

# Importance of motivation in consumer behavior marketing essay



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## **ABSTRACT**

Importance of motivation in consumer behavior is well established. Motivation is regarded as driving force behind consumer perception and action. Though motivational perspective is widely acclaimed and utilized to explain consumer behavior, it is sparsely incorporated in brand management. Academic literature on brand management is benefited from cognitive psychological and behavioral perspectives, but recent theoretical developments within the realm of personality psychology have indicated for eschewing the independence between cognition and motivation. These theoretical developments suggest that constructs which were hitherto discussed within cognitive perspective only can also be looked at from motivational perspective. Extant literature on customer based brand equity formation and measurement is rooted in cognitive psychology, behavioral and information economics perspectives whereas current study attempts to study the same phenomenon using motivational perspective attuned with new developments. To this end, research objectives of this thesis is to provide a rationale for motivational perspective of CBBE conceptualization and measurement, consequently, propose and validate CBBE construct utilizing this perspective.

## **I INTRODUCTION**

Branding adds value to the product (Winters, 1991, Farquhar, 1990). Consumer perception of value added by the brand to the product is called customer based brand equity (CBBE) (Keller, 1993, Yoo and Donthu, 2001). Though role of motivation in consumer behavior is widely acclaimed (Mitchell, 1982; Hawkins et al, 1986; Emmons, 1989; Huffman and Houston, <https://assignbuster.com/importance-of-motivation-in-consumer-behavior-marketing-essay/>

1993), role of motivation in perception of brand and formation of CBBE has not yet deserved an examination. Recent advances in psychology literature eschew the independence between cognition and motivation (Kruglanski et al, 2002) since motivation has capability to both filter (Glenberg, 1997) and facilitate (Moskowitz, 2002) cognition. Goals are motivational constructs (Gollwitzer and Moskowitz, 1996). Extant literature supports the view that salient goals guide perception (Gollwitzer, 1999) and it also supports the view that customer based brand equity results from brand image which is the mental representation of brand within the minds of the consumers (Keller, 1993). This leads to the premise that goals might have a role to play in the formation of CBBE indicating that CBBE could also be defined from motivational perspective which was previously looked at from cognitive (Keller, 1993), behavioral (Aaker, 1996) and information economics perspectives (Erdem and Swait, 1998). A study done by the author (Ponnam, forthcoming) also indicates that when respondents are asked to evaluate the same brand independently when two different goals were made salient, significantly different results were obtained on CBBE scale. This finding also suggests that goals might have a role to play in formation of CBBE.

This thesis aims to highlight the need for conceptualizing and operationalizing CBBE within motivational perspective and provide the new construct definition and operationalization thereafter. Towards achieving this end, existing literature on conceptualizations and operationalizations of CBBE is critically reviewed, gaps in existing literature are identified, need for new framework is reinforced, applicability of motivational framework in comprehending and measuring CBBE is outlined, thereafter, a new

conceptualization and related new operationalization of CBBE within motivational perspective is proposed and evaluated on meta-theoretical criteria. Consequently a discussion is offered as to how this new perspective can be utilized by managers in effectively managing various phases of brand management.

## **II LITERATURE REVIEW**

Leuthesser (1988, p. 9) defined brand equity as “ the set of associations and behavior on the part of a brand’s customers, channel members and parent - corporation that permits the brand to earn greater volume or greater margins than it could without the brand name.” Though many other competing definitions were offered later, they are in broad consensus with Leuthesser’s (1988) definition of brand equity as value added by the brand to a product (Park and Srinivasan, 1994). Farquhar (1990) posited that value added by the brand can be discussed from three perspectives viz. firm, trader and consumer. Financial value added by a brand to firm is discussed as brand value (Wood, 2000). Value added by a brand to consumer is espoused as brand equity (Keller, 1993). Brand equity could be measured at various levels: segment level (group level) or individual level. Individual level measurement of brand equity using cognitive or behavioral constructs or a combination of both is discussed as customer based brand equity (Yoo and Donthu, 2001). The scope of this literature review is to critically review various conceptualizations and operationalizations of customer based brand equity so as to engender an evaluation on meta-theoretical criteria proposed in next section.

## **Various Conceptualizations of Customer Based Brand Equity:**

### **2. 1 Keller's (1993) Conceptualization:**

Keller's (1993) conceptualization of customer based brand equity is based upon cognitive psychological underpinnings. Accordingly, customer based brand equity is defined as " differential effect of brand knowledge on consumer response to marketing of a brand" (p2) and differential response is measured as " consumer's reactions to an element of marketing mix, in comparison with reaction to the same marketing mix element attributed to the fictitiously named or unnamed version of product or service " (p2). Brand knowledge (image) is conceptualized as brand node in human memory to which variety of associations are linked. Term " node" is consistent with associative network theory while referring to a packet of information (Anderson, 1983). According to this theory, human memory consists of nodes and links connecting these nodes. Upon encountering an internal or external cue, a node gets activated and the activation spreads to connecting node and so on as long as sufficient threshold level for a node to become activated is maintained. As each node becomes activated, information contained in the node is recalled by the subject.

It is lately suggested that the links between brand nodes are asymmetric in strength (Romaniuk and Sharp, 2004). For example, given the cue " HP", a consumer might recall a " printer", but given the cue " printer", consumer might not immediately recall " HP". It is also realized that cues that activate brand nodes engender from both internal and external sources and many of them might not necessarily suggest a brand but could increase the

probability of a particular brand / set of brands being considered for choice (Romaniuk and Sharp, 2004). For example, being in film theatre might engender the consumer to eat/ drink something “ refreshing” and the consumer might consider a cola drink, popcorn bag and chocolate bar to be equally refreshing. The cue here is activated from external environment and doesn’t suggest a brand or industry defined product category. Thus, it may be conceived that different cues could result in different “ sets” of options (product categories, brands) which the consumer might consider (Holden and Lutz, 1992). Therefore, it can be postulated that as brand node and subsequent brand association(s) elicitation (brand knowledge) are variable with reference to chosen cognitive path of activation (because of asymmetric links between brand nodes) and the cue(s) encountered by the customer. This qualifies (brand) associative network to be a fuzzy structure (Barsalou, 1983). Extending this argument within the Keller’s (1993) framework, it may be inferred that consumer’s evaluation of brand equity might significantly differ for the same brand in two contrasting contexts if the same brand node is evoked by two different cues leading to different cognitive paths of activations. Hence, a statistical point estimate of CBBE might not be derivable based upon this foundation.

Cognitive framework pertaining to the brand as described by Keller (1993) does not fully explain as to how different pieces of information pertaining to a brand are structured in the associative network during information assimilation phase; which means manager has no idea regarding which information pertaining to the brand is dearly held (can be estimated by its proximity to the brand node), which information is distantly held and which

information remained unprocessed by the consumer. This information could be highly useful in designing effective communicative messages. Also how associative network structure (knowledge structure) is accessed in different decision making contexts remains unanswered. These predicaments together suggest the need for an alternative conceptual framework.

## **2. 2 Aaker's (1991, 1996) Conceptualization:**

Aaker's conceptualization of customer based brand equity has both cognitive psychological and behavioral underpinnings. Aaker (1991, p. 15) defines brand equity as “ a set of brand assets and brand liabilities linked to a brand, its name and symbol, that add or subtract the value provided by a product or service to a firm and/or to that firm's customers”. This definition is regarded as most comprehensive definition of customer based brand equity (Motameni and Shahrokhi, 1998). Within consumer context, brand equity according to Aaker (1991, 1996) can be understood as second order construct consisting of 4 dimensions namely brand awareness, brand associations, perceived quality, and brand loyalty. Many universal as well as product specific multidimensional brand equity scales (measurement models) are inspired from Aaker's conceptualization (c. f. Yoo and Donthu, 2001; Washburn and Plank, 2002; Pappu et al, 2005) [universal CBBE scales], Konecnik & Gartner (2007) [CBBE scale for tourist destinations], Kim and Kim (2004) [CBBE for restaurants], Anselmsson et al (2007) [CBBE for grocery products]. These scales regard above mentioned four dimensions as sources or antecedents of customer based brand equity construct.

Feldwick (1996) opines that awareness created by brand's size, ubiquity or scale of promotional activity is neither suggestive of consumer's attachment  
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nor preference for a brand. Further, he argues that loyalty could be affected by other factors such as inertia, availability and price rather than brand equity per se and hence it might not be a reliable estimator of brand equity. Also an immediate increment in brand equity can be obtained by massive price discounting which could result in current increase in loyalty for the brand, but when consistent could deteriorate brand equity in long term. Also loyalty measure is meaningful only to the extent when consumer has used the brand at least once and hence, it makes a distinction between users and non-users. Aaker (1996) suggested that discount brands could score low on perceived quality. Netemeyer et al. (2004) advanced this argument stating that perceived quality might measure prestige aspect associated with the brand where discount brands have propensity of score low. This implies that perceived quality as measure of brand equity makes a distinction in the assessment of value brands from others. Also, it has been stated there is no underlying theory upon which Aaker's conceptualization is built (McWilliam, 1993) as no evidence was provided as to why these theoretically distinct constructs should collectively represent customer based brand equity.

### **2.3 Erdem and Swait's (1998) Conceptualization:**

Erdem and Swait's (1998) conceptualization of customer based brand equity is based upon information economics underpinnings. According to the authors, "...credibility, content and clarity of brand as a signal of product position increases perceived quality and decreases perceived risks and information costs which in turn increases consumer's expected utility; this increase in expected utility can be attributed to brand equity" (p. 132).

Accordingly brand equity can be defined as "value of a brand as a signal to



the consumers" (p. 140). A brand signal is said to be composed of a firm's past and present marketing mix activities and supposed to convey information about product attributes and thus signal a product's position in attribute space. The content of a brand signal is assumed to depend upon the specific properties of the brand's marketing mix elements as well as brand-specific marketing messages sent over time to consumers.

With the advent of competitive offering, consumer might reevaluate the perceived quality of the brand (Shocker et al, 1994) that might result in significant increment or decrement in expected utility than previously stated. Signal as defined by Spence (1974) is a "manipulable attribute / activity that conveys information about the characteristics of economic agent" (Erdem and Swait, 1998, p. 134). But in the case of brand, not every activity might be manipulable. For example, behavior of intermediary (retail store dealing of brand) is not manipulable in some industries. Again discussing brand equity from signaling perspective shifts the focus from consumer to marketer because customer based brand equity is the result of consumer's understanding and evaluation (decoding) of the signal and not the signal per se.

## 2. 1 CBBE as a measure of price premium:

Crimmins (2000) proposed that brand equity is the "ratio of the brands price to its competitor's price when both are equally desirable to consumer, minus one." (p. 144). This ratio captures proportion of price premium a consumer is willing to pay in purchasing the brand over its competition.

### **III GAP IDENTIFICATION – MOTIVATION FOR CURRENT RESEARCH**

Importance of brand equity is of pragmatic managerial interest as outlined earlier. In this regard, various guidelines have been laid out with respect to properties of CBBE. Hogan et al (2003) suggest that a complete measure of brand equity should also consider potential consumers apart from existing consumers. Schreuer (2000) opines ideal brand equity metric should be able to identify those aspect(s) of the brand which consumers value most so that brand can be positioned/ promoted accordingly in different segments. Chay (1991) suggests that brand equity should act as a diagnostic to managers in aiding them to identify relevant competition which could span beyond industry defined product category and should also help them in strategizing how brand can be made most preferable amongst the target consumers. This signifies that ideal brand equity metric should help managers identify the relevant competition. Raggio and Leone (2007) suggest that brand equity metric should not emphasize on short term effects that may be vulnerable. Based upon review of literature, performance of various conceptualizations these meta-theoretical criteria are tabulated. As observed from table 1, none of the existing conceptualizations satisfactorily addresses all of the theoretical concerns. This underlines the scope for a new conceptualization and subsequent operationalization.

A Summary evaluation of various conceptualizations

## **Meta theoretical criteria**

**Keller (1993)**

**Aaker (1996)**

**Erdem and Swait (1998)**

Should not distinguish between consumers and potential consumers

Yes

No

Yes

Should not distinguish between value brands from other brands

Yes

No

Yes

Should help in identifying value laden aspects of the brand

No

No

No

Should help in identifying relevant competition

No

No

No

Should help in segmenting consumers

No

No

No

Should not be vulnerable to short-term effects

Yes

No

Yes

Table 1

## **IV MOTIVATIONAL PERSPECTIVE OF CBBE CONSTRUCT**

Having identified the gaps both at conceptual and operationalization level, an endeavor is made to relook at CBBE construct from motivational perspective. The overarching objective is to come up with conceptualization and related operationalization that satisfactorily addresses most of the meta-theoretical criteria. An attempt is made to conceive conceptualization of CBBE within goal perspective. After defining goal and rationalizing the need

for a motivational perspective, a new conceptual definition for CBBE is sought and on this basis a new measurement model is proposed.

#### **4.1 Goal: Introduction and Definitions:**

Goals are motivational constructs related to individual actions (Gollwitzer and Moskowitz, 1996). Austin & Vancouver (1996) define goals as “ internal representations of desired states, where states are broadly construed as outcomes, events, or processes.”(338). Bagozzi and Dholakia (1999) view goal as “ mental image or end representation of desired outcome”. Authors further expound the goal concept stating that goals need not be tightly defined or closed ended, they could be open ended as well. Goals, according to the authors may be activated externally or internally. When context presents opportunities or impose/ restrict alternatives, goals become externally activated, goals might also be internally activated as well when consumer has to decide one amongst several self-generated alternatives.

Gollwitzer (1999) empirically proved that when a goal is operating, respondent shows more readiness to identify information that is consistent with the goal and less readiness to identify information that is not consistent with the goal as compared to when goal is not operating. Therefore, it can be stated that prominent goals direct the perception and generally respondents incline to process only that information which is relevant to their prominent goals (accessible or salient).

Kunda (1990) further stated that salient goals may influence which beliefs and rules are accessed and applied. Keller’s (1993) conceptualization regard

CBBE as a function of brand image where brand image is defined as perception of brand within the mind of the consumer (Kepperer, 2000).

Advances in motivational research indicate that consumers' salient goals may influence their perception of brand. This leads to a scope to conceptualize CBBE within motivational perspective.

Within the context of consumer behavior, marketer would be interested in those goals which drive the evaluation of product (brand). Such goals are called consumption goals and they can be envisaged as benefits consumer searches within the product (Huffman and Houston, 1993). Consumption goals explain what the consumer desires from the product (adopted from Rossiter and Percy, 2001).

### **4. 3 CBBE Construct definition formulation within motivational perspective:**

Bagozzi and Dholakia (1999) state consumers purchase products / brands to achieve their end state goals. Markman et al (2007) proved that when goal is made salient, respondents tend to show increase in preference towards those objects that are related to salient goal and decrease in preference for those objects which are not related to salient goal; compared to state when goal is not salient. Authors termed these phenomena as valuation and devaluation respectively. Phenomenologically, within a natural setting, consumer's evaluation of product may be based on multiple competing consumption goals (Russel, Ratneshwar, Shocker, 1999). This finding implies that, in multiple goal salience condition, higher the perceived fit between consumer's salient goals and consumer's evaluation of brand with respect to salient goals, higher is the preference for the brand. von Neumann and

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Morgenstern (1947) stated that utility is a function of preference. Therefore, it may be further reiterated that in multiple goals salience condition, higher the perceived fit between consumer's salient goals and consumer's evaluation of brand with respect to salient goals, higher is the perceived utility of brand.

Some salient consumption goals may be enduring across many product category evaluations (personally salient goals) while others may become salient only in a very few product category evaluations (situationally salient goals) because of constraints imposed by situations on product category evaluations (Ratneshwar et al, 1997). Raggio and Leone (2007) postulated that ideal brand equity metric should not consider short term effects while measuring CBBE; hence CBBE within motivational perspective may be conceptualized as

consumer's assessment of degree of correspondence between his/ her personally salient consumption goals and perceived performance of the brand upon these goals." An operationalization based upon this conceptualization will result in point estimate of perceived utility of the brand when controlled for short term effects. Further, this definition is consistent with Vazquez et al (2002) definition of CBBE as overall perceived utility of a branded offering.

Personally salient consumption goals are emphasized because of four reasons: during information processing, a salient goal acts as a perceptual filter in attending to only those pieces of information which are salient to consumer (Haley, 1971; Gollwitzer, 1999); consumer decisions are based

upon salient information rather than total information available for a product category (Alba et al., 1991) and in the absence of situational factors which strongly constrain a consumer decision (situationally salient goals), consumer pays attention to only those product features which can be rooted to their personally salient consumption goals (Ratneshwar et al., 2001). Also, as personally salient goals are enduring, a stable point estimate of CBBE becomes viable.

## **4. 4 Proposed CBBE Operationalization within motivational perspective**

### **4. 4. 1 Constructing Goal Salience Scale:**

Fiske and Taylor (1991) defined salience as “ the extent to which particular stimuli stand out relative to others in their environment” (p. 246). Building upon this definition which emphasizes salience as prominence of stimuli, Guido (1998) further expounded this concept based upon information processing approach in his “ Dichotic theory of salience”. According to this theory, there exist two kinds of salience: in-congruity salience (in-salience) and relevance salience (re-salience). Incongruity salience is evidenced when a stimulus is in-congruent in a certain context to perceiver’s schema and thus becomes prominent in perceiver’s cognitive field. On the other hand, re-salience is evidenced if a stimulus becomes prominent because it is perceived as congruent in a certain context to perceiver’s goal or drive. Re-salient stimuli are memory based, involve top down cognitive processing, and characterized by planned or voluntary attention as opposed to in-salient stimuli which are perception based, involving bottom up cognitive processing and being characterized by passive attention. Personally salient product



related goals are inherently memory based stimuli which result in (active) selective perception of those features / attributes on the part of the consumer which are congruent with these goals (Ratneshwar et al, 1997). They, thus qualify as resalient stimuli. Dichotic theory of salience advocates a measure of relevance rather than a direct measure of prominence in measuring salience of re-salient stimuli.

Relevance theory (Wilson and Sperber, 2003) states that relevance is a matter of degree. Greater the positive cognitive effect achieved by the stimuli (a proof that stimulus is processed) then greater is its relevance. Positive cognitive effect is the worthwhile difference in individuals' representation of their world. This leads to conclusion that stimuli relating to personally salient product related goals are more often processed (enduring / personally salient) and more often considered in making a product category evaluation (relevant) because consumers perceive adhering to this goal is supposed to result in a better choice (positive cognitive effect). Based upon this description a two item scale is proposed to measure extent to which consumer considers a product related goal as personally salient:

Proposed scale to measure the extent to which consumption goal is personally salient

In your previous experiences with product category X (advertisements, word of mouth or actual purchase situations) how often did you pay attention to information relating to goal Y

In your previous experiences with product category X (advertisements, word of mouth or actual purchase situations) how often did you consider goal Y in forming your judgment about the brand.

Each of these items is measured on ratio scale anchored with 0 as “ not at all” and 100 as “ always”.

Proposed single item scale to measure positive cognitive effect

Please indicate the extent to which you are willing to compromise on goal Y in making a choice within product category X.

This item is measured on ratio scale anchored with 0 as “ not at all willing to compromise” and 100 as “ extremely willing to compromise

#### **4. 4. 2 Perceived actual performance scale (PAP):**

Perceived actual performance is the consumer’s assessment of performance of the product upon an attribute or set of related attributes related to a consumption goal. Perceived actual performance might differ from actual performance of the product. Perceived actual performance is conceived by the consumer based upon his/ her direct (usage based) or indirect (word of mouth, advertisements, consumer reports based) experience with the brand. A ratio scale will be used to measure PAP. Respondent is asked to give a rating of 100 to that benefit (perceived actual perform against the goal) which respondent think the brand best satisfies, a minimum score (0 or higher) to that benefit that brand least satisfies and rate all other benefits in between this range.

### **4. 4. 3 Estimating CBBE using proposed operationalization:**

Ascertaining individual level estimate of CBBE:

Based upon the proposed definition, it may be assumed that greater the positive difference between perceived actual performance of brand on goal and its corresponding goal salience, greater should be the fit hence greater the brand equity and vice versa. CBBE, hence can be modeled as a function of difference between PAP and corresponding goal salience for each goal. Various functional forms that are based upon this function will be tested (ex:  $\hat{\alpha}^i(PAP_i - GSi)$ ,  $\hat{\alpha}^i(PAP_i - GSi)*GSi$ ,  $\hat{\alpha}^i(PAP_i - GSi)*GSi^2$  etc) for every individual across various brands; later to it the theoretical and subsequent empirical rationale will be identified in choosing the most appropriate functional form.

## **V RESEARCH OBJECTIVES**

Proposed study has three research objectives:

To psychometrically validate personal goal salience scale

To psychometrically validate the new measure of CBBE conceived at individual level

To prove that brand equity measures (proposed measure, overall brand equity metric devised by Yoo and Donthu, 2001) differ across consumer segments clustered based upon their personally salient goals

## **Research Methodology**

5. 1 Psychometric validation of personal goal salience scale:

### 5. 1. 1 Reliability:

A proportion of sample is identified and revisited after a time lag, correlation between the summated measures of goal salience obtained on both instances serves as a measure of test re-test reliability.

### 5. 1. 2 Content Validity:

An expert opinion is sought from three experts in psychology to assess the content validity of the scale

### 5. 1. 3 Criterion Validity:

High positive correlation between summated scale of goal salience and positive cognitive effect has to be obtained to establish predictive validity for the scale as conceived in relevance theory ((Wilson and Sperber, 2003).

## 5. 2 Psychometric validation of individual estimates of CBBE:

### 5. 2. 1 Reliability:

Reliability of overall brand equity measure (OBE, Yoo and Donthu, 2001) is estimated. Correlation between OBE and proposed measure is estimated. Then, by using correction of attenuation of formula, minimum estimate of reliability can be established (Nagy, 2002).

### 5. 2. 2 Construct Validity:

Convergent Validity:

H1a: Proposed measure is positively correlated with Agarwal and Rao's (1996) measures of brand equity.

Discriminant Validity:

H1b: Proposed measure is not positively correlated with Perrin-Martineng's (2004) brand detachment scale

5. 2. 3. Criterion Validity:

H1c: Proposed measure is positively correlated with Klink and Smith's (2001) liking towards the brand scale

5. 3 Proving that CBBE differs across clusters formed on the basis of personally salient consumption goals

In order to prove brand equity differs across clusters, MANOVA followed by uni-variate ANOVAs is performed with dependent variables as proposed measure of CBBE, OBE and independent variable as cluster membership of individuals.

## **Research Design**

5. 4 Product Category Selection:

To generalize the applicability of scale methodology, psychometric validation is to be performed for brands belonging to two contrasting product categories. Criteria for selecting product categories were based on previous literature (Yoo and Donthu, 2001; Pappu et al, 2005) corresponding to customer based brand equity scale development. Accordingly following

criteria were considered in selection of product categories, namely: consumer involvement with the product, price, replacement cycle / length of experience and product type classification. Product categories laptops and newspapers are selected. Rationale is as follows:

## **Criteria**

### **Laptops**

### **English Newspapers**

Consumer involvement with product category

Medium to High

Low to High

Price

Medium to High

Low

Replacement cycle / Length of experience

Moderate to Long

Short

Product classification

Predominantly search based

Predominantly experience / credence based

## Table 2

### 5. 5 Data Collection:

Data for all the three studies will be collected from population residing in the state of Andhra Pradesh. Quota sampling based upon occupational profile of Andhra Pradesh will be used for study 2. Respondents varying in their degrees of usage will be identified and invited for focus group discussions (study 1). Data will be collected independently for both the product categories. Sample size details for each phase are described in below sections.

### 5. 6 Proposed Methodology for Operationalization of CBBE within motivational perspective:

#### 5. 6. 1 Study 1 – Generating consumption goals

Objective of this study is to elicit product related consumption goals (hereafter called goals) pertaining to two contrasting product categories. Towards this end, respondents will be invited to a focus group discussion to capture the goals behind use of two product categories. Study also seeks to find the favorable (liked) and unfavorable (disliked) brands in each product category. Each group will consist of 6 respondents. Each discussion will be held for a maximum of 45 minutes and discussions for product category will be called off only when same themes emerge repetitively across groups. All discussions will be recorded but anonymity of members will be assured. Using the discussions, list of brands and goals are sought and will be used in subsequent study.

Identifying / eliciting consumer goals:

Goals follow hierarchy and they range from concrete to abstract (Lawson, 1997). Three tier hierarchy of operationalization of goals is prevalent in go