Impact of Brand Equity, Advertisement and Hedonic Consumption Tendencies on Cognitive Dissonance: A Mediation Study

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Abstract

Current study puts light on the role of brand equity, hedonic consumption tendencies, and advertisement on cognitive dissonance. Impulse Buying plays the role of a mediator in the study. Purpose of this study is to examine how brand equity, hedonic consumptions, and advertisement affect cognitive dissonance of the customers. Analyses of a sample of 370 customers, drawn from different outlets of famous fashion clothes in Multan city, revealed attention-grabbing findings. A mediation analysis was conducted through regression analysis in the study. Hedonic consumption tendencies and advertisement were found significant in predicting cognitive dissonance while brand equity was found having an insignificant relation with cognitive dissonance where impulse buying found significant in predicting cognitive dissonance being having positive relation. Further to this, impact of brand equity, advertisement and hedonic consumption tendencies found directly related to impulse purchase. Product category wise examination of current model adds new directions and findings in the future. Prior studies on purchase intentions have mainly focused on simple models at any given time. However, researchers increasingly argue that a complex representation may give better understanding of customers’ purchase intentions. To the best of the authors’ knowledge, this study is one of the first empirical studies to address a complex structure of the proposed variables.

Keywords: advertisement, brand equity, cognitive dissonance, hedonic consumption tendencies, impulse buying

1. Introduction

Brand equity is positive image about a brand in the mind of a customer (Kim & Kim, 2005). It can be said that Brand equity is an expression usually used in the marketing field, which defines the value of having a popular brand name. It has been observed that the owner of a well-known brand name can produce more profits from products with that brand name than the products, which have a less known name. Similarly, Doyle (1992) finds that consumers perceive that a product with a distinguished name is better than products with less known names. Some marketers say brands are the most important assets a company holds as brand equity has the ability to increase the financial or total value of a brand to the brand (Barth, Clement, Foster, & Kasznik, 1998).

Advertisement is a paid form of communication by the use of many communication mediums to influence the customer for buying the product (Kotler & Zaltman, 1971). Generally, the purpose is to inspire consumer behavior in accordance to the commercial offering, even though political and ideological advertising is too common (Duncan & Moriarty, 1998). In Latin language, advertise means, “to turn toward”. The purpose of the advertising can also be to create trust (faith) in the mind of the shareholders as well as in the mind of employees that the company is strong, capable and prompt to the success (Smith, 2007).

Consumption of products based primarily on the desire to experience pleasure and happiness (Alba & Williams, 2013). Hedonic consumption in general may refer to as the traits of individuals to engage in activities resulting in pleasure and relief in tension (Hoch & Loewenstein, 1991). Literature documents show a very strong relationship between shopping experience and hedonic tendencies.

An impulse purchase or impulse buying is an unplanned decision to buy a product or service, made just before a purchase (Stern, 1962). Customers who usually try to make such purchases are termed as impulse purchasers or impulse buyers. Many researches show that emotions and feelings play a very important role in buying process, elicited by having a glance of the product or upon exposure to a well hewed promotional message (Park, Kim, &
Companies and retailers try to exploit these impulses, which are snarled to the basic want of instant satisfaction.

As a view of psychology, individuals feel faced anxiety or uneasiness because of the cognitive dissonance (McGregor, Zanna, Holmes & Spencer, 2001). Conflicts do exist in the beliefs, ideas, or values, which are usually motivated by some new information because individuals at the same time hold two or more different beliefs, ideas, or values (Pajares, 1992). Leon Festinger has introduced the word cognitive dissonance in 1957, one of his theories tells about, how a man tries to control or concentrate on his internal consistency. When someone feels uneasiness, he/she tries to reduce the reasons behind the uneasiness or try to eliminate the source of uncomforting (Allyn & Festinger, 1961).

This study helps to identify some important factors, which affect impulse buying and cognitive dissonance. Many of the studies have explained the effect of impulse buying on cognitive dissonance before. None of the studies has mentioned any relationship between brand equity, Advertisement and hedonic consumption with the cognitive dissonance in a mediation study. This study contributes in knowing how brand equity and advertisement, hedonic consumption tendencies via a mediating variable (impulse buying) affect cognitive dissonance.

2. Literature Review

2.1 Brand Equity

Brand equity is an important concept for current organizations, and it has been studied for many years. In marketing practices, such as differentiation and service quality, create customer-based brand equity (CBBE)—it is a concept which tells that consumers react more positively towards branded products as compared to non-branded products (Aaker, 1991). Keller (1993) defines CBBE as the differential effect about different brands in the mind of the customers.

Brand equity is value-enhancing element for any company. It adds value and gets preference in the product or service. As earlier studies tells that CBBE increases loyalty toward a company and its products (Keller, 1993; Moradi & Zarei, 2012) also, it helps to generate greater margins in profits and gives brand-extension opportunities and much more (Aaker 1991; Allaway et al., 2011; Buil et al., 2008).

Consumer-based brand equity is usually measured from different angles as awareness, brand association, perceived quality, and brand loyalty. Aaker (1996, p. 10) defines brand awareness as the strength by which customers can recall a specific brand. Similarly, it can be said that brand awareness is a customer’s ability to recognize a brand (Aaker, 1991; Pappu et al., 2005). Further, Yoo et al. (2000) assess that brand awareness and brand association can be combined in a single term as association.

H1: Brand equity influences cognitive dissonance.

2.2 Advertisement

Advertising is a paid form of communication (promotion) about a product or service to persuade customers (Richards et al., 2002). Advertising is in use since a long for the promotion of goods and services. It is an influential and most effective way of communication of information regarding a product. For proper communication, advertising needs great focus.

Advertising attracts customer’s attention but it is not the case always, as Fitzgerald (1998) tells that 90% of his advertising is wasted and he does not know of what part 90% is comprised. Whether advertising gets customer’s attention due to quality of product or advertising itself or because of any other reason, it still needs to be studied. Crux of the discussion is that, advertising has a positive impact on the mind of the customers (Krishnamurthy, 2001; Martin et al., 2003).

H2: Advertisement influences cognitive dissonance.

2.3 Hedonic Consumption Tendencies

Hedonism can be defined as the principle that pleasure is the highest value in a unique or attractive life-style zealous to pleasure seeking (The Chambers Dictionary, 1993). Delight, joy, elation, ecstasy and enjoyment are different aspects of hedonism (Andrew, 2008). Pleasure seeking is a sensual need of the customers, so it attracts customer’s attention with higher hedonic (Hirschman & Holbrook, 1982). On the other hand, hedonism may have an adverse impact on the humanity. In addition, action-based model of dissonance tells that people attempt to bring equilibrium between conflicting beliefs as aversive and consonance (Jones, 1999). This may result in some actions which are harmful for humanity but for hedonic purpose. Hedonic consumption also has negative impact on well-being, as it is for only customer’s satisfaction in his or her own way (Zhong & Mitchell, 2010).
H3: Hedonic consumption influences cognitive dissonance.

2.4 Impulse Buying

Impulse buying has both cognitive as well as affective elements in it. Its cognitive aspect is concerned with just planning and affective with situational factors, which cause impulse buying (Verplanken & Herabadi, 2001). Mostly consumers do impulse buying as it gives pleasure and reduces burden of choosing from a bundle of products (Hauseman, 2000). It has been observed that, impulse buying has adverse impacts on personality trait as well-being and is concerned only with pleasure (Silvera et al., 2008).

On the other hand, impulse buying reduces stress and tension in shopping. As George and Yaoyuneyong (2010) find that impulse buying is actually a strategy to reduce distress and anxiety and give pleasure. Further (Rook and Hoch, 1985) assess that impulse buying is all about pleasure seeking purpose. As many consumers have told that, they feel better in doing impulsive purchase (Rook, 1987).

Impulse buying is an important element from retailing point of view also. As some of the retailers consider impulse buying as a most important factor which has an impacts on their business; different types of strategies have been made to deal with the impulse buying tendencies as product placement and point-of-purchase advertising displays are some of the strategies implied to deal with it (Wood, 1998).

H4a: Impulse buying influences cognitive dissonance.

H4b: Impulse buying mediates the relationship between brand equity, advertisement, hedonic consumption tendencies and cognitive dissonance.

2.5 Cognitive Dissonance

Leon Festinger defined cognitive dissonance first time where he differentiated among opposite belief, which can be a cause of cognitive (Festinger, 1957). Festinger (1957) add that people having faced with negative cognition try to take actions to reduce its negative impact and attain equilibrium or better state. The negative dissonance due to mismatch in expected and actual performance of the products changes customer attitude towards that product in future (Jones et al., 2009).

Intensity of cognitive dissonance depends on two factors as personality traits of the customers and variables, which cause dissonance (Jones et al., 2009). A lot of stress has been laid in knowing factors behind cognitive dissonance and few as desire for structured life, fear of invalidity, well-being traits and negative state of mind have been tested and found related with cognitive dissonance (Thompson et al., 1989; Beck et al., 1979; Diener et al., 1985; Ryff & Keyes, 1995).

2.6 Research Question

1) What is the impact of brand equity on cognitive dissonance?
2) What is the impact of advertisement on cognitive dissonance?
3) What is the impact of hedonic consumption tendencies on cognitive dissonance?
4) What is the impact of mediating role of impulse buying on the relationship between brand equity, advertisement, hedonic consumption tendencies and cognitive dissonance?

The research objective is to identify the effect of brand equity, advertisement and hedonic consumption on
impulse buying and cognitive dissonance attached with various fashion-oriented clothes’ purchase by customers where impulse buying plays a mediating role in the study.

3. Method

A sample of 370 customers from different fashion-oriented clothes outlets of Multan city were approached directly, during various occasions, for data collection purpose. Customers were given a questionnaire to answer the questions pertaining to cognitive dissonance, hedonic consumption tendency, advertisement and brand equity.

3.1 Sample Characteristics

Out of 370 customers taken as a sample, 350 useful responses were chosen for analysis. Twenty questionnaires were excluded due to missing values and non-serious response. Average age of the respondents appeared out to be 27 years. Out of 370 respondents 265 were females that constitutes 77% of the sample and 85 were males that constitute 23% of sample.

3.2 Measurement Instrument

A self-administered questionnaire was used for the data collection purpose. Brand Equity scale was adopted from Yoo, Donthu, and Lee (2000). Advertisement Scale adopted from Henthorne, LaTour & Natarajan (1993). Impulse buying tendency scale was adopted from Rook and Fisher (1995), cognitive dissonance from Gyoungho Lee & Jaesool Kwon (2003) and hedonic consumption trend scale was adopted from Babine et al. (1994).

3.3 Reliability of Scale

The reliability of scale for various variables and dimensions, used in this study, is shown in Table 1. Over all internal reliability of the instrument is good with alpha value of 0.895. Individual analysis of reliability for various variables also showed satisfactory results having impulse buying scale 0.597, advertisement scale 0.825, brand equity scale 0.516, hedonic consumption tendencies scale 0.754 and cognitive dissonance 0.684.

Table 1. Overview of scales’ reliability

<table>
<thead>
<tr>
<th>Variable / Scale</th>
<th>Cronbach Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisement</td>
<td>0.825</td>
</tr>
<tr>
<td>Brand Equity</td>
<td>0.516</td>
</tr>
<tr>
<td>Hedonic Consumption Tendencies</td>
<td>0.754</td>
</tr>
<tr>
<td>Impulse Buying</td>
<td>0.597</td>
</tr>
<tr>
<td>Cognitive Dissonance</td>
<td>0.684</td>
</tr>
</tbody>
</table>

4. Results

In this section, the results obtained from the analysis of data are presented and findings along with its possible implications are discussed. Multiple Regressions are conceded having brand equity, advertisement, impulse buying and hedonic consumption tendencies as independent variables and cognitive dissonance as dependent variable. The results are summarized in Tables 2, 2a and 2b.

4.1 Statistics and Data Analysis

4.1.1 Advertisement, Brand Equity, Hedonic Consumption Tendencies and Impulse Buying—Cognitive Dissonance Relationship

Model summary reveals that brand equity, advertisement, impulse buying and hedonic consumption tendencies predict 35% variation in cognitive dissonance. ANOVA table entails that prediction is statistically significant at p < 0.05.

However, hedonic consumption tendencies, advertisement and impulse buying are significant in predicting cognitive dissonance having t-values 5.223, 3.345 and 3.875 respectively at p < 0.05 whereas, brand equity is insignificant in prediction having t-value 1.793 at p > 0.05 i.e. 0.074 (Table 2b). Beta coefficients presented in table 2b show that brand equity, advertisement, hedonic consumption tendencies and impulse buying have direct relationship with cognitive dissonance with β values 0.098, 0.096, 0.289 and 0.235 respectively.

Statistical results shown in Table 2b approve hypotheses H1, H2, H3 and H4.
Table 2. Regression analysis summary

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mode</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), HCT, BE, AD, IB  
b. Dependent Variable: CD

Table 2a. ANOVA analysis

<table>
<thead>
<tr>
<th>ANOVAa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
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</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>Residual</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), HCT, BE, AD, IB  
b. Dependent Variable: CD

Table 2b. Coefficients in regression analysis

<table>
<thead>
<tr>
<th>Coefficientsa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mode</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>1 (Constant)</td>
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<tr>
<td>AD</td>
</tr>
<tr>
<td>BE</td>
</tr>
<tr>
<td>HCT</td>
</tr>
<tr>
<td>IB</td>
</tr>
</tbody>
</table>

a. Dependent Variable: CD

4.1.2 Brand Equity, Advertisement and Hedonic Consumption Tendency—IB Relationship

Multiple Regressions was again proceeded to describe impact of brand equity, advertisement and hedonic consumption tendency on impulse buying tendency. The results are summarized in Tables 3, 3a and 3b.

Model summary disclose that brand equity, advertisement and hedonic consumption tendencies estimate 48.5% variation in impulse buying (Table 3). ANOVA table empirically verifies that prediction is statistically significant at p < 0.05 (Table 3a).

Brand equity, advertisement and hedonic consumption tendency are significant in predicting impulse buying having t-values 4.722, 7.507 and 5.733 respectively at p < 0.05. Beta coefficients illustrate that brand equity, advertisement and hedonic consumption tendency have direct relationship with impulse buying tendency with β values 0.218, 0.362 and 0.269 respectively (Table 3b). Statistical results presented in Table 3b approve hypothesis H1b, H2b and H3b. Figure 2 gives an estimated model of this study after getting statistical results.

Table 3. Regression analysis summary

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mode</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), HCT, BE, AD  
b. Dependent Variable: IB
Table 3a. ANOVA analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>39.514</td>
<td>3</td>
<td>13.171</td>
<td>108.755</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>41.904</td>
<td>346</td>
<td>.121</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>81.418</td>
<td>349</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), HCT, BE, AD  
b. Dependent Variable: IB

Table 3b. Coefficients in regression analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>.728</td>
<td>.096</td>
</tr>
<tr>
<td>AD</td>
<td>.273</td>
<td>.036</td>
</tr>
<tr>
<td>BE</td>
<td>.158</td>
<td>.033</td>
</tr>
<tr>
<td>HCT</td>
<td>.260</td>
<td>.045</td>
</tr>
</tbody>
</table>

a. Dependent Variable: IB

Figure 2. Estimated model

5. Limitations of the Study and Directions for Future Research

Even though choice of customers from different fashion clothes brand outlets as a sample establishes very important portion of target population and shows stimulating information in this study, still verification of the model on many other sample categories remains an interesting path to be discovered. Exploring influence of the given model on any other specific product category may unveil novel dimensions. Level of cognitions may vary with variations in demographic profiles of the customers. This study is comprised of fashion clothes products only and conducted in Multan, Pakistan.

References


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