated easily, emotional, which is the sum of consumers experiences gained from the company with the passage of time (Kandampully and Hu, 2007).

Karaosmanoglu et al. (2011) concluded that an individual's identification and emotional attachment help to build a positive company image amongst the surrounding (networks of the individuals). The people's favorable attitude towards an organization is significantly related to company image. Finally, the company image formation depends on the factor of what they expect from the company.

In order to have a comprehensive understanding of company image, we need to examine the consequences. Prior studies highlight that company image has a positive influence on financial performance (Podolny, 1993; Fombrun, 1996; Roberts and Dowling, 1997). Further to that, a positive company image might give benefit to firms in different forms; (1) delaying rival mobility in the industry, (2) premium price charging on customers, particularly in a highly uncertain market, (3) attracting larger amounts of investments from the share market, (4) maintaining supreme spirit among employees, (5) owing to less contracting and monitoring costs with suppliers and lower remuneration rate among employees, enjoying a cost advantage, (6) enhancing and supporting new products in the event

of crisis (Benjamin and Podolny, 1999; Carmeli and Tishler, 2005; Fombrun and Shanley, 1990; Fombrun, 1996; Rindova et al., 2005; Roberts and Dowling, 2002).

Up until now, good company image is not a key to a company's success all in all. In the latest study, Page and Fearn, (2005) suggested that neither does a bad company image make building brand equity difficult, and nor is a good image a surety of strong brand. Having good company image has its downside, specifically in an event of crisis for the company. A company with a good image has to suffer more than those with poor company image when a mistake is made (Rhee and Haunschild, 2006).

However, company image and switching intention have a weak and non-significant relationship because the company image is developed by the company's experience. The longer the life of the company, the more its best image is known. Company image and customer satisfaction have a positive significant relationship between each other (Walsh et al., 2006).

Abd-El-Salam et al. (2013) expressed the relationship of company image and reputation with consumer loyalty, satisfaction and service quality. The study found a positive relationship of company image and reputation with customer loyalty, satisfaction and service quality. Moreover, service quality also has an impact on consumer loyalty.

## 2.2. Company Trust

Trust is an ideal which companies aim to achieve (Ipsos, 2011). Company trust is an important factor for a company's continuous success (Ingenhoff and Sommer, 2010). Many factors are involved in a company's becoming trust worthy for stakeholders such as: Chief Executive Officer (CEO) reputation (Ingenhoff and Sommer, 2010). In the world, trust has significant importance for a company's success (Ingenhoff and Sommer, 2010). Moreover, trust is not only beneficial to the success of a company, but also to the CEO of a company. When the trust towards the CEO is increased, the company becomes trustworthy in the eyes of consumers. The Ipsos Reputation Pyramid narrates that awareness of the company is the first step for building image marketing efficiency, followed by the familiarity of the company among consumers. When a company gets familiarity and favorability enhancement, at the end the trust of the company is built among consumers (Ipsos, 2011).

Being vulnerable implies that something of significance is at risk and making oneself vulnerable is taking a risk. Trust is not taking risks in itself, but rather it is a willingness to take risks (Boss 1978; Zand, 1972). There are three factors of perceived trustworthiness, namely the ability, benevolence and integrity that leads to trust (Mayer et al., 1995) and also differentiating trusting from risk taking. Trust has its own identity that is renowned in itself, which is often confused with terms like cooperation, confidence and predictability.

Keh and Xie (2009) determined that company managers with favorable company reputation or image develop company trust and identification among customers. Company trust influences customer commitment positively (Keh and Xie, 2009). Deniz

and Young (2007) stated the fact that increased trust will result in enhancing the norms and vice versa, where poorer trust will probably result from and lead to more coercive communication behaviors. Vlachos et al. (2010) found an unknown antecedent of organizational trust, which are sales force reactions to corporate socially responsibility. Seppanen et al. (2007) suggested that the conceptualization and components of trust are same, but the measurement of the trust is different based upon the context.

Morgan and Hunt (1994) examine the relationship of company trust and several elements that minimize the risk between a company and its stakeholders. In this context, Morgan and Hunt (1994) found company trust has a positive relationship with consumer acquiescence, cooperation, functional conflict and a negative relationship with uncertainty and propensity to leave.

## 2.3. Consumer Value

In today's consumption-based society, firms are continuously making new products for their survival. To face the competition these firms show the differentiation with other firms and claim that they are performing better, further increasing the competition (Lee, 1989).

The main and most important task for marketers is to build a company image by showing discrimination and by competing with others (Song, 2003). The main tool which is used in building consumer values is advertising. It shows that one can perceive anything one desires (Pollay, 1983). There must be a connection between company image and consumer value. This connection is shown by the means-end chain (Gutman, 1982). According to Hetsroni (2000) values are the most dominating and strong force which support everyday lives ways, behaviors, decisions and perceptions.

Consumer value has a large number of definitions. Consumer value is used to measure customer satisfaction and loyalty by Graham L. Bradley and Beverley A. Sparks. According to Holbrook (1999) consumer value is a specific feeling and a right to choose something between different acts or states. Woodall (2003) defined consumer value as an advantage which comes up due to the customer's association with organization offerings.

Consumer value is a property which is linked with a product, and comes from a product or a service, experience and through interaction (Gronroos, 2008; Payne et al. 2008; Smith and Colgate, 2007; Vargo and Lusch, 2004; Woodall 2003; Zeithamal, 1988). Consumer value is a variable which varies with respect to consumer experience and time (Sparks et al., 2011). Furthermore, consumer value is observed by the consumer at the moment of purchase, at the time of use and even after use of products or services (Sanchez et al., 2006).

According to Sanchez et al. (2006), value is a dynamic variable, about which your perception is changed before and after purchase and its use. Factors like direct consumption experiences, learning about the product and services, consumer characteristics and historical background cause the consumer value to change (Smith and Colgate, 2007).

Therefore, consumers have their own value preferences, which are specifically associated with them (Holbrook, 1999). Consumer values are subjective, product or service dependent and change over time. Shopping behavior is mainly known through the consumer thoughts, attitudes about the price, quality and value (Doyle, 1984; Jacoby and Olson, 1985; Dickson and Sawyer, 1984). Consumers associate different types of attributes and a high degree of satisfaction and expectation which provides value to them. According to Dodds and Monroe (1984) consumer value is that thing, which we get in response to that which we pay; which we get from a product. Holbrook and Corfman (1985) narrated that value is a perception which one makes in a specific situation and one forms judgments according to that experience.

Consumer values are experienced with consumer shopping style in malls and on the internet by Kim (2002). Shopping malls and the internet shopping style of consumers are becoming major competitors for a company, providing several consumer values in the form of economic, functional and emotional. Kim (2002) explained that each shop in the shopping mall enhances the consumer value by adopting the Holbrook's (1999) consumer value typology. Consumer value typology consists of four components: Efficiency (extrinsic/active), excellence (extrinsic/reactive), play (intrinsic/active), and aesthetics (intrinsic/reactive) by Holbrook (1999).

#### **2.4. Consumer Innovativeness Behavior**

The consumer innovativeness concept is narrated with different concepts by different researchers such as "the degree to which an individual is relatively earlier in adopting an innovation than other members of his social systems." (Roger and Shoemaker, 1971). After that, Hirschman (1980) explained the consumer innovativeness term underlines that: "Innovativeness is one of the few concepts that is so important to the consumer behavior. The consumer's tendency to adopt new products, ideas, goods or services, plays an important role of the theories concerning brand loyalty, decision making, preferences and communication. From the personal point of view, each consumer is, generally speaking, an innovator, each of us adopting some goods or ideas regarded as new by us through our lives."

To increase the brand name and customer loyalty, firms expand their product line on monthly or yearly bases. It's not necessarily brand extension that gives the guarantee of product success (Aaker and Keller, 1990). For the success of a new product it is necessary to identify the regular users of that product (Midgley, 1997). According to Goldsmith and Flynn (1992) early users perform a vital role in the success of new product. This is because early users do not care about price and have more information about the new product. They are also the more frequent users of the new product (Goldsmith and Hofacker, 1991). Consumption behavior of innovative consumers is different as compared to that of non-innovative consumers (Foxall, 1984; Midgley and Dowling, 1978). Consumer buying decision is effected by the consumer innovativeness.

Moreover, according to Kotler (1994), brand extension is a modification in establishing product line. Consumers evaluate the new brand on the basis of the parent brand (Aaker and Keller,

1990). It is necessary that a new brand increase the revenue of the company. Sometimes a new product affects the goodwill of the parent brand. Consumer innovativeness is related to those who adopt the change in the early stage as compared to later adopters of change (Rogers and Shoemaker, 1971. p. 27). Innovative consumers always have new information and ideas about new products (Midgley and Dowling, 1978). Xie concluded that consumer innovativeness leads consumers to buy a new and different product. Consumer innovativeness helps marketers who identify innovative consumers. Innovative consumers increase the initial sale of the new product and also enhance the awareness of the new products (Citrin et al., 2000). Consumer innovativeness consists of two types (1) open processing innovativeness, (2) Domain specific innovativeness.

The main focus of open processing innovativeness is on cognitive style. It includes individuals' intellectual perceptual and attitude characteristic. An individual's reaction towards new products sensation, experiences and communications within their environments is effected by the cognitive style. The information which they gain is used positively and in a constructive way (Joseph and Vyas, 1984). Domain-specific innovativeness means consumer innovativeness is limited to a domain or specific product. The former approach supports individual personality characteristic for innovativeness (Goldsmith and Hofacker, 1991).

Consumer innovativeness is mostly related to the tendency of the consumer for change (Hurt et al., 1977). According to Park et al. (2010) cognitive innovativeness leads to quality consciousness, price consciousness, confused by over choice. Sensory innovativeness leads to brand consciousness, fashion consciousness, recreational orientation, impulsiveness, and brand loyalty.

According to Hurley and Hult (1998), firm innovativeness is the ability of a firm to introduce a new product at a speedy rate. Firm innovativeness is the propensity to bring the innovation to the consumers. Product innovativeness is the extension in product line (Daneels and Kleinschmidt, 2001). Consumer innovativeness is the propensity of competition among the consumers to buy new products (Midgley and Dowling 1978). Innovativeness means early adoption of new products (Cestre 1996). Innovativeness means inclination towards new products (Steenkamp et al., 1999). According to Midgley and Dowling (1978) innovative behavior is easily tapped at the new product attraction level. In determining the innovativeness behavior, innovativeness comes from the new product perception that plays a dominant role in consumer innovativeness behavior.

### **3. HYPOTHESES DEVELOPMENT**

Company image has a positive effect on consumer perceptions. When a company fulfills its promises with its consumers the consumer perception in term of consumer values is boosted up. On the contrary, when the company promises are under the non-fulfillment category the consumer perception in term of consumer values is low (Bailey, 2005). Cretu and Brodie (2007) confirmed that brand image has a specific impact on the consumer value in

terms of quality while the company image has a broader impact on consumer value. The company image directly influences the consumer value and consumer loyalty but it varies from market to market.

Brodie et al. (2009) discussed that brand image; company image, company trust, and employee trust directly influence the consumer value by consumer perceptions about product and services quality. Consumer value differs from brand to brand image. Company image influences the consumer value. Consumer value performs the fully mediate impact of employee trust and brand image. In the meanwhile there is a partial mediate effect of company image and consumer loyalty. On the bases of literature about company image and consumer value relationship  $H_1$  hypothesis is proposed.

Hypothesis 1: Company image will be positively associated with consumer value.

Brodie et al. (2009) found that the relationship between company image and customer loyalty does not have a positive relationship. Sajtos et al. (2010) proposed that company image has a significant impact on consumer loyalty. In this regard, consumer innovativeness may be affected by company image.

Hypothesis 2: Company image will be positively associated with consumer innovativeness behavior.

Company trust derives from three aspects which are: The consumer post-purchase behavior or experiences, people working within the company and polices or management of the company. These three things are interlinked in company trust. Company policy experiences of employees within the company and customer experiences directly relate to company trust. These three things increase or decrease the company's trust (Brodie et al., 2009).

Sajtos et al. (2010) discussed that company image and company trust have non-significant impact on customer value and customer loyalty. Company trust is one of the protective dimensions in company services and customer value. In the light of literature  $H_3$  hypothesis is proposed.

Hypothesis 3: Company trust will be positively associated with consumer value.

Panayides and Venus Lun (2009) found that trust is a significant independent variable in business relationships. Trust positively influences the innovativeness, that influence enhances the company trust among the employees and alternatively improves the innovation. There are two dimensions of innovation, one from the employee's perspective and the second from the customer's perspective.

Wang et al. (2011) discussed that trust can control opportunistic behavior and create a friendly environment among the employees, manufacturer and supplier relationship. Therefore, a friendly environment gives the result in the company trust as innovativeness. That innovation occurs in the employees and consumers because the employees of any organization are the first

consumers of the company products.

Hypothesis 4: Company trust will be positively associated with consumer innovativeness behavior.

Clark and Goldsmith (2006) discussed that the consumer dimension like social values influences consumer innovativeness. The study confirms that individual interpersonal character significantly correlates with consumer innovativeness. Consumer innovativeness behavior demands new products from the innovators' companies. Chakrabarti and Baisya (2009) discussed that consumer innovativeness has a significant relationship with different brands with respect to fashion innovativeness. The fashion innovativeness factor mostly exists in the social value for consumers. To some extent, the emotional value for consumers also influences consumer innovativeness. In addition to this, Klink and Athaide (2010) discussed that consumer innovativeness did not measure on the behalf of brand extensions of the product and services.

Hypothesis 5: Consumer value will be positively associated with consumer innovativeness behavior.

The consumer value construct has been used as a mediator among company image, company image and consumer loyalty (Sojtos et al., 2010). This study confirms that consumer value has a positive relationship with consumer loyalty as well as with company image and company trust. Whenever, mediation is applied, the relationship of consumer value with other variables transforms into a negative construct.

In another study, the consumer value construct is used as a mediator between company reputation and word-of-mouth. Arslanagic et al. (2013) proved that consumer value has a positive relationship between company image and consumer word-of-mouth in the service industry. In the light of earlier studies, hypothesis 6 is developed in this study.

Hypothesis 6: Consumer value will be mediating between company image and consumer innovativeness behavior, same as in company trust and consumer innovativeness behavior.

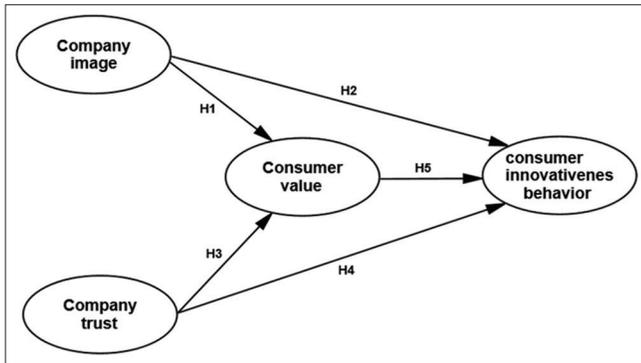
## 4. RESEARCH MODEL

In light of literature review, authors expected that company image and company trust would significantly influence the consumer value and consumer innovativeness behavior. Further to that, consumer value performs the mediating role between company image and consumer innovativeness behavior. Based on the discussion, a research model (Figure 1) and hypothesis were developed.

## 5. METHODOLOGY

Four scales were used in the current study to measure the constructs of interest. All the constructs are pre-existing and taken from the literature. Measures consist of the company image, company trust, consumer value (perceived sacrifices, functional value, emotional

**Figure 1:** Research model and hypotheses



value and social value) and consumer innovativeness behavior (consumer independent judgment making and consumer novelty seeking) constructs.

There are many researchers who developed the company image scales to measure the company image among consumers. However, the construct of company image has been developed over the years. Nguyen and LeBlanc (2001) developed the company image scale by using the construct of “I have always had a good impression of ABC.” “In my opinion, ABC has a good image in the minds of consumers.” “I believe that ABC has a better image than its competitors.” All the company image constructs of Nguyen and Leblanc (2001) measure the company image with the help of seven-point Likert-type agreement scale with anchors of strongly disagree (1) and strongly agree (7). There are 5 items of company image scale with reliability ( $\alpha = 0.748$ ) developed by (Sajtos et al, 2010) used to measure the company image variable. Sajtos et al. (2010) measured the company image with the help of ten-point Likert-type agreement scale with anchors of poor (1) and excellent (10). The reliability of company image construct was recorded at ( $\alpha = 0.74$ ). In Pakistani culture five point Likert scales seem to be the most appropriate and recommended measure of company image by Sajtos et al. (2010) wording of constructs.

For measuring the company trust the scale was adapted and there are 4 items used in the current study for measuring the company trust. The company trust items were measured by semantic differential scale. Company trust scale developed by Sirdeshmukh et al. (2002). Company trust constructs reliability was recorded at ( $\alpha = 0.83$ ). There are four dimensions of consumer value such as; consumer perceived sacrifices 6 items ( $\alpha = 0.96$ ), functional value 3 items ( $\alpha = 0.93$ ), emotional value 5 items ( $\alpha = 0.95$ ) and social value 3 items ( $\alpha = 0.91$ ). The scale of measuring the consumer value was adopted by Wang et al. (2004).

Two dimensions of consumer innovativeness behavior scale like consumer independent judgment making and consumer novelty seeking ( $\alpha = 0.84$ ) were developed by Manning et al. (1995). Consumer independent judgment making has 6 items from which one item has reverse scale.

Islamabad is the capital of Pakistan, and was selected as a research site in the study. This city is different than Lahore, Peshawar and

Karachi by culture. Therefore, from all over the Pakistan, students come and study at different universities of Islamabad. A self-administrated questionnaire was used in quantitative nature of study. Whereas the concern of the aim of this study, universities (Quaid-e-Azam University, Mohammad Ali Jinnah University, Bahria University and Air University) students were selected for survey by using the purposive sampling technique. A total of 900 questionnaires were distributed and 591 questionnaires were returned from six public and private universities.

## 6. RESULTS

The relationship among company image, consumer value and consumer innovativeness behavior were measured by using the Pearson product moment correlation coefficient. The correlation test was done for every predictor variable with criterion variable. Means (M), Standard Deviation (SD) and inter correlation matrix between the variables, company image, consumer value and consumer innovativeness behavior are shown in Table 1.

For testing the mediating effect of consumer value on company image and consumer innovativeness behavior, this study employed the three step regression procedures suggested by Baron and Kenny (1986). Consumer innovativeness behavior was positively correlated with consumer value, company image and consumer trust significance ( $r = 0.431, 0.257, 0.117$  respectively, all  $P < 0.01$ ), as shown in Table 1.

As shown in Table 2, the company image significantly affects the consumer innovativeness behavior. As per statistical analysis step (1) is confirmed, as seen in Table 2, step (1) company image and consumer innovativeness behavior had a significant relationship ( $Beta = 0.257, P < 0.01$ ). In step (2) company image and consumer value found a significant relationship ( $Beta = 0.508, P < 0.01$ ). In step (3) when consumer value (the mediating variable) was included in the above regression model, it had a significant positive relationship with consumer innovativeness behavior ( $Beta = 0.431, P < 0.01$ ) and the regression coefficient of company image and consumer innovativeness behavior reduced from 0.257 to 0.051 ( $P < 0.01$ ). This demonstrated a partial mediation of consumer value in the relationship between company image and consumer innovativeness behavior.

As shown in Table 3, the company trust significantly affects the consumer innovativeness behavior. As per statistical analysis step (1) it is confirmed, as seen in Table 3, step (1) that company trust and consumer innovativeness behavior had a significant relationship ( $Beta = 0.117, P < 0.01$ ). In Step (2) company trust and consumer value found a significant relationship ( $Beta = 0.112, P < 0.01$ ). In step (3) when consumer value (the mediating variable) was included in the above regression model, consumer value had a significant positive relationship with consumer innovativeness behavior ( $Beta = 0.431, P < 0.01$ ) and the regression coefficient of company trust and consumer innovativeness behavior reduced from 0.117 to 0.069 ( $P < 0.01$ ). This demonstrated a partial mediation of consumer value in the relationship between company trust and consumer innovativeness behavior.

**Table 1: Means, standard deviations and correlation among variables**

Variables	Mean±SD	1	2	3	4
Consumer value	3.767±0.552	0.851			
Company image	3.772±0.793	0.508**	0.748		
Company trust	3.452±1.119	0.112**	0.137**	0.831	
Consumer innovativeness behavior	3.403±0.710	0.431**	0.257**	0.117**	0.821

Cronbach's alpha coefficients are on the diagonal in parentheses. \*\*P<0.01

**Table 2: Regression analysis of consumer value mediating company image-consumer innovativeness behavior**

Analysis one	R	R <sup>2</sup>	R <sup>2</sup> Change	Beta
Consumer innovativeness behavior on company image	0.257	0.066		0.257**
Analysis two				
Consumer value on company image	0.508	0.258		0.508**
Analysis three				
Step one: Consumer innovativeness behavior on consumer value	0.431	0.186		0.431**
Step two: Consumer innovativeness behavior on company image	0.433	0.185	0.002	0.051**

Significance level at \*\*P<0.01

**Table 3: Regression analysis of consumer value mediating company trust-consumer innovativeness behavior**

Analysis one	R	R <sup>2</sup>	R <sup>2</sup> change	Beta
Consumer innovativeness behavior on company trust	0.117	0.014		0.117**
Analysis two				
Consumer value on company trust	0.112	0.012		0.112**
Analysis three				
Step one: Consumer innovativeness behavior on consumer value	0.431	0.186		0.431**
Step two: Consumer innovativeness behavior on company trust	0.436	0.19	0.005	0.069**

Significance level at \*\*P<0.01

## 7. HYPOTHESIS TESTING

The results show that company image has positive direct effects on both consumer value ( $r = 0.508, P < 0.001$ ) and consumer innovativeness behavior ( $r = 0.257, P < 0.001$ ), support of H1 and H2. Comparing the values of the two coefficients, it appears that company image has greater influence on consumer value than on consumer innovativeness behavior.

To test H3 and H4, we examine the impact of company trust on consumer value and consumer innovativeness behavior. The estimate results of H3 and H4 reveal that company trust has a positive effect on consumer value ( $r = 0.112, P < 0.001$ ) and consumer innovativeness behavior ( $r = 0.117, P < 0.01$ ). Comparing the value of the two coefficients, it appears that company trust has greater influence on consumer innovativeness behavior than on consumer value. In addition, H5, consumer value is also significantly effecting the consumer innovativeness behavior ( $r = 0.186, P < 0.001$ ) before treating the consumer value as a mediator (Tables 2 and 3; Figure 1).

Further, H6, that is, there is a mediating role of consumer value in the linkage between company image and consumer innovativeness, as well as, between company trust and consumer innovativeness. Compare the standardized path coefficients of the two models with and without the mediating relationships. According to Baron and Kenny (1986), with addition of a mediator (consumer value) into the model, the contribution of a previously significant independent variable should drop significantly for partial mediation and become insignificant for full mediation.

Consequently, compare the results in Tables 2 and 3 to assess H6. Firstly, Table 2 shows the overall results of the company image, consumer value and consumer innovativeness behavior model. As per Baron and Kenny (1986) assumptions of mediation, company image has a strong impact on consumer innovativeness behavior ( $r = 0.257, P < 0.001$ ), while mediate the consumer value, the effect of company image less significant ( $r = 0.051, P < 0.01$ ) on consumer innovativeness behavior (Table 3, analysis one and analysis three step two). Thus, consumer value demonstrates as a partially mediating between company image and consumer innovativeness behavior.

Secondly, Table 3 shows the overall results of company trust, consumer value and consumer innovativeness behavior model. Company trust has significant impact on consumer innovativeness ( $r = 0.117, P < 0.001$ ), and while it mediates the consumer value, the effect of company trust on consumer innovativeness is less significant ( $r = 0.069, P < 0.01$ ). (Table 3, analysis one and analysis three step two). Hence, consumer value demonstrates as a partial mediate between company trust and consumer innovativeness behavior.

## 8. DISCUSSION AND CONCLUSION

The study examines the fundamental mechanism through which company image and company trust influence consumer innovativeness behavior. Several prior studies on company image accentuate the direct influence of company image on behavioral intentions, company financial performance, and consumer loyalty and satisfaction. The results highlight the favorable company

image and trust benefit to make consumer innovativeness behavior. Furthermore, consumer value plays a mediating role among the other three relational and behavioral constructs such as company image, trust and consumer innovativeness behavior.

This study provides a new perspective on consumer innovativeness behavior by introducing the concept of company image and company trust. In prior studies, company image and trust constructs are used as a protective layer in case of company services failures (Sajtos et al., 2010; Hess et al., 2003; Tax et al., 1998). The empirical findings also indicate that the relationship amongst company image, trust and consumer innovativeness behavior concurrently buffer and magnify (Hess et al., 2003).

As for the effects of the three constructs on consumer innovativeness, the study finds that two constructs, company image and company trust directly influence the consumer innovativeness behavior. Therefore, company image and trust make the consumer more innovative as compared to consumer value. These two constructs from the company side develop the strong relationship with the consumer with respect to consumer innovative behavior.

This finding is consistent with the opinion of Sajtos et al. (2010) that company assets constructs such as company image and company trust establish the consumer-company relationship better into the consumer loyalty perspective. Similarly, findings of Arslanagic et al. (2013) show consumer value partially mediates between company image and consumer word-of-mouth.

## 9. LIMITATIONS AND FUTURE RESEARCH

This study has several limitations. Firstly, there is issue of generalizability. Data have been collected from sample university students from only one city, which is a major limitation of this study. Young consumers are eager to use new products and services (Park et al., 2010). Hence, university students are the valid consumers of cell phones in his study. Secondly, the hypothesis needs to be verified in relation to more companies' products and services. This study only examined the Nokia and Samsung.

Additionally, personal characteristics, cultural values should be investigated in further studies. Despite this, this model could be replicated into other companies as well as countries. Further to that, limitations are very fertile that could be utilized for further research. Moreover, the same model can be used for qualitative and mixed method approach. Later on, that study will provide more comprehensive findings to this study's results.

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