

Innovation effect on brand trust

case of Algerian consumer

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Abstract :

Trust is an essential factor in building and sustainability of the consumer-brand relationship. Innovation is a necessary tool to facilitate the process of fighting against the risk of loss of confidence which has a negative effect on the relationship with the consumer, because it can go until it breaks. The main objective of our research is to test the effect of innovation on trust brand by taking the case of the Algerian consumer. Indeed, the partial linear regressions of each facet show that innovation has a greater effect on credibility than integrity.

Keywords:

Trust, Innovation, Brand, Consumer, Effect.

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Introduction

Trust is an indispensable factor in the construction and sustainability of the brand-consumer relationship; it consists of three dimensions (Gurviez, P., & Korchia, M., 2002); (competence, honesty, benevolence); the consumer maintains the links which unite him to the mark of what he considers that it possesses the necessary technical aptitudes called (competence, Integrity), that will really implement (honesty) and will do its best to resolve any problems (benevolence).

Innovation in the customer relationship is a Revealer of a company's ability to trust, it is a necessary tool to facilitate the process of fighting the risk of loss of trust which has a negative effect on the relationship with the customer, because it can go until it breaks.

The main objective of our research is to test the effect of innovation on trust by taking the case of the Algerian consumer.

The Benevolence facet was used in the trust scale to measure the level of business innovation in the eyes of consumers. The analysis is done on the basis of a linear regression that allowed us to explain a dependent variable by another independent variable, linking brand trust with innovation.

1. Literature review and hypotheses development

1.1.Trust:

The majority of recent researches believes that trust is among the main components of relationship quality. It is often considered as a central mediating variable explaining decision-making behavior (Boyer, A., & Nefzi, A., 2007). According to Moulins, J.L., & Roux, E. (2010); a brand perceived as more functional (utilitarian) will lead to a more cognitive type of relationship with the brand, for which brand trust should be central. From the consumer's point of view, brand trust is a psychological variable reflecting a set of accumulated presumptions traditionally involving three dimensions (Gurviez, P., & Korchia, M., 2002):

- competence or expertise: refers to the perceived quality of the offer,
- Honesty: based on the belief that the commitments will be respected (Moulins, J.L., & Roux, E., 2010).
- Benevolence: is the way in which the partner, especially the brand, feels concerned about the consumer's well-being (Jazi, S., 2003).

The consumer maintains the ties that bind him to the provider or the brand because he thinks that they have the necessary technical skills (competence), will actually implement them (honestly) and will do their best to resolve any issues (benevolence). Equity, more than affection, is the main driver of this relationship (Moulins, J.L., & Roux, E., 2008). The consumer trusts a brand when he sees it as credible, honorable and friendly.

Credibility is the assessment of the brand in terms of expertise and competence as well as its ability to meet customer expectations.

The brand is considered honorable when it keeps its promises. It is friendly when it is attributed that good will take into account and gives the greatest importance to consumer interests in the long-term. Its role in the explanation of the purchase intention increases in various research (Veloutsou, C., & Moutinho, L., 2009).

Consumers will be more willing to accept a new product from a brand they trust. For example, the consumer will expect a good quality extension if it is done by a brand perceived as technically competent (Gurviez, P., & Korchia, M., 2003). Trust towards a brand can come from the brand's understanding, i.e. its denotative aspects, or from the consumer's satisfaction with the previous consumption of the brand's products (Ghewy, P., 2010). Moreover, the research shows that the key asset of the local brand was trust: in periods of doubt, food scandals, the value of trust is an asset an advantage (Kapferer, J. N., 2003). However, according to several authors (Gurviez, P., & Korchia, M., 2002; Chaudhuri, A., & Holbrook, MB, 2001), brand trust has cognitive and affective dimensions, just like brand passion (Hatfield E., 1988). Brand trust has a

positive influence on some affective constructs as a brand affection (Chaudhuri, A., & Holbrook, M. B., 2001) and brand love (Albert, N., et al., 2010).

In marketing, trust has been empirically examined as a key factor in triggering and maintaining any long-term relationship. Trust leads to customer loyalty and commitment (Bouhlef, O., et al., 2009). Brand trust is evolving from previous experiences and interactions (Garbarino, E., & Johnson, M. S., 1999). Therefore brand trust summarizes the consumer's knowledge and experiences with the brand. If a consumer trusts the brand based on previous experiences, he will almost certainly be satisfied with the purchase (Lee, K. Y., et al., 2007). Olsen & Johnson (2003) see satisfaction as a cumulative assessment of consumer consumption experience. Trust is a factor with which customers can see when they compare their experiences with previous expectations (Wang, C. H., et al., 2009). Doney & Cannon (1997) argue that the construction of trust involves a calculator process based on the ability of an object or a part (eg, a brand) to continue to meet its obligations, and on an evaluation of costs versus rewards of staying in the relationship (Um, N.H., 2008).

Stewart Lewis (2003) argues that reputation and trust are interrelated entities. The research measures suggest that trust is associated with the positive image and promises kept.

A complete understanding of trust comes from considering its evolution in a relationship. Also, brand trust evolves from the outcome of the previous experience with the brand. If a consumer builds brand trust over a very long period of interaction, he will have more confidence that the brand will provide a basis of security (Liu, B., & Karahanna, E., 2007). Consumer trust towards the brand (brand trust) has a positive effect on the brand; it will influence intention to continue buying and to stimulate high attitudinal loyalty (Halim, R.E., 2006). Therefore, if trust is a necessary condition for the establishment and continuity of the brand-consumer relationship, the loss of trust should have a negative effect on this relationship, which can go as far as breaking it

(Magnoni, F., & Roux, E., 2005). Brand trust is significantly correlated with satisfaction and brand loyalty measures and further emphasized that this is the essence of the value that a strong brand offers to customers (Atilgan, E., et al., 2009).

1.2. Innovation:

Innovation is crucial for organizations to remain competitive and successful (Smith & Tushman, 2005).

Innovation in the customer relationship is an indicator of the ability of a company to make trust, it is a necessary tool to facilitate the process of fighting the risk of trust loss that has a negative effect on the relationship with the customer it can even go as far as breaking it. Hjalager (2010) argues that innovations have positive effects on customer preferences, service quality, employee productivity and customer retention.

M. Dachyar et al., (2011) studied "the influence of innovation factors for customer loyalty to GSM in telecommunications companies". The results indicate that innovation has no significant direct effect on improving customer loyalty, but has a significant effect on loyalty antecedent: customer expectations, perceived quality, perceived value, corporate image, customer satisfaction, customer trust, customer engagement, customer complaint.

To explain the varying effectiveness of confidence in solving uncertainty related to innovation in both US and German countries); Peters, H. P., et al., (2007) find that the highest relevance of trust and the weakest appreciation of nature make American culture more apt at assimilating the technical innovations of German culture.

H1: Innovation positively influences credibility (competence).

H2: Innovation positively influences integrity (honesty).

2. Methodology, data analysis and results

For this study, we used the random selection. The reasons behind this choice are mainly the lack of a frame on Algerian consumers attached to the brand.

Our target population consists of all Algerian consumers of more than 15 years old. Our sample is composed mainly of people living in the wilaya of Tlemcen and its

surroundings, in urban or rural areas. As part of the data collection, we conducted two stage-test. The first is a pre-test using a quantitative survey based on a questionnaire on a sample of 10 persons in order to correct errors, which may prevent understanding of the questions, and to see if the questions in Arabic were seen adequately concerning the technical terms in French.

The pre-test revealed that the questions were understandable as formulated by the interviewers. This then allowed us to collect actual data from 200 people.

In total, the data collection took almost three weeks and ran from January 03 to January 17, 2019.

2.1. Variables and the construction of the questionnaire

We avoid choosing one or two specific brands, we ask respondents to think of a brand to which they are trusted.

The variable that explains brand trust is measured by a three-dimensional scale (competence, honesty, benevolence) through 8 items developed by Gurviez and Korchia (2002). The benevolence facet of trust scale was used to measure the level of business innovation in the eyes of consumers.

Items in the trust and innovation scales are measured on a Likert scale to express the intensity of agreement (5) positions going from (-2) not agree to (2) all agree.

To process the information collected using SPSS V 17 and Excel in order to establish a database with easy to use software for data analysis SPSS (Statistical Package for the Social Sciences), we transformed information collected in the form of numerical codes. Calculating Cronbach's alpha shows that the scales are reliable with homogeneity of 77.5%.

2.2. The hypothesis test

We will expose the results of the linear regression conducted on each of two facets of trust.

We use a regression analysis to measure the effect of innovation on trust to test our hypotheses.

2.2.1. Innovation effect on credibility: results of regression 1

The first regression analyzes the effect of innovation on credibility to test the first hypothesis. Results are shown in the following table:

Table 1. results of the regression analysis.

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.513 ^a	0.263	0.259	0.86101715	1.576

a. Predictors : (Constant), Innovation

b. Dependent Variable : Credibility

Source: SPSS output.

Table .2. Table of regression ANOVA.

ANOVA ^b						
Model		Sum of squares	df	Mean Square	F	Sig
1	Regressionn	43.160	1	43.160	58.218	0.000 ^a
	Residual	120.840	163	0.741		
	total	164.000	164			

a. Predictors : (Constant), Innovation

b. Dependent Variable : Credibility

Source: SPSS output.

Innovation effect on brand trust, case of Algerian consumer

Table . 3. Table of regression coefficients.

Model	Coefficients ^a					
	Unstandardized		Standardized	t	Sig.	Collinearity Statistics
	Coefficients		Coefficients			
	B	Std. Error	Beta			Toleranc e VIF
(Constant)	0.000	0.067		0.000	1.000	
Innovation	0.513	0.067	0.513	7.630	0.000	1.000 1.000

a. Dependent Variable: Credibility

Source: SPSS output.

✓ Regression Comments

The adjusted R2 value is 0,259 indicating that 25.9% of the information credibility is explained by innovation. We notice that the model's explanatory power is accepted on average. The Durbin-Watson statistic is 1,576 close to 2 indicating the absence of residual autocorrelation.

It can be seen from the table that the ANOVA test value of global significance (sig = 0 < 5%) and the F value obtained (F = 58,218) is greater than the critical value of F table, then we deduce that the model is globally significant. Therefore, our results confirm that "innovation positively influence trust."

The third table shows (column VIF) values collinearity tests that are very close to 1, indicating that collinearity tests do not reveal any problems of multicollinearity.

It can be seen from the table 3, (column t) shows that the absolute values of (t) is greater than the value of t the Student table (t = 7.630), then we deduce that innovation is significant and explain 25.9% of Credibility.

According to the standardized coefficient (beta), innovation has a positive effect on credibility, positively influences brand attachment.

Consequently our results confirm that: "innovation positively influences the intensity of the credibility".

2.2.2. Innovation effect on integrity: results of regression 2

The second regression analyzes the effect of innovation on integrity to test the second hypothesis. Results are shown in the following table:

Table 1. Results of the regression analysis.

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.483 ^a	0.233	0.229	0.87831554	2.102

a. Predictors : (Constant), Innovation

b. Dependent Variable : Integrity

Source: SPSS output.

Table 2. Table of regression ANOVA.

ANOVA ^b						
Model		Sum of squares	df	Mean Square	F	Sig
1	Regression	38.256	1	38.256	49.590	0.000 ^a
	Residual	125.744	163	0.771		
	total	164.000	164			

a. Predictors : (Constant), Innovation

b. Dependent Variable : Integrity

Source: SPSS output.

Innovation effect on brand trust, case of Algerian consumer

Table . 3. Table of regression coefficients.

Model	Coefficients ^a					
	Unstandardized		Standardized	t	Sig.	Collinearity Statistics
	Coefficients		Coefficients			
	B	Std. Error	Beta			Toleranc e VIF
(Constant)	0.000	0.068		0.000	1.000	
Innovation	0.483	0.069	0.483	7.042	0.000	1.000 1.000

a. Dependent Variable: Integrity

Source: SPSS output.

✓ Regression Comments

The adjusted R² value indicates that 22.9% of the information integrity is explained by innovation. The Durbin-Watson statistic is close to 2 indicating the absence of residuals autocorrelation.

The third table shows (column VIF) value collinearity test that is very close to 1, indicating that collinearity tests do not reveal any problems of multicollinearity.

It can be seen from the table 3, (column t) shows that the absolute value of ($t = 1.965$) is greater than the value of t the Student table, and the table that ANOVA test value of global significance ($\text{sig} = 0 < 5\%$) and the F value obtained ($F = 49,590$) is greater than the critical value of F table, then we deduce that innovation is significant and explain 22.9% of integrity.

The beta standardized coefficient is positive indicates that innovation has a positive effect on the credibility facet.

Consequently our results confirm that: "innovation positively influences credibility".

Conclusion

The main objective of this study is to investigate the impact of innovation brand trust. Using a database of 200 people, we examined the direct impact of innovation on brand trust in both facets (credibility and integrity). Our analysis results show the innovation has a positive and a linear relationship with trust. We also found that innovation has a greater effect on credibility than integrity. Finally, in terms of the brand origin country more than 90 % of consumers cited an innovative foreign brand and only less 09 % cited an innovative local brand (Algerian).

So, for the Algerian companies it is important to know why Algerians prefer foreign products to domestic. This has a great importance in terms of policy option in the way that Algerian firms should improve the consumer's involvement towards local products in order to strengthen them competitively within the local market.

This study has several limitations that also suggest directions for future research. First, the results are context-specific to Algerian consumers. Although Algerian consumer shares many characteristics with other emerging economies and emerging industries in developed economies in terms of technology development. Therefore, another useful extension would be to conduct studies in other countries. Second, longitudinal data or experimental methods are needed to fully test the dynamics of these complex relationships.

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Appendix

Appendix I : Population Distribution

Table. I.1: Population Distribution by sex Male Female

Sex	Frequency	Valid Percent
Male	103	54.5
Female	89	45.5
Total	189	100.0

Source: SPSS output

Table I.2 : Population Distribution by Age

Age	Frequency	Valid percent
(15-19)	42	22.2
(20-24)	40	21.2
(25-29)	29	15.3
(30-34)	19	10.1
(35-39)	15	07.9
(40-44)	16	08.5
(45-49)	13	06.9
(50-54)	09	04.8
(55-59)	02	01.1
60 & more	04	02.1
Total	189	100.0

Source: SPSS output

Innovation effect on brand trust, case of Algerian consumer

Appendix II : Items of the measurement scales for trust and innovation (Gurviez et Korchia, 2002)

Trust dimensions	Measurement item
Credibility	This brand's products make me feel safe.
	I trust the quality of this brand's products.
	Buying this brand's products is a guarantee.
Integrity	This brand is sincere with consumers.
	This brand is honest with its customers.
	This brand expresses an interest in its customers.
Benevolence (Innovation Items)	I think this brand renews its products to take into account advances in research.
	I think that this brand is always looking to improve its response to consumer needs.