
Effects of Third-Party Organisations' Endorsement on Purchase Intention for Selected Products in Lagos, Nigeria

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Branding is normally used by organizations to differentiate their products from other competitors. This, sometimes, is done with the use of Third-Party Organization (TPO) endorsement by companies for consumers to purchase their brand. There are always differences in the perception attached to this endorsement by consumers, which may have an effect on their purchase decision. The objective of this study, therefore, is to examine the influence of TPO endorsement on consumers' purchase intention. A sample of 384 consumers was considered for the study by convenient sampling method. Findings revealed that perceived product quality; manufacturer credibility and purchase confidence have a significant effect on consumer purchase intention. The study concludes that achieving brand equity for a TPO endorsed brand requires customer loyalty. It is recommended that companies using third-party organisation endorsement strategy in their advertising must carefully select the third-party endorser with relatively high credibility.

Keywords: Brand equity, Consumers, Customer, Endorsement, Purchase & Third party.

INTRODUCTION

Brand equity is the commercial value that is derived from consumer perception of the brand name of a product or service, rather than from the product or service itself (Rogers, Morgan, & Foxall, 2015). According to Mulder (2016), it is the value of a brand that is expressed in financial, strategic and management advantages and benefits for the firm that owns the brand. This value premium can be derived from brand loyalty, brand awareness, brand associations and perceived quality.

The value of a brand can be assessed from financial market level (Simon & Sullivan, 1993; Aaker & Jacobson, 1994; Silverman, Sprott & Pascal, 1999), company or firm level (Kapferer, 1999; Doyle, 2001; Kim, Kim & An, 2003), and customer level (Chen, 2001; Keller, 1993; Aaker & Joachimsthaler, 2000; Bendixen, Bukasa & Abratt, 2003; Baker, Nancarrow & Tinson, 2005; Tong & Hawley, 2009). The significant intangible value of brands has made building and managing brand equity a priority for companies of all size in a wide variety of industries and markets (Lehmann, Keller, & Farley, 2008). This is based on the fact that brand equity has emerged as a key strategic asset that needs to be monitored and nurtured for maximum long-term performance (Sriram, Balachander & Kalwani, 2007).

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The attainment of value at the financial market and company is based on achieving value at the customer level. This, according to Keller (2014), is because the power of a brand lies in what consumers have felt, heard, seen and learned about the brand over the time as the result of their experiences about the brand. In order to achieve value for the brand, Keller (2010) argues that "modern marketing is all about choices". These choices have led to an explosion of different means to communicate about and sell products to consumers. Therefore, independent of how a product is branded, the nature of the product itself, and its supporting marketing programme, marketers can create brand equity by "borrowing" it from other sources (Keller, 2008). Organisations normally adopt strategies that help influence customers' perception of their brands. Third-party Organisation (TPO) endorsement happened to be one of the strategies used by the firm. Marketers can create secondary associations in a number of different ways by linking the brand to various third-party sources as such can especially be credible sources. Linking a brand to some other entity may create a new set of associations from the brand to the entity, as well as affecting existing brand associations (Keller, 2008). Using this approach is geared towards achieving value for the brand.

TPO endorsement is defined as a solicited or unsolicited recommendation or testimonial from an entity (usually a customer or user) other than the manufacturer and seller of a product or service (Business Dictionary [www.businessdictionary.com / definition/third-party-endorsement.htm](http://www.businessdictionary.com/definition/third-party-endorsement.htm)). TPO endorsement advertisements have grown increasingly popular due to its influence on consumers' brand purchase (Feng, Wang & Peracchio, 2008). Marketers use TPO as a signal of product quality in advertising (Dean and Biswas, 2001). These endorsements may function as a signal of unobservable product quality (performance, reliability, and durability of product) thereby aiding in the reduction of consumer

uncertainty and risk perception in a purchase situation (Chen, Chen, & Huang, 2012). TPO endorsement may thus, help marketers with endorsed products position their products against the competition. Studies on use of endorsement in building brand equity through the use of endorsement are numerous in literature (Pringle & Binet, 2005; Amos, Holmes & Stratton, 2008; White, Goddard & Wilbur, 2009; Ranjbarian, Shekarchizade, & Momeni, 2010; Al Zoubi & Bataineh, 2011; Dehradun, 2011).

The linkage between brand equity and TPO is also important in Africa, and specifically in Nigeria. The examples of TPO endorsements in Nigeria include that of Cadbury Bournvita by Nutrition Society of Nigeria, Reckitt Dettol Re-energize by Nigerian Medical Association, Unilever Pears by National Association of Nigerian Nurses, Ric-Giko Tomato Paste by Nigerian Doctors and Sensodyne Oral Care Toothpaste by Nigerian Dental Association. Although marketers are using TPO endorsement as a signal of product quality in their advertising, its effectiveness as quality signals are yet to be known as very little has been done on brand equity and TPO endorsement.

Existing studies examined the effect of TPO endorsements on consumers' perceptions of endorsed products or services (Peterson, Wilson & Brown, 1992; Dean, 1999; Dean & Biswas, 2001; Pasqual, 2012; Alshehri & Meziane, 2015; Hirose, Mineo, Tabe & Yanagidate, 2015; Sangsawang, 2015). The review of the literature has shown that there is a dearth of scholarly works on TPO endorsement focusing on consumers' perceptions of endorsed products or services in Nigeria. This leaves a gap which this study sought to fill. Specifically, the study examined (i) the relationship between exposure to TPO endorsement and consumer perception of the endorsed products and (ii) the effect of TPO endorsement on consumer purchase intention as a proxy for brand equity for the endorsed brand.

The rest of the paper is organized as follows: Section two is the review of the literature. The next section presents the research methodology, while Section four focuses on the findings and discussion. The conclusion and recommendations were the last section.

LITERATURE REVIEW

Brand equity has value both to a branding company and to a brand's user. Aaker (1996; 2009) advanced a widely accepted definition of brand equity as a set of brand assets and liabilities linked to a brand, its name, and symbol, that add to (or subtract from) the value provided by a product or service to a firm or firm's customers. Generally, brand equity is defined in terms of the marketing effects uniquely attributable to the brand (Tuominen, 1999). It is defined by Lassar, Mittal and Sharma (1995) as the enhancement in the perceived utility and desirability a brand name confers in a product. This is based on the consumers' perception of the overall superiority of a product carrying that brand name when compared to other brands (Gil, Andre's, & Salinas; 2007; Lassa et al., 1995). Hence, as postulated by Ambler (2000), brand equity is "what we carry around in our heads about the brand."

Brand equity from the consumer perspective can be defined as 'the differential effect that brand knowledge has on consumer response to the marketing of that brand' (Keller, 2008). It must be noted that all definitions of brand equity focus on the incremental effect of the brand compared with what the customer response would be to the same product or service, most especially for unbranded ones (Barwise, 1993).

According to Tuominen (1999), there are three alternative ways to leverage brand equity: first building it, second borrowing it, or thirdly buying it. Brand leverage communicates to consumers about the product and its qualities based on their existing

perceptions of the parent company. Obtaining brand equity for the product will thus be based on customers' subjective and intangible assessment of the utility of a brand, above and beyond its objectively perceived value (Keller, 2008). Brand equity from an individual consumer's perspective is reflected by the increase in the strength of association that an individual has for a product by using the brand (Kotler & Keller, 2012). This result in lower uncertainty in purchasing and less need for an extensive decision-making process on the part of the customer (Keller, 2008). It means that brand equity is the added value that bonds with consumers (Santoso, & Cahyadi, 2014). Keller (2008) posits that brand equity should be managed over time by fine-tuning the supporting marketing programme. One of such supporting programmes is the creation of secondary brand knowledge by linking to other third-party sources.

Organisations attempt to create secondary associations by linking the brand to various third-party sources. The endorsements from leading magazines, registered association, and experts may improve perceptions of brands and attitude towards brands (Keller, 2008). The credibility attached to third-party sources, make marketers often feature them in advertising campaigns and selling efforts. A third-party organisation (TPO) endorsement has been employed by companies to effectively convey product claims to consumers and attain a socially responsible image (Feng, Wang & Peracchio, 2008).

Dean and Biswas (2001) define TPO endorsement as an advertisement that contains a positive evaluation of the advertised product or service that comes from an identified third-party organization. The TPOs are convincing voices in specific segments of the products they have endorsed. De Pelsmacker, Geuens and Van den Bergh (2010) stated that TPO endorsement may take one of three general forms: the product is ranked against competing products in

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its class on one or more criteria, the product is awarded a seal of approval by the TPO, or a subjective, non-competing statement is made about one or more product attributes. TPO endorsement has a range of benefits for the consumers, profit and not-profit making company. This explains why this marketing strategy has recently become increasingly popular (Feng, et al., 2008).

In a market having products of similar price, quality, and service, a TPO endorsement helps in differentiating a product from that of the competitors (Bronn&Vrioni, 2001). The adoption of TPO endorsement in such markets is that brand differentiation is pivotal to the brand-building process (Aaker & Keller, 1990). Consumers perceive the endorsements as indicating greater product quality (Ippolito, 1990), more accurate and credible advertising information (Dean & Biswas, 2001) and more different from competitors, which reflects positively on the brand and enhances its image (Boulding&Kirmani, 1993; Dean & Biswas, 2001). The ability of TPO endorsement to affect change in the receivers' opinion is based upon the persuasion effect (Chernikova, 2013).

TPO endorsements have been found to be effective in enhancing consumers' view of a product's quality (Feng et al., 2008) and attitude toward the product (Fireworker& Friedman, 1977) than in product advertisements with or without an endorsement from a celebrity. Perceived product quality, in this case, denotes overall assessment of the brand's superiority in comparison with other brands (Dean, 1999). TPO endorsements also provide such values as serving as a quality cue for consumers, it has a positive influence on consumers' attitude towards advertisement and consequently motivates consumer purchase intention (Boulding & Kirmani, 1993; Hirose, Mineo, Tabe&Yanagidate, 2015).

However, Tinlin (2013) advised that marketers can and should play a far more active role in selecting the right third parties to make partnerships with their

brands by taking ownership of the issue and solution as they would any other brand property. And with that comes a responsibility to evaluate, learn and provide feedback – even influencing the labeling organisations themselves.

Past research on TPO endorsement has been conducted from different perspectives. The result of the studies has been inconsistent on its effect on consumers. Peterson, Wilson and Brown (1992) examined whether print advertisements containing a TPO endorsement were more effective than advertisements not containing an endorsement in influencing consumers' attitudes and purchase intentions. The study shows that TPO endorsement in the advertisements had no effects on the consumer. Dean's (1999) study found that TPO endorsement has effects on consumer perceived product quality, uniqueness, and manufacturer esteem. The study which gave a contrary view concluded that TPO endorsements might function as an advertising cue for enhancing consumers' perceptions of endorsed products. Dean and Biswas (2001) in a further study conducted, compared advertisements containing a TPO endorsement to advertisements with a celebrity endorsement and advertisements without an endorsement. This was done in terms of its ability to affect perceived product quality, manufacturer attitude, purchase risk, and value of advertisements information. The study adopted the use of a structured questionnaire to collect two sets of data from two categories of respondents; those exposed to adverts with TPO endorsement and those exposed to adverts without TPO endorsement. The data sets were analysed using MANOVA and confirmatory factor analysis. The result indicated that advertisements with TPO endorsement were more effective than advertisements containing a celebrity endorsement. Also, TPO endorsement is more effective for advertisements without an endorsement in enhancing respondent perceptions of product quality. Another study by Pasqual (2012)

investigated whether the effect of the presence of pro-environment TPO endorsement and/or presence of an environmental claim in product labeling affect consumers' product-labeling likeability, brand likeability, and purchase intention. In effect, the study sought to determine if consumers are vulnerable to being misled by pro-environment TPO endorsements. The survey employed an online panel sample of 268 randomly selected Australian residents, used a seven-point Likert scale questionnaire to gather data for the study. The data tested using various analyses such as ANOVA, ANCOVA, and MANCOVA indicates that displaying a pro-environment TPO in product labeling can influence consumers' product-labeling likeability, brand likeability and/or purchase intention.

In order to confirm the effectiveness of TPO endorsement advertising in Japan, Hirose, Mineo, Tabe and Yanagidate (2015) designed a study to reveal the relationship between TPO credibility and pre-purchase evaluations using attitude toward the advertising (Aad) model and signaling theory.

They developed an empirical model which was tested using a data set of 458 university students. The structural equation modeling demonstrated that all of the model's causal relationships were supported. The findings suggested that TPO endorsement influences consumer purchase intention via attitude toward the advertising, perceived quality, and perceived risk.

Sangsawang (2015) investigated the efficacy of third-party endorsement for facial skincare products using a quantitative research involving administration of questionnaires to respondents via online and offline medium to 400 female consumers of selected skincare products aged between 15 and 44 years old in Bangkok. The result of the multinomial logistic regression analysis revealed that the use of TPO endorsement for the skincare products influenced consumers' purchase decision.

Alshehri and Meziane (2015) evaluated the impact of social influence and endorsements on online shopping and whether this plays an important role in increasing online shopping in Saudi Arabia. The study examined four factors connected to the impact of social influence and third-party endorsements in online shopping by employing a survey method, which involved the use of a five-point Likert scale questionnaire, to gather quantitative data from a sample of 606 Saudi citizens living in Saudi Arabia. The data obtained were analysed using simple descriptive statistics indicating the frequency of consumer responses to items on the questionnaire. The findings of the study showed that the impact of social influence and third-party endorsements seem to encourage and support the development of online shopping.

THEORETICAL FRAMEWORK

This study employed the signaling theory which serves as basis for explaining the working of third-party endorsement and how it influences the attainment of brand equity. The theoretical foundations of brand alliance come from theories on signaling (Rao & Ruekert, 1994; Rao, Qu & Ruekert, 1999).

Signaling theory suggests that firms need to find a way to communicate the products' information to the buyers (Riley, Charlton & Wason, 2015). According to Spence (1974, 2002), signals are activities or attributes of a firm that alter the beliefs or convey information to other market actors. A signal is a perceivable action or structure that is intended to or has evolved to indicate an otherwise not perceivable quality about the signaler (Maynard Smith & Harper, 2003). Signaling theory has been used in the study of Corporate Governance, Human Resources and Entrepreneurship (Suazo, Martinez & Sandoval, 2009; Zhang & Wiersema, 2009). According to Connelly et al. (2011), Signaling theory has gained momentum in the management literature

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in recent years as scholars have expanded the range of potential signals and the contexts in which signals occur. Signaling theory holds that a signal, in form of TPO endorsement is a deliberate action by the firm to communicate information to the market (Spence, 1974; Wernerfelt, 1988). The endorsements sometimes create information asymmetry between two game parties, sellers, and buyers, in a transaction (Boulding&Kirmani, 1993; Kirmani& Rao, 2000).

In an exchange situation between sellers and buyers, sellers know the true quality of their products, while buyers may not know (Kirmani, Akshay& Rao, 2000). The game that is played between sellers and buyers contains both cooperative and competitive elements (Dacis, 1970). The competitive element of the game leads buyers to ignore direct claims from sellers. However, when there is incomplete information, buyers and sellers cannot get a transaction.

The buyers need reliable information to predict or evaluate the products quality. The possible route for this situation is to send signals from sellers to buyers (Feng &Peracchio, 2008). Signals such as warranty, manufacturer reputation, and price may be used by manufacturers attempting to reduce consumer uncertainty and risk perception by sending pre-purchase signals of unobservable product quality (Boulding&Kirmani, 1993; Shimp& Bearden, 1982). For these signals to be credible, it must contain a "bonding" component (Ippolito, 1990).

It is believed that if TPO endorsements function as signals, it should impact on the fortune of the endorsed brand. This assertion is in line with the Signaling theory. The signaling theory also predicted that TPO endorsements in advertising can signal high quality when it endorses high-quality brands. Signals have varying degrees of reliability. There are some which are quite highly correlated with the quality they represent, upon seeing such a

signal, one can be sure that the quality is present (Donath, 2011). The resultant benefit of this strategy to both the high-quality brands and the TPO is that the brand's manufacture will directly inform more consumers about their high quality (Ghodeswar, 2008). It also enhances the firm's perception of their products and increases sales while TPOs earn the reputation as well as revenues by endorsing high-quality firms (Feng &Peracchio, 2008). This reputation enables TPOs to have more power to influence firms in the marketplace, leading to more high-quality firms willing to pay more for TPO endorsements (Feng &Peracchio, 2008; Tuominen, 1999). Conversely, in the case of a false signal, it is expected that both TPO endorsed low-quality brands and the TPO would suffer (Kirmani et al., 2000). The brand's manufacturer loses money on wrong advertising campaigns which attempt to boost recognition as an award receiver because consumers may not perceive the TPO endorsement in advertising as a quality signal (Das &Padhy, 2012).

TPOs also suffer more for endorsing low-quality brands because they may lose their reputation, perhaps the most valuable asset that the TPOs possess (Erdem&Swait, 1998; Rao et al., 1999). Inadvertently, a negative word-of-mouth effect is likely to occur and can result in more people doubting the TPO (Feng &Peracchio, 2008). In consumer marketing, brands often provide the primary points of differentiation between competitive offerings and make a company's product develop unique capabilities over other competitors' products (Wood, 2000). This phenomenon can be critical to the success of companies (Buh, Kovačič, &Štemberger, 2015). It has thus, become imperative to approach the management of brands strategically. A successful brand managed strategically, and found successful is one that can be said to have achieved brand equity (Ghodeswar, 2008).

METHODOLOGY

The design of the study is both descriptive and quantitative. The data are based on a survey done in Lagos state, having a population of over 21 million inhabitants, in the south-western part of Nigeria. The data for the study were obtained from a convenient sample of consumers with knowledge of TPO endorsed brands within five major consumer goods markets (Alade market, Ikeja; Ojuwoye market, Mushin; Sabo Model market, Sabo-Yaba; Tejuosho market, Yaba; Oke-Aarin market, Lagos-Island) all in Lagos State, Nigeria. The participants were real consumers who reported their exposure to two or more of the different products selected for this study. The selected respondents are consumers who patronise markets where the selected TPO endorsed products are sold. These are people of age 16 and above who either influence the purchase decision or makes the actual purchase. These individuals consist of people with high as well as low level of education. The estimation of the sample size was done using Cochran's formula:

$$\text{Where: } n = \frac{t^2 \times p(1-p)}{m^2}$$

n = required sample size

t = confidence level at 95% (standard value of 1.96)

p = percentage of the probability of selecting a respondent (50% if unknown, infinite or more than 1 million)

m = margin of error at $\pm 5\%$ for a two-tailed test (standard value of 0.05).

Based on this, the sample size was 384 (consumers of Cadbury Bournvita, Sensodyne Oral Care Toothpaste, Unilever Pears, Ric-Giko Tomato Paste, and Reckitt Dettol products). These products were selected because their current advertisements feature TPO endorsements by professional associations to which their product category belongs. Hence, it is believed that the targeted respondents' exposure to the TPO endorsement is high.

The selected respondents were administered questionnaires on their perception of advertisements with TPO endorsement. Next, they were asked to fill the seven-point Likert scale questionnaire (with 1 being least agreement and 7 being strong agreement), which included five measures as follows: Product quality, manufacturer credibility, purchase confidence, positive word-of-mouth, and purchase intention. The questions and scales used in the questionnaire were adapted from Dean and Biswas (2001) with little modification to suit this present study. Next, the consumers were asked to fill the questionnaires which included five dependent measures.

The regression analysis was used to test the hypothesis for the study. This is based on studies (Al Zoubi & Bataineh, 2011; Sabir, Aziz, Mannan, Bahadur, Farooq & Akhtar, 2014) that examined the effect of a phenomenon on consumer purchase. For the purpose of this study, however, the data sourced were mainly to measure the effectiveness of TPO endorsement in obtaining brand equity for the endorsed brand through consumer purchase. Thus, this is a point of difference from Feng et al. (2008) study which examined TPO influences from a separating equilibrium and a pooling equilibrium perspective. The data obtained from the survey were analysed through computation of the average responses for the constructs using regression analysis.

RESULTS AND DISCUSSIONS

The demography of respondents is presented Table 1. As observed from the table, this survey generated 79.5% responses from females and 20.5% males. This shows that the opinions expressed in this study largely emanated from females, which shows that respondents sampled on TPO endorsement in the selected markets are essentially females.

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Table 1: Respondents' Demographic Information		
Variable	Frequency	Percentage (%)
Gender		
Male	73	20.5
Female	283	79.5
Age Group		
16-25 years	65	18.3
26-35 years	134	37.6
36-45 years	82	23.0
46-55 years	54	15.2
Above 55	21	5.9
Marital Status		
Single	110	30.9
Married	246	69.1
Educational status		
Primary School Certificate	6	1.6
Secondary School	47	13.2
Undergraduate	196	55.1
Graduate	107	30.1
Work		
Self-employed	51	14.3
Employed	64	18.0
Retired	12	3.4
Full Housewife	6	1.7
Student	223	62.6
Market Patronised		
Alade Market	61	17.1
Ojuwoye Market	60	17.0
Sabo Market	109	30.6
Tejuosho Market	102	28.6
Oke-Aarin Market	24	6.7
Total	356	100

Source: Field Survey (2017)

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Table 2: Correlation Matrix of Variables

		Ppq	Mc	Pc	pwm	Pi	Exposure to TPO endorsement
Ppq	Pearson Correlation Sig. (2-tailed) N	1					
Mc	Pearson Correlation Sig. (2-tailed) N	.143** .007 356	1				
Pc	Pearson Correlation Sig. (2-tailed) N	.059 .264 356	.199** .000 356	1			
Pwm	Pearson Correlation Sig. (2-tailed) N	.054 .309 356	.146** .006 356	.128* .016 356	1		
Pi	Pearson Correlation Sig. (2-tailed) N	.106* .045 356	.710** .000 356	.163** .002 356	.179** .001 356	1	
Exposure to TPO endorsement	Pearson Correlation Sig. (2-tailed) N	.164** .002 356	.082 .120 356	-.002 .966 356	.020 .714 356	.140** .008 356	1

Note: ** 0.01 level (2-tailed).

Note: * 0.05 level (2-tailed).

Also, the educational status of the respondents shows that majority of the respondents are undergraduates (55.1%), followed by graduates (30.1%), secondary school leavers (13.2%), and primary school certificate (1.6%). This shows that the educational background of the respondents is enough to make them understand the questions on TPO endorsement.

It is observed from Table 1 that majority of the respondents, representing 62.6%, were students. This was followed by those who are employed 18.0%, and those who are self-employed 14.3%. Respondents who are retired and those who are full housewives represented 3.4% and 1.7% of the total respondents respectively.

The relationship between exposure to TPO

endorsement and consumer perception of the endorsed products is presented in Table 2.

Table 2 shows the relationships existing among variables. The correlation analysis above is conducted to examine the strength of relationships existing among variables and verify if these relationships are statistically significant. The variables include perceived product quality (ppq), manufacturer credibility (mc), purchase confidence (pc), positive word-of-mouth intention (pwm), purchase intention (pi – the dependent variable) and Exposure to TPO endorsement. The number of observation used for this analysis is 356 due to missing information. The result shows that product quality is significantly related to manufacturer credibility, purchase intention and exposure to TPO endorsement at 1%, 5%, and 1% levels of significance

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respectively. Since each of their correlation coefficients shows a positive sign, it indicates that there is a significant positive relationship between product quality and each of the variables. This implies that product quality moves in the same direction with each of manufacturer credibility, purchase intention and exposure to TPO endorsement. Higher levels of product quality are associated with higher levels of manufacturer credibility, purchase intention and exposure to TPO endorsement and vice versa. The result also shows that product quality is not significantly related to purchase confidence and positive word-of-mouth intention.

This means that product quality has no relationship with these latter variables. The next column shows the relationship between manufacturer credibility and other variables aside product quality. The result shows that manufacturer credibility is significantly related to purchase confidence, positive word-of-mouth intention, and purchase intention at 1% significance level but is insignificantly related to exposure to TPO endorsement. Since the significant relationships between manufacturer credibility and the former variables are positive, it indicates that manufacturer credibility moves in the same direction with these variables. Higher levels of manufacturer credibility are associated with higher levels of purchase confidence, positive word-of-mouth intention, and purchase intention and vice versa. On the other hand, the insignificant relationship between manufacturer credibility and exposure to TPO endorsement implies the two variables are not really related. The next column shows the correlation coefficients of the relationship between purchase confidence and each of positive word-of-mouth intention, purchase intention, and exposure to TPO endorsement. The result shows that purchase confidence is significantly related to positive word-of-mouth intention and purchase intention at 5% and 1% levels of significance respectively. This indicates that purchase confidence

moves in the same direction with each of positive word-of-mouth and purchase intention. This implies that higher levels of purchase confidence are associated with higher levels of positive word-of-mouth intention and purchase intention, and vice versa. The insignificant relationship between purchase confidence and exposure to TPO endorsement implies that the two variables are not really related. The next column shows the correlation coefficients between positive word-of-mouth intention and each of purchase intention and Exposure to TPO endorsement. The result shows that positive word-of-mouth intention is significantly related to purchase intention but insignificantly related to exposure to TPO endorsement. This implies that the two variables move in the same direction and higher levels of positive word-of-mouth intention are associated with higher levels of purchase intention and vice versa. The next column shows the relationship between purchase intention and exposure to TPO endorsement. The result shows that both variables are positive and significantly related. This implies that they move in the same direction and higher levels of purchase intention are associated with higher levels of exposure to TPO endorsement and vice versa.

Overall, the result shows that all the significant relationships existing among variables are not really strong except in the case of manufacturer credibility and purchase intention. This is evident from each of the low correlation coefficient (below 0.2) and a high correlation coefficient of manufacturer credibility and purchase intention (0.710). A conclusion can be made from the result that the relationship existing among the variables are not very high. As such, the variables can be included in a regression model without a problem of multicollinearity. The logistic regression result of the effect of TPO endorsement on consumer purchase intention is presented in Table 3.

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Table 3: Ordinary Least Squares (OLS) Regression of Purchase intention on TPO Endorsement Dependent Variable: Purchase Intention					
VARIABLES	Coefficient	z-statistic	p-value	Variance Inflation Factor (VIF)	Tolerance
Product quality	-0.014 (0.043)	-0.33	0.745	1.08	0.954
Manufacturer credibility	0.643*** (0.054)	11.99	0.000	1.05	0.926
Purchase confidence	0.0231 (0.083)	0.28	0.782	1.05	0.949
Positive word-of-mouth	0.0819 (0.077)	1.06	0.290	1.03	0.968
Exposure to TPO	0.192** (0.095)	2.01	0.045	1.03	0.969
Constant	1.615*** (0.570)	2.83	0.005		
Observations	356				
F-statistic	39.55***				
P-value (F-statistic)	0.000				
R-squared	0.5163				
Mean of VIF	1.05				

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Source: Authors' Computation, 2017

Table 3 presents the regression conducted to examine the impact of Third Party Organization (TPO) endorsement of a consumer product on purchase intention in Nigeria. 356 observations (out of the total 384 observations) were used to generate the result due to missing information. The result above employed the heteroskedasticity-robust standard errors in order to eliminate the possibility of heteroskedasticity (unequal variance) problem which may result to rejecting a true null hypothesis. The result presented above shows that two variables (Manufacturer credibility and Exposure to TPO) significantly affect purchase intention of consumer goods. Manufacturer credibility influences purchase intention at 1% level of significance (indicated by its p-value is less than 0.01) while exposure to TPO influences purchase intention at 5% level of significance (indicated by its

p-value is less than 0.05). Other variables included in the model such as Product quality, purchase confidence, and positive word-of-mouth intention do not significantly influence purchase intention.

This is because their respective p-values are greater than the conventional significance levels – 0.01, 0.05 and 0.1. This is an indication that the negative effect of product quality and the positive effects of purchase confidence and positive word-of-mouth intention are not significantly affecting purchase intention of consumer goods. This implies that these variables do not determine consumer purchase of TPO endorsed goods. On the other hand, the significant positive effect of manufacturer credibility and exposure to TPO indicates that higher levels of these variables improve consumer purchase intention. The coefficient of manufacturer credibility (0.643) indicates that a unit improvement in

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manufacturer credibility improves consumer purchase intention by 0.643 units and vice versa. The coefficient of exposure to TPO (0.192), which entered the model as a dummy variable of those that are exposed to TPO endorsement indicates that being exposed to TPO endorsement implies having an improved purchase intention than not being exposed to TPO endorsement. The reported F-statistic shows a high value of 39.55 and p-value of 0.000 which indicates the overall model is significant. This implies that the variables included in the model jointly influence purchase intention. The reported R-squared of 0.5163 indicates that about 51.63% of variations in consumers' purchase intention of TPO endorsed products are explained by exposure to TPO endorsement and other variables included in the model. The mean of Variance Inflation Factor (VIF) shows a value of 1.05 which is low. The VIF of individual variables also shows low values of 1.08, 1.05, 1.05, 1.03, and 1.03 respectively for Product quality, manufacturer credibility, purchase confidence, positive word-of-mouth intention and Exposure to TPO endorsement. VIF values that exceed 10 are generally viewed as evidence of the existence of problematic multicollinearity (Asteriou & Hall, 2016). This implies the regression result presented above is free of multicollinearity problem.

The outcome of the analyses supports the findings of Dean and Biswas (2001) and Dean (1999) that TPO endorsement is effective in enhancing consumers' perceptions of product quality. Also, the regression results support Pasqual (2012) and Sangsawang (2015) findings that TPO endorsement influences consumers' purchase intention.

CONCLUSION AND RECOMMENDATIONS

The major finding from this study is that there is a positive relationship between exposure to TPO endorsement, and perceived product quality, manufacturer's credibility, positive word-of-mouth and purchase intention. The strength of the relationship between perceived quality and

exposure to TPO endorsement is in line with the findings of Hirose, et al. (2015) which suggested that TPO endorsement influences consumer purchase intention via perceived quality. This shows that TPO endorsement has a strong influence on consumers' perception of quality of the endorsed brand. Based on the regression analysis on the effect of TPO endorsement on consumer purchase intention, the results show that two variables (Manufacturer credibility and Exposure to TPO) significantly affect purchase intention of the TPO endorsed consumer goods studied in the five selected markets in Lagos, Nigeria. However, it was found that word-of-mouth is not sufficient enough to promote TPO endorsement.

The findings of the study are in consonant with the signaling theory which holds that signals convey information to other market actors and is intended to indicate an otherwise not perceivable quality about the signaler. The results suggest that TPO endorsements of brands could also function as a signal of product quality, and an endorsement of the manufacturer of the endorsed brand, thus building consumers purchase confidence.

Drawing from the above, the study, therefore, recommends that manufacturers of consumer goods should take advantage of the significant benefits of third-party organisation endorsement for their product promotion. Therefore, manufacturers of consumer goods must carefully select the third-party endorser with relatively high credibility in order to influence consumer perception of the brand being promoted.

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Appendix 1

Source	SS	df	MS	Number of obs	=	356
Model	201.299605	5	40.2599209	F(5, 350)	=	74.72
Residual	188.587652	350	.538821863	Prob > F	=	0.0000
				R-squared	=	0.5163
				Adj R-squared	=	0.5094
Total	389.887257	355	1.09827396	Root MSE	=	.73404

pi	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
ppq	-.0141479	.0476299	-0.30	0.767	-.1078247 .0795288
mc	.6428819	.035994	17.86	0.000	.5720901 .7136737
pc	.0230598	.0547159	0.42	0.674	-.0845535 .1306732
pwm	.0818593	.0410251	2.00	0.047	.0011725 .1625461
exposure_to_tpo	.192098	.0869108	2.21	0.028	.0211648 .3630311
_cons	1.423178	.4575548	3.11	0.002	.5232757 2.323081

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity

Ho: Constant variance

Variables: fitted values of pi

chi2(1) = 133.76

Prob > chi2 = 0.0000