

Effect of corporate slogan on decision making of consumers

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Abstract

Corporate slogan is used by organizations as marketing stimulus as a part of corporate identity. Even though almost every big organization likes to use slogan as a marketing stimulus, it is not sure whether corporate slogans compel consumers to buy the product or services. To test if decision making is the function of corporate slogan, an experiment was conducted. A sample of 102 consumers was used by simple random sampling method. Participants were 32 boys and 70 girls gender-wise, and divided equally into experimental group and control group by random assignment. An audio-visual advertisement was shown to the participants and later given chance to respond, "how likely are you to buy the service?" in a rating scale where 0 meant 'totally unlikely' and 10 meant 'sure'. The advertisement consisted of bilingual corporate slogan for experimental group. For control group, the advertisement was totally the same except it did not include any corporate slogan. The data showed that decision making is not the function of corporate slogan.

Keywords: Organization; consumer behaviour; marketing; advertisement; unique selling proposition; corporate identity; brand

Introduction

Big organizations have their corporate identity, which includes name, logo, and slogan. Slogan can be considered an important marketing stimulus. According to [Puntoni S, Langhe BD & Osselaer], marketing is the economic process by which goods and services are promoted and bartered between the maker and the user, and their values fixed in terms of prices [Solomon MR] argues that the age of marketer space is gone and that of consumer space has come. Consumers are to be made realise that they have some needs and some wants. So, the marketing departments of organizations are found pushing a step further to create a good brand, establish corporate identity and be on the tip-of-mind of consumers. In marketing concept, the key assumption is that a company must determine the needs and wants of specific target markets and deliver the desired satisfactions better than the competition, in order to be successful [Schiff man LG & Kanuk LL] So, marketers are in the lookout of opportunities to reach out their customers whenever and wherever possible. They use many elements of branding like jingles, packages, signage, logos, symbols, characters, and brand ambassador [Farhana M, Middleton S] to promote their unique selling propositions (USPs).

All people are not targeted by advertisers or marketers. They first discriminate the segments and target the advertisements (and even products/services) to relevant ones.

Corporate slogan (also rarely called tagline) is a phrase that is constantly repeated after an organization's name or logo [Ramaswamy VS & Namakumari S] that the slogan is considered definition for organization's identity. Slogan can even be used to convey the vision of organization [Kotler P Armstrong, G., Saunders, J., & Wong, V]. For example, Nike's 'Just do it' and Ford's "Go further" are exemplary. In Nepal, Ncell's "Here, for Nepal" was a popular corporate slogan. Similarly, Wikipedia's "A free encyclopedia" is a slogan that is memorized quickly. Slogan may have narrower meaning also. It may stand for brand slogan or advertising slogan. [Laran J, Dalton AN & Andrade EB] mention that consumer behavior is influenced by a vast store of marketing tricks including slogans. Brand slogans are made to inform shortly the fundamentals of products [Dowling GR & Kabanoff B] Slogans should function to identify and distinguish a product [Farhana M]. Slogan is used to make certain image about a company or brand in consumers' minds.

Decision making occurs in five steps of problem recognition, information search, evaluation of alternatives, product choice and outcomes according to [Solomon, M. R]. Corporate slogan may have effect on buying decision by low-involvement hierarchy in which consumers do not think a lot for some purchases [Solomon, M. R]. After some purchases (or behaviors), they learn about goodness and badness of the product which again affects their future buying behaviors. [Schiff man LG & Kanuk LL] also give a model of consumer's decision making in which they say decision occurs in three steps- input, process and output. In input, firm's marketing efforts including slogan are kept along with sociocultural environment. Process includes factors like need recognition and evaluation of alternatives. Output is purchase and repeat purchase. This model by Schiff man and Kanuk is taken as theoretical framework. Some authors claim that purchasing behavior does not follow the decision process [Olshavsky RW & Granbois DH] while others claim that awareness causes attitude and intention and these cause purchase [O'Brien T] Slogan might play role in awareness and intention formation. Intention affects buying action [O'Brien, T. V].

Some authors like [Lian SB, Safari M & Mansori S] have tried to look at the effect of marketing stimuli on purchasing behavior but the research that looks at the effect of corporate slogan specifically on buying decision by using experimental design is the first of its kind.

Objective

Objective of the research was to test if there exists cause-and-effect relationship between corporate slogan and buying decision of consumers. There were other research hypotheses also which were aimed to be tested. They are give below:

1. There is difference in buying decision scores between experimental group and control group.
2. Understanding of slogan is dependent on gender.
3. Knowledge of slogan is dependent on gender.
4. Understanding of shown advertisement is dependent on remembering of popular corporate slogans.

Method

The data was collected by experimental method preceded by a short survey based mainly on the experiment, by quantitative approach. The experimental design employed is ‘random selection two group’s post-test comparison’ type. First 102 participants were randomly selected for research and then randomly assigned to two groups. From target population of 1125 members in a college in Kathmandu, they were selected by simple random method using random number table. Both the groups- experimental and control - were shown an advertisement video. Experimental group was shown one with corporate slogan and control group was shown one without corporate slogan. The video was about an imaginary national park “Chittoun” that resonated with a famous national park of Nepal “Chit wan”.

The slogan displayed as a part of corporate identity was as shown below:

Chittoun: *bhramaN* is fun

Since it has been claimed that bilingual slogans appeal more [Luna D, Lerman D & Peracchio LA] and proved that slogan in native language are more effective, the use of both Nepali and English language has been done. Effectiveness of advertisements done in bilingual way varies for various products or services [Krishna A & Ahluwalia R] Since the advertisement is effective after at least three exposures according to three-hit theory [Schiff man LG & Kanuk LL], the audio-visual advertisement was shown three times for each group. After the advertisement, the participants were given a chance to rate how likely they were to buy the service of the company (or national park). In a rating scale of 10, 0 meant ‘totally unlikely’ to buy the service and 10 meant ‘Sure’ to buy the service. Additional question to assess if the slogan was understood was given. Another question to know if the participants knew slogans previously was also given. The purpose of these questions was twofold- to determine if the response about buying decision was true and to test additional hypotheses as mentioned above.

Laptop was used to show video. Pen and questionnaire were also used. Data was collected in a peaceful room of a campus in Kathmandu. The participants were mostly undergraduate students even though all consumers are taken as a population. The target population was consumers of Kathmandu. The accessible population was the consumers of a large college in Kathmandu consisting of 1125 students.

Results

IBM SPSS Statistics 25 software was used to analyze the results. 26 males (81%) and 55 females (78.6%) understood what the slogan was about. 6 male and 15 females did not understand the slogan. It means 79.4 percent consumers understood the slogan shown to them. 23 males (71.9%) and 55 females (78.6%) knew popular slogan. 9 male and 15 females were unaware about corporate slogan. It means 76.5 percent consumers were aware about some corporate slogans. To test null hypothesis that understanding of slogan is independent of gender by Chi square test, Pearson Chi square value turned out to be 0.096 at 0.756 significance level. Since reference significance level of 0.05 was less than 0.756, we retained null hypothesis. Similarly, to test null hypothesis that knowing of slogan is independent of gender by Chi square test, Pearson Chi square value turned out to be 0.547 at 0.459 significance level. Since reference significance level of 0.05 was less than 0.459, we retained null hypothesis. To test another null hypothesis that comprehension of shown advertisement is independent of memorization of popular slogan(s) by Chi square test, Pearson Chi Square value turned out to be 3.118 at 0.077 level of significance. Since 0.077 was also greater than 0.05, we retained null hypothesis.

To determine equality of variances, Levine’s test was conducted. Since F value turned out to be 1.891 at significance level 0.172, we concluded that there was equality of variances between control and experimental groups. The distribution of scores was not normal as shown in figure 1 and and as found by

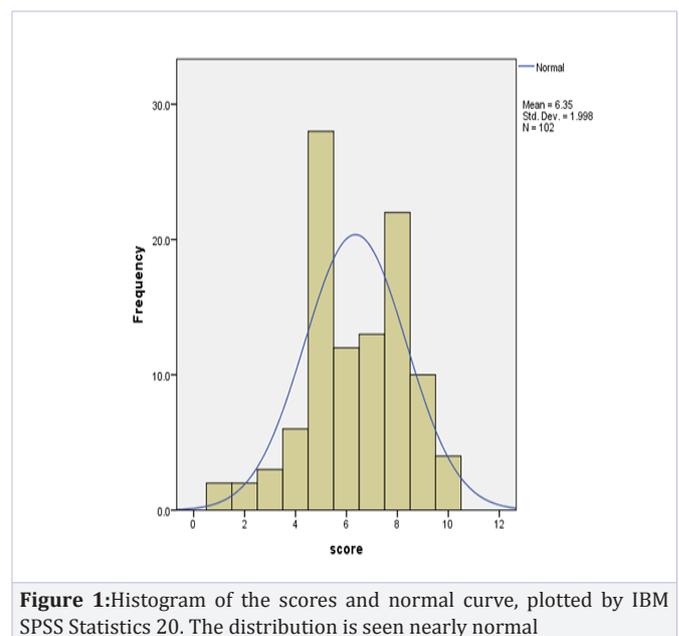


Figure 1: Histogram of the scores and normal curve, plotted by IBM SPSS Statistics 20. The distribution is seen nearly normal

One sample Kolmogorov-Smirnov test (c.f. table 1). Nonetheless, other criteria for t test of independent means were fulfilled. To test the null hypothesis that there is no difference in buying decision scores of experimental and control groups, a t test for

independent means was carried out. It was a two-sided t test. T value turned out to be 1.091 at 0.278 significance level for DF=100. Since 0.278 > 0.05, it was concluded that null hypothesis could not be rejected (c.f. table 2).

Table 1: One-sample Kolmogorov-Smirnov Test

| Null hypothesis | Test statistic | Asymptotic Sig. (2-sided) | Conclusion |
|---|----------------|---------------------------|------------------------|
| Distribution of score is normal with M=6.35, SD=1.998 | 0.153 | 0.000 ¹ | Reject null hypothesis |
| ¹ Lilliefors corrected | | | |

Table 2: Levene’s test and t test for independent means i.e. of control group and experimental group

| Levene’s test (for equality of variances) | | t test | |
|---|---------|----------------|---------|
| Test statistic | p-value | Test statistic | p-value |
| 1.891 | 0.172 | 1.091 | 0.278 |

Discussion

The experiment rejected the hypothesis that consumer buying decision is the function of corporate slogan. The claim that slogan is meant to appeal consumers to take some action or buy an article [Sheriff, M] is refuted. The companies invest a lot of money to create brand identity which includes slogan. They may invest millions of dollars (or rupees) in creation of corporate slogan only. This may not trigger consumers to buy the products or services. It just may be beneficial for branding [Kohli C Leuthesser L & Suri R] Since the research was carried out as thesis of Master of Arts (MA) in Psychology under *Consumer Behavior*, it had limitations of budget and time. The experimental setting was not ideal. The sample mostly consisted of undergraduate students. The findings come from them may not be generalizable to whole population in spite of the fact that they are avid consuming segment of population. Even though the confounding variables were controlled by random assignment, the dominance of female in sample may have affected the result. The service targeted to the age group of 21-25 (which was an attribute of accessible population) might not have been relevant. These are the other limitations of study that might have affected the external validity of findings. The experiment was done in contrived setting and may have affected the ecological validity. Moreover, there are more people who responded that they understood advertisement shown than those who remembered popular corporate slogans. The distribution of scores appears little left-skewed (with skewness= -0.318), as seen in figure 1, since many participants have rated the advertisement 4 or more than 4 in the scale of 10. So, demand characteristics may have affected the result. Spike in the score of 5 in the same graph may imply presence of bias of average tendency.

The future researches on this or similar topic can be carried out. The future experiments can be based on relationship between real advertisements and real buying or non-buying behaviors of consumers. The same research findings can be verified by taking sample with broader cross-sections of consumers. Similarly, the effect of other marketing stimuli can also be studied on consumer buying decisions or other dependent variables like attitude formation, perception about a service or product, and so forth.

Conclusion

The buying decision is not affected by corporate slogans. There is no cause and effect relationship between corporate slogans and buying decisions of the consumers. The other research hypotheses are not supported either. It shows that understanding of corporate slogan is independent of gender. So is the knowing of popular corporate slogan. Similarly, understanding of shown advertisement is also independent of memorization of at least a popular slogan.

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