



# THE EFFECT OF EMOTIONAL VERSUS RATIONAL APPEAL IN ADVERTISING ON MALAYSIAN CONSUMERS' PURCHASE INTENTION OF HYBRID CAR

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## ABSTRACT

Carbon emissions released by automobiles has spurred the invention of hybrid car as a green initiative that may solve one of the world's primary environmental problems. Numerous efforts have been undertaken by the car manufacturers to grab the market attention for hybrid cars. One of the efforts that could be considered effective is via advertising. Advertising is a powerful marketing tool to acquire consumers' attention, create product awareness, provide information, generate cues for the sales force, influence consumers' perception, and reassure consumers by confirming a purchase. However, what kind of advertising appeal is best suited to market hybrid cars to Malaysian consumers? This conceptual research paper explores two different advertising appeals, namely rational versus emotional appeal, and further hypothesises their effects on Malaysians' purchase intentions towards hybrid cars. Using an experimental design with two types of Toyota Prius advertisements as stimuli, this research investigates the relationships between consumers' perceived psychological risk, financial risk, performance risk, and environmental concern on their purchase intention of hybrid cars when different appeals are used in the hybrid car advertisements. This research is significant for marketers in the automobile industry, as it may emphasise the importance of a proper choice of advertising appeal in constructing a marketing plan for hybrid cars in Malaysia.

**Keywords:** hybrid car, green marketing, rational appeal, psychological risk, financial risk, performance risk, environmental concern.

## INTRODUCTION

Every gallon of petroleum will produce 20 pounds of carbon dioxide, which acts as a greenhouse gas that causes climate change (Hampshire Department of Environmental Services, 2013). The introduction of hybrid car is a huge improvement in the automotive industry, and is thought that this great innovation may solve the environmental problem. A hybrid car is the vehicle that uses two different energy sources, typically a battery and petrol. In 2000, the Toyota Prius became the first hybrid car in the world (Ang and Lee, 2008). In Malaysia, the sales of Toyota Prius are expected to increase during the next several years due to the rising popularity of hybrid car, extended tax by Malaysia government, the incremental increase of customer awareness of hybrid cars, and new model launches by the car manufacturer (Ang and Lee, 2008). This sudden demand had created a new agenda of technology that was previously unfamiliar by the Malaysian society. Due to that, advertising plays a role in closing the gap between the society and hybrid technology. Advertising could assist in creating awareness and spreading information about new products in the market, as well as creating the intention of buying and having the product (Clow and Baack, 2012). In the car industry, advertising could create a sense of belonging and emotional feeling toward the car (Stokes and Hallett, 1992). With these in mind, this research will examine the implementation of advertising appeals in the marketing of hybrid car. In specific, the research will look into consumers' reactions toward two types of advertising appeals (rational versus emotional) that were currently applied in Malaysia to market hybrid cars.

## PURPOSE OF RESEARCH

This research aims to investigate the effect of different advertising appeals toward the purchase intention of hybrid cars. This research will involve one company and one product, which is the Toyota Prius. More specifically, this research will explore the relationships between consumers' perceived risk factors (psychological risk, financial risk and performance risk) and personality factors (environmental concern) that influence the purchase intention of hybrid car when the emotional versus rational appeal are used in advertising. This research will then examine the most influential factor among the four factors, that encourages the purchase intention of hybrid car. Finally, this research will investigate the difference in the Malaysian's purchase intention of hybrid car when emotional appeal advertising is used compared to rational appeal.

## LITERATURE REVIEW

### EMOTIONAL ADVERTISING APPEAL

Emotional appeals relates to consumers' social and/or psychological needs for purchasing a product or service. Many consumers' motives for purchasing are emotional and their feelings about a product may be more important than their knowledge of the product's features or attributes. Emotional appeal will enhance the consumers' emotional need and in fulfilling their psychological status (Belch and Belch, 2012). Some characteristics of emotional appeals are related to personal feelings such as fear, love, joy, affection, safety, security, nostalgia, sentiment, comfort, self-esteem, pride, sorrow and grief. Other characteristics of emotional appeals are



related to social based feelings such as recognition, status, respect, involvement, embarrassment, affiliation, rejection, acceptance and approval (Belch and Belch, 2012).

### **RATIONAL ADVERTISING APPEAL**

Rational appeals tend to be informative and could help to resolve consumption choice conflict (Rossiter and Percy (1987). Rational appeals focus on the consumer's functional, utilitarian or practical need for the product or service. It also emphasises features of the product or service and the benefit of owning or using a particular brand. Rational appeals underline the facts, logic of persuasion and learning (Belch and Belch, 2012). There are a few characteristics of rational appeals, such as product/service quality, feature, economy, dependability, efficacy, efficiency, competitive advantage, health, durability, performance, favourable price, convenience and popularity (Belch and Belch, 2012).

### **PSYCHOLOGICAL RISK**

Kim, Kim and Leong (2005) described psychological risk as the risk that the selection of a product will have a negative impact on the consumer's peace of mind or self-perception. On the other hand, it has also been defined as the probability that a product results in inconsistency with self-image (Forsythe and Shi, 2003). It is also a risk that combines social risk resulting from friends or family thinking that a consumer has made a poor or inferior choice (Mitchell, 1998). Clow and Baack (2012) claimed that rational advertising appeals are well-suited for high-involvement products, for example, purchasing a car. For high-involvement product decision making, a consumer requires considerable cognitive activity and consumers tend to spend more time evaluating the attributes of the product or brand. This will enhance the psychological risk because consumers are evaluating whether the product or brand will suit their status and income class before making a purchase. As for emotional appeals, they introduce a sense of belonging when consumers are about to buy a product. As discussed earlier, emotional appeals are based on feeling or psychological status. These appeals will help to reduce psychological risk by fulfilling the consumer's psychological need when buying a car.

### **FINANCIAL RISK**

Mitchell and Harris (2005) described financial risk as how much someone spends will cost relatively to an individual's financial resources and paying extra than necessary. Mitchell and Harris (2005) stated that financial risk is the strongest risk among the risk factor in determining purchase intention. This is because cost is easily compared and evaluated by consumers upon purchase. The cost consideration is very important for car purchasing because it will affect the customer's livelihood and therefore involve a high level of financial risk (Soon, Seng, Luen and Siang, 2013). Purchasing a car may cause consumers to bear a long term financial payback that involve monthly payment that definitely effects spending. Gillingtan (2011) claimed that resale price may also be the

main factor in consumer's consideration in buying a car. Financial risk is put into consideration especially if the consumer has the intention of changing to another car in future by reselling the old car. Other than that, the fuel-saving attribute is another factor that could influence consumer's perception of financial risk. Other financial or economy factors such as government subsidy, horsepower, fuel cost, and capital cost have been found to influence the purchase intention of hybrid cars. According to Clow and Baack (2012), rational advertising appeals will be less effective for high-involvement products because this type of appeals will usually focus on the price and features. In purchasing a car, the consumer may consider a balance between both the high price and offered features. Emotional appeals advertising work well for high-involvement products, especially the high-priced ones such as hybrid cars. This type of appeals reduces price sensitivity and strengthens the ability of car marketers to charge a premium price. This explains why emotional appeals advertising has been effective during economic downturns (Belch and Belch, 2012).

### **PERFORMANCE RISK**

Kim, Kim and Leong (2005) described performance risk as the potential for the product to not perform as expected which will result in customer satisfaction. Product performance or product quality does influence the consumers' perceived financial risk. Previous research showed that car attributes consist of monetary and non-monetary aspects such as fuel saving and size, environmental pollution levels and household characteristics such as preferences for clean car technologies. These do influence the purchase intention for hybrid car. In Canada, the cost and performance characteristics, reduced tax and pollution remain as the main factor in choosing to purchase hybrid car (Potoglou and Kanaroglou, 2007). Belch and Belch (2012) claimed that emotional appeal advertisements rely on emotional aspects of entertaining, arousing, and exciting effects; hence, they often cause the consumers to ignore the product performance while convincing the consumer to experience the emotional status of owning the product. However, Clow and Baack (2012) stated that rational appeals highlight the superior benefit that the product can provide; hence, this will help to reduce the product performance risk. As rational appeal advertisements are message-laden with product performance, consumers will absorb all information and help them justify their purchase.

### **ENVIRONMENTAL CONCERN**

Fujii (2007) describes environmental concern as the awareness associated with knowing the consequences of environmental problems especially the produce of carbon dioxide emissions. Environmental concern has spurred the new marketing concept called green marketing (D'Souza *et al*, 2004). Dahlstrom (2011) described green marketing as being influenced by climate change. Green marketing has introduced better product offering for those who are concerned about environment. For example, the



Chevrolet Volt is famous for zero-fossil fuel emission with the differentiated price strategy for the car, versus a less expensive car in the market with higher carbon emission. Dahstrom (2011) claimed that when a customer is highly involved in a purchase decision, such in purchasing a car, marketers use rational appeals that highlight the benefit toward the environment and the features that are better than other products to give positive sentiment and stimulate brand interest. Coad, De Haan and Woersdorfer (2009) claimed that consumers' environmental concern would cause consumers to change their lifestyle to become less harmful to the environment. Consumers who are better informed with the existence of certain environmental problems, well equipped with knowledge of a better product options, will have the feeling of responsibility and belief that their own actions can improve the situation. This will result in the desire to reduce harmful behaviours pertaining to the environment through purchasing green products or services. However, Belch and Belch (2012) stated that rational appeals advertisements are often dull and too informative. In adapting a new innovation such as hybrid cars that focus more on improving the environment, emotional appeal might also work in igniting a sense of responsibility by purchasing an eco-friendly product that may help the environment.

## PURCHASE INTENTION

According to Peter and Olsen (2002), the key process in consumers' decision making is the integration process by which knowledge is combined to evaluate two or more alternatives and eventually to select one. Belch and Belch (2012) describe purchase intention as a matching of purchase motives with brand or product characteristics under consideration. Purchase intention is not yet an actual purchase. Once a customer has decided to buy something, he or she needs to implement the decision and make the actual purchase. Kotler *et al.* (2006) stated that automotive products in the industry involve complex buying behaviour, as it involves high involvement of the consumers. Good advertising image will facilitate the high involvement consumers to remember it and persuade them to purchase the product. The multinational automotive company like General Motor spent more than one billion US dollars for advertising just for maintaining a good brand image that changes customer intentions (Belch and Belch, 2012). In general, a high involvement product will often use rational advertising appeal. Such advertising enhances the features of the product compared to other products. Rational advertising could push the consumers' purchase intention via cognitive reasoning activities. They will emphasise on facts, learning, and the logic of persuasion. In this matter, the consumers tend to evaluate the alternative choices by comparing the features, pricing and perceived value of owning a product (Belch and Belch, 2012). On the other hand, emotional appeals could also give the competitive advantages on promoting a product. Stokes and Hallets (1992) described the emotional experiences that can be achieved by the consumers that are enhanced by the emotional appeals

portrayed in an advertisement. A car can be symbols of status and luxury. The value of emotional appeals such as attaining high status and luxury used in car advertisements could help the consumer thought process where they feel a sense of belonging to a certain group of highly regarded in society.

## CONCEPTUAL FRAMEWORK

### RESEARCH QUESTIONS

Based on the arguments in the literature review section above, this research aims to investigate the following research questions:

- What are the factors that influence the purchase intention of hybrid car when emotional versus rational appeal are used in advertising?
- What is the most influential factor that influences purchase intention of hybrid car in Malaysia when emotional versus rational appeal are used in advertising?
- Are there any differences in the Malaysian's purchase intention of hybrid car when emotional appeal advertising is used compared to rational appeal?

### RESEARCH HYPOTHESES AND FRAMEWORK

Several factors (independent variables) will be investigated regarding their effects on Malaysians' purchase intention (dependent variable). The independent variables that are to be tested in this research include the three perceived risk factors (i.e. psychological, financial, and performance risks) and environmental concern. The dependent variable is the purchase intention of Malaysians in considering hybrid cars. The hypotheses of this research are as follows and illustrated in the conceptual framework in Figure-1:

- H1a:** There is a relationship between psychological risk and purchase intention when emotional appeal is used in advertising.
- H1b:** There is a relationship between psychological risk and purchase intention when rational appeal is used in advertising.
- H2a:** There is a relationship between financial risk and purchase intention when emotional appeal is used in advertising.
- H2b:** There is a relationship between financial risk and purchase intention when rational appeal is used in advertising.
- H3a:** There is a relationship between performance risk and purchase intention when emotional appeal is used in advertising.
- H3b:** There is a relationship between performance risk and purchase intention when rational appeal is used in advertising.
- H4a:** Psychological risk is the most influential risk factor that influences the purchase intention of hybrid car when emotional appeal is used in advertising.



- H4b:** Financial risk is the most influential risk factor that influences the purchase intention of hybrid car when rational appeal is used in advertising
- H5a:** There is a relationship between environmental concern and purchase intention when emotional appeal is used in advertising.
- H5b:** There is a relationship between environmental concern and purchase intention when rational appeal is used in advertising.
- H6:** There is a difference in the purchase intention of hybrid car when emotional appeal advertising is used compared to rational appeal.

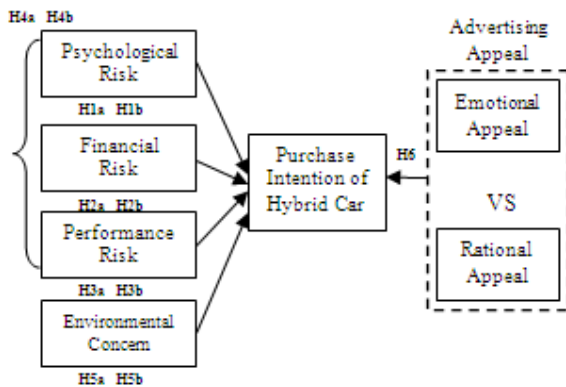


Figure-1. Conceptual framework.

## METHODOLOGY

### RESEARCH DESIGN AND PROCEDURE

This research will be conducted by using an experimental method. Malhotra (2012) stated that experiment is the process of manipulating one or more independent variables and measuring their effect on one or more dependent variables. This research design was chosen to suit the aims of the research and to get the respondents' reaction when different advertising appeals are used. The research will be using one-shot case research pre-experimental design as depicted in Table-1. According to Malhotra (2012), a pre-experimental design is one in which a single group of test units is exposed to a treatment (X), and then single measurement on the dependent variable is taken ( $O_1$ ).

Table-1. Research design.

$X_1$	$O_1$
$X_1$	$O_2$
X = the exposure of a group to an treatment O = the process of observation or measurement of dependent variable on the group	

Respondents will be given the questionnaire and they need to imagine that they will about to make a decision on buying a hybrid car. Respondents will proceed to answer measures for environmental concern. Next, respondents will be exposed to the emotional appeal advertisement of a Toyota Prius and they then need to

answer measures for independent variable (psychological, financial, and performance risk of purchasing the car). Respondents then answer measures for purchase intention of hybrid car as the dependent variable. To overcome memory bias, respondents will then be exposed to some interception stimuli before they are asked to view the rational appeal advertisement of a Toyota Prius. Respondents repeat the similar earlier steps by answering measures for the three perceived risks and for purchase intention of hybrid car. Finally, respondents will need to answer some questions related to demographic data such as age, gender, race, education level and salary.

### ADVERTISING APPEAL STIMULI

The research will be using two different types of actual printed advertising that are used to market the Toyota Prius as experiment stimuli. Both advertisements contain different types of appeal (i.e. emotional and rational).

### INTERCEPTION STIMULI

In order to avoid bias, the interception stimuli contains of six pictures that are not related to a car but each has a sense of either emotional or rational appeal. These stimuli are chosen to overcome the respondents' bias of judgment due to serial position effect of memory (i.e memory recall theory). Atkinson and Shiffrin (1968) have suggested that human memory usually can remember only the first image and the last image that they see in a certain period. Guided by this theory, both advertising stimuli (rational and emotional appeals) used in this research will be distinguished from each other by the interception stimuli so that the rational and emotional appeals will not influence one another.

### SAMPLING PROCEDURE

300 survey questionnaires will be distributed via a convenience sampling to a target population of respondents aged between 25 to 45 years. As this research is focusing on the high involvement product, the target population is suitable because they have higher need for transportation and higher disposable income.

### DATA ANALYSIS

In this research, data will be analysed using Statistical Package for Social Science (SPSS) version 21.0. The descriptive analysis will be applied in analysing the demographical data of the respondents. The descriptive analysis may also be used to describe the hypothesis in a simple way. In this research, there are also several types of inferential analyses that will be applied, including correlation, multiple regression and t-test. The correlation and multiple regression analysis will be used to analyse the relationship between independent variables (perceived risk factor and environmental concern) and the dependent variable (purchase intention). Also, a t-test will be used to analyse the difference between Malaysian's purchase intentions of hybrid car between the two advertising appeal groups - emotional appeal vs. rational appeal.



**SUMMARY**

The Malaysia Automotive Association stated that the sales number of passengers car in Malaysia had increased tremendously from 416,692 units in 2005 to 576,657 units in 2013 (MAA, 2014). This shows that the Malaysian car industry had grown well in the past 8 years, as the involvement of multinational companies had led to competitions among the car manufacturer companies. This research will benefit the marketers in the automotive industry by highlighting to them the importance of using different appeals for different product offering in constructing their advertising campaign. This research could help marketers to determine the appropriate advertising appeal that is more effective in marketing hybrid cars. This particular conceptual paper is the earliest article produced from the research. It overviews the background area that motivates the research, delineates the research questions and hypotheses to be tested, and reviews the literature relevant to the major areas in marketing, such as advertising appeals, perceived risks, environmental concern, and purchase intention. Future articles to be generated from this research will discuss in greater details on the aspects of experiments methodology used, survey instruments and administration, descriptive and inferential results, as well as managerial implications of this research. Findings from this research will assist the car manufacturing industry to further improve their green car advertising campaign in order to compete in the global market strategically.

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