

A Study on Persuasive Messages impact in determining the customers attitude towards advertised price promotions

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Abstract

This research paper is aimed to examine the mediating impact of persuasive messages impact in determining the customer attitude towards price promotional advertisements. This study is conducted among the food and grocery retailing customers. The findings of this study can be useful to understand the linkage between the customers emotions, persuasive messages impact, attitude towards price promotional advertisements to determine the purchase intentions. The research findings of this paper can be useful for the better understanding of the impact of persuasive messages in food and grocery retailing.

Key Words: Persuasive message; customer attitude; price promotional advertisements; purchase intentions; food and grocery retailing.

1 Introduction

Over the recent decade, the changes in consumer markets, heightened competition between retail formats and mounting pressure on grocery retail margins due to faltering sales have resulted in retailers adopting a variety of price promotions to boost store traffic (Choi, Ge, and Messinger, 2010), enhance consumers' perceptions of value and increase the likelihood of purchase (Grewal et al., 1998; Gupta, 1998), and retain loyal customers (Devlin et al., 2007). In order to persuade consumers to make favorable purchase decisions (Gupta, 1988) and meet the actions of competing retailers (Mason and Mayer, 1984), grocery retailers have widely used emotionally charged persuasive messages (e.g., save money, earn more profits on your daily purchases) in various types of advertised price promotions (e.g., 30% off, reference prices, and time limited offers or sale-one week only, 3 for 100 or buy-one-get-one-free) to entice consumers into purchasing specific products by appealing to their emotions and general sensibilities. Here, the mental arousal (excitement) that often evoked in consumers by persuasive messages suggests that there is an ego-expressive (smart shopper feeling) (Schindler, 1989), as well as the biggest utilitarian benefit to a price, such as substantial savings in money (Chandon, Wansink, and Laurent, 2000).

Research suggests that price promotion may increase the total utility of a purchase by increasing the pleasure associated with the transaction (e.g., Thaler, 1983). Presumably, the feeling of saving money, which arises from purchases, is positive emotion, such as pleasure and joy. In contrast, losing money, time and effort in promotional deals also involves negative emotions, such as dissatisfaction, upset, worry, angry, and regret. Indeed, it is for such reasons that considerable academic research involving consumer emotions have focused on emotional responses to advertising (e.g., Wood, 2012; Faseur and Geuens, 2012; Agrawal, Menon, and Aaker, 2007), and critical role of emotions in the formation of attitudes and judgements about advertisements (Kim and Morris, 2007; Faseur et al., 2006; Edell and Burke, 1987) and attitude change (Ray and Batra, 1983) in different contexts. Research on consumers affective response behavior shows that positive thoughts formed on the basis of beliefs, likes, feelings and emotions induced by the concern-

ing advertisement can affect attitudes towards a product or brand, and eventually influence the consumers willingness to purchase that product or brand (Batra and Ray, 1986). The assumption is that people do not respond directly to the stimulus; their behavior is rather mediated by persuasive messages, and they respond accordingly. In this context, some scholars (e.g., Pennington, Aaker and Mogilner, 2007; Dholakia, 2004) suggest that persuasive messages often convey motivationally loaded information that may encourage consumers to view a product or service in either approach or avoidance terms. Nevertheless, emotions play an important role in the process of acceptance or resistance to persuasion (Pfau et al., 2001) by directly influencing people's information processing (Percy 2001; Holbrook and Batra, 1987).

2 Research Gap and Research Problem:

Despite several studies have focused on wide array of emotions that can be evoked by persuasive ads (e.g., Taute, McQuitty and Sautter, 2011; Poels and Dewitte, 2006; Escalas and Stern, 2003), studies within the advertising and consumer behaviour literature that have examined the effect of emotional perceptions and reactions to a price promotional ads are limited in number. Previous research shows an empirical support for the use of emotions in persuasion attempts which influence consumers' affective responses to ad (e.g., Micu and Plummwer, 2010; Bagozzi et al. 1999). However, consumer research has been largely silent about the mediating role played by persuasive message between specific emotions and attitude toward ads. To date, the field does not have comprehensive understanding about the reasons why affective responses to a particular persuasive price promotional ad vary widely across consumers.

However, there have been a few demonstrations, based on consumers' cognitive theories of emotion, supporting the effects of persuasive messages influencing consumers' perceptions, evaluations of and purchase intentions (e.g., Dolores, 2002; Alba and Ariely, 2000; Meyers-Levy and Malaviya, 1999) towards products featured in advertised price promotions. There is disagreement, however, that cognitive-based models fail to properly measure feelings associated

with the sources of information (Morris et al., 2002, Bagozzi et al., 1999). The failing to understand the role of emotions by focusing on cognitive processes only hampers the understanding of consumers behaviours. Some researchers have also underlined the importance of consumer's prior accurate emotion processing for sound and rational decision-making (Bachara and Damasio, 2005) as many purchase situations are so habitual that consumers conduct very little cognitive activity (Wathieu and Murre, 2007).

In summary, the literature to date leaves several compelling questions unresolved. First, do consumers perceive emotional content in persuasive messages (stimuli) featured in advertised price promotions? If yes, what are consumers' emotional reactions? Second, do consumers' emotional responses evoked by persuasive messages influence their approach/avoidance decisions (i.e. attitudes) toward price promotional ads? Third, do consumers' emotional responses to persuasive price promotional ads differ in their effects on approach/avoidance decisions? Fourth, do consumers' attitudes towards price promotional ads influence purchase intentions? Gaining insight into these research questions is important for grocery retailers to accurately predict consumers' emotional perceptions of persuasive messages featured in price promotional ads in the present challenging retail environment. Furthermore, understanding of the specific effects of emotional responses on attitude toward price promotional ads and purchase decisions can aid retailers in assessing the persuasiveness of their promotional messages.

3 Objectives of the study:

The present research attempts to answer these questions. To address said questions, we constructed hypothesised conceptual model (shown in Fig.1) based on extant literature on persuasive advertising and consumer emotions.

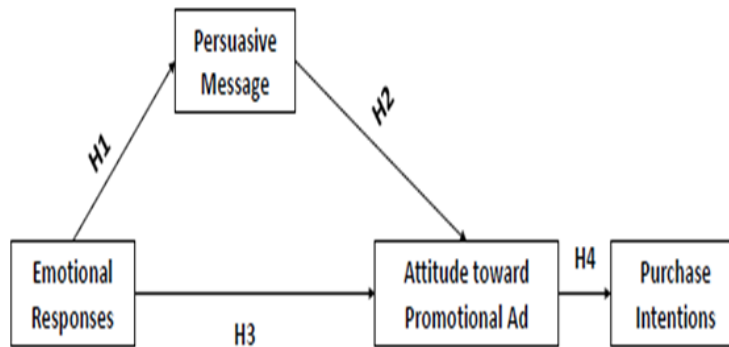


Fig.1 Hypothesized conceptual model

4 Research methodology:

4.1 Overview and Sample subjects

Several pretests were conducted to select the types of advertised price promotions and to develop the persuasive messages (stimuli). This research used a real existing advertised price promotions appeared in prominent and largest circulated regional news papers, which were known to the sample subjects in order to increase external validity. Shopper intercept survey using self-report measures (Srinivasan and Ratchford, 1991) of consumer emotions was conducted to collect primary data from a large sample ($n=620$) of adult grocery shoppers from supermarkets ($n=30$) and hypermarkets ($n=20$) in the twin cities of Secunderabad and Hyderabad. Following procedures recommended by Sudman (1980), data were collected during all times of the day/evening, on all days of the price promotions, and at all store (supermarket and hypermarket) entrances/exits.

4.2 Selection of Price promotions and persuasive messages

After conducting two pretests to select grocery retailer's price promotions, price reductions, reference prices, time limited offers and volume offers (multiple unit price promotions) were selected as the

advertised price promotions to be used in the study because of consumers' familiarity with these price promotions and a wide distribution of emotional perception scores. In addition, these four categories account for virtually all of the price-based promotional activities initiated by grocery retailers (i.e., supermarkets and/or hypermarkets) and differ in terms of benefits received by the consumers. The emotional perception scores toward these price promotions were widely distributed among the pretest participants in terms of bad/good (M= 4.75, SD=1.14), harmful/beneficial (M= 4.96, SD= 0.96), desirable/undesirable (M=4.63, SD=1.18), and awful/nice (M=4.59, SD=1.20) with Cronbach's alpha of 0.835.

The four messages, such as 'save money now', 'earn more profits on your daily purchases', 'most attractive offers', and 'realistic prices' were selected to be used in the study. The four emotional messages were tested and compared in a pretest (n=30) using four-item, five-point Likert type scale (affectionate, concerned, emotional, exciting, hopeful, kind, moved, sentimental, and warm-hearted: Cronbach's alpha =0.791), drawn from Edell and Burke's (1987) measure of warm feelings.

4.3 Measures

Measures related to consumer emotions and emotional responses to ad, attitude towards price promotional ad, and purchase intentions were developed based upon scales that are used in the previous studies. Except purchase intentions (PI), each of other measures was assessed using five-point semantic differential scales. Four items, each measured on a 5-point Likert scale, were used to capture purchase intentions of price promotions.

5 Data Analysis and Results:

The Chi-square findings ($\chi^2= 212.240$, df, 3, $p < .0001$) indicated significant association between participants beliefs and persuasive messages. It implies that consumers have favourable attitudes towards persuasive messages of advertised price promotions.

The correlations between participants emotional reactions (i.e., positive and negative) and persuasive messages indicated a fairly high degree of agreement/disagreement (rs ranging from. - 38 to

.65, all p s < .001). It implies that persuasive messages evoke both positive and negative emotions in the mind of consumers. The majority (71%) of participants had elicited positive emotions towards persuasive messages featured in advertised price promotions. The correlations between participants emotional reactions and attitudes (approach and avoid decisions) toward price promotional ad revealed significant degree of agreement/disagreement (rs ranging from. - .21 to .57, all p s < .001). We regressed purchase intentions relative to price promotions with positive and negative attitudes, with a separate model for each strength dimension. Interestingly, both variables positive [$F(1, 618) = 336.466$, $p < .0001$, $\beta = .497$, $p < 0.001$, Adj. $R^2 = .351$] and negative [$F(1, 618) = 4.005$, $p < .05$, $\beta = .065$, $p < 0.05$, Adj. $R^2 = .0005$] were found to be the significant predictors of purchase intentions towards advertised price promotions.

6 Implications of the study:

The findings provide valuable insights to food and grocery retailers for reorienting their price promotional strategies to compete effectively, particularly with each other in a persistent inflationary environment. Findings related to consumers' beliefs and perceptions of persuasive messages underline the level of consumers' attitudes, involvement, and knowledge about retail price promotions. Knowledge obtained from consumers' emotional reactions to consumers react to emotion-evoking offers and/ or deals also enables retailers better understand what emotions consumers want to experience, and when so as to tailor price promotions to the needs of individual consumer segments. As results emphasise the predictability (albeit moderate) of consumers' emotions on attitude toward price promotions, retailers should enhance emotional triggers and remove the elements associated with negative emotions so as to change the balance towards positive emotions and activate purchase behaviour. The current research adds knowledge to our understanding of emotion in persuasion by providing empirical insights into positive and negative emotional outcomes.

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