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A Psychological Analysis of Behavioral Consumerism: Advertising, Decision-Making, and its Implications for Retailers

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CLAREMONT McKENNA COLLEGE

**A Psychological Analysis of Behavioral Consumerism:
Advertising, Decision-Making, and its Implications for Retailers**

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BY

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for

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A Psychological Analysis of Behavioral Consumerism:
Advertising, Decision-Making, and its Implications for Retailers

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Abstract

Advertising is a ubiquitous and substantial influence in consumerism, prompting psychological decision-making processes and behavioral consumerism. Selective marketing, advertising, and merchandising can only be successful when the processes within populations are identified and modified to fit the consumer. This paper examines psychological concepts surrounding the complex variables of decision-making. It will discuss relevant literature and empirical evidence that are imperative to further studies of behavioral consumerism. Such concepts that will be examined include: the elaboration likelihood model, regulatory focus theory, paradox of choice, as well as consumer variables such as influences of personality and maximizers versus satisficers. It then addresses these concepts through the lens of advertising and merchandising, and explores effective applications for behavioral persuasion and the implications for retailers.

Keywords: decision-making, behavioral consumerism, advertising

Acknowledgements

A man was walking in the street one day when he was brutally beaten and robbed. As he lay injured and bleeding, a psychologist, who happened to be passing by, rushed up to him and exclaimed, "My God! Whoever did this really needs help!"

I would like to thank the Poppa computer lab, my reader, Professor Costanzo, and other faculty and peers at CMC for inspiring me and challenging me. This school is a special place and I am very jealous of every freshman.

Last but not greatest, I would like to thank my parents for their eternal love and tireless support in all of my starry-eyed endeavors. They have taught me lifelong compassion, resilience, and the importance of a quick wit and firm handshake.

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Introduction

With the mass media and social media era increasingly establishing its influence, retailers have capitalized on these seemingly limitless mediums to reach audiences. . Children alone view more 3,000 ads a day between television, internet use, on billboards, and magazines (Committee on Communications, 2006). This has spawned more interest in decision-making studies in the past two decades about the psychological processes in which consumers make decisions. It is important for research in the face of increased options and more exposure to products every day. This paper examines how and why people are inclined to take elaborate or not in decision-making, the relevance for retailers and businesses, and methods retailers can take to appeal more to the consumers' heuristics. It will also study consumer variables to advertising and how it affects advertisements' efficacy. Countless new mediums of advertising have spawned, and it is only increasing with the developments of new technology which will be imperative in the future business sphere. This thesis will examine the motives behind the psychological phenomenon that occur during decision-making and their function to advertising. Additionally, it will explore the most effective methods of advertising and merchandising in response to psychological theory.

Decision-Making and Behavioral Consumerism

Elaboration Likelihood Model

When you watch a commercial, how likely are you to elaborate on it? To elaborate is to take conscious time and effort to deliberate a communicative stimulus. The elaboration likelihood model (ELM) of persuasion was developed by Petty & Cacioppo

in 1986 of the routes one may take in order to make a decision or change an attitude, based on a persuasive communication. The dual-process theory explains that there are two different routes one can take in order to reach a conclusion.

When one encounters a communicative stimulus, such as an advertisement, they can process it using the central route or peripheral route. The central route is more follows these subsequent phases: (1) The consumer receives the advertisement's persuasive message, (2) consumer's ability and motivation to process are high, (3) high elaboration, (4) leads to the central route. Conversely, the peripheral route follows the opposite phases: (1) The consumer receives the advertisement's persuasive message, (2) consumer's ability and motivation to process are low, (3) low elaboration, (4) leads to the peripheral route (Petty & Cacioppo, 1986). These processes are clarified graphically in Appendix A.

Ability and motivation, as referred in stage 2, refers to the consumer's capability to cognitively process the information. This includes distractions in the environment at the time the consumer receives the message (e.g. cooking dinner while watching a television advertisement). Ability also includes the consumer's relevant knowledge that may be necessary to evaluate the message thoroughly. A person may not be able to centrally process a message if they do not have previous knowledge on the subject to make a comparison. Motivation refers to the effort the individual is willing to contribute to the message.

The significant factor in motivation is the personal relevance to the message. A 1983 study by Petty, Cacioppo, & Schumann considered the effect of personal relevance on motivation. Participants were told they would watch ads featuring a shaving razor, and

after the study were allowed to pick from a selection of razors (high personal relevance). The other group was told they would get random toothpaste after the razor commercials (low personal relevance). The researchers also manipulated the message source (celebrity vs. unknown middle-aged person) and message (weak vs. strong). When personal relevance was high, elaboration was high. When elaboration was low, advertisements with a celebrity were more favorable over one with an average spokesperson. People tend to be more “shallow” when elaboration is low. When people are not paying attention to a message, they tend to linger on to less cerebral cues and more superficial ones (Cacioppo & Petty, 1984).

The central route is characterized by the receiver having a high ability and motivation to process the information, then deliberating the information in-depth. This is also known as a high elaboration. The receiver examines it under the context of previous attitudes or beliefs, and compares this to the new information given by the advertisement. When viewers process a message through the peripheral route, they may rely on superficial cues of the message, such as The ELM proposes that when a viewer is persuaded through the central route, the attitude change is stronger and longer lasting (Petty & Cacioppo, 1986). In the context of advertising, an example of successful persuasion would be the viewer being persuaded to where they want to go purchase the product. The positive persuasion lasting is crucial in this case, as it leads to a higher likelihood of the consumer actually going and buying the product. If it is not lasting, the customer may fail to remember the product (Bitner & Obermiller, 1985).

It is important to keep in mind that the ELM does not propose that one route is more important than the other. It also does not suggest that the two routes are mutually

exclusive, and that a person may only use one at a time to process information. The ELM in and of itself is of little assistance in creating and inquiring about attitude change. The feature that renders the ELM so useful is that it helps predict which types of communication will be most persuasive (Bitner & Obermiller, 1985).

Advertisements that appeal to central processing might showcase facts, statistics, or characteristics about the product in order to give the viewer substance to elaborate on. While peripheral route is not as ideal as central because it is harder to create lasting attitude changes, ad creators have found ways to combat this. They have exploited the recency effect, where a person better retains recent information over earlier information (Murdock, 1962). To employ the recency effect advertisements might utilize timing (e.g. placing ads for the product near a store that sells it), as it has been shown that the best time to reach a potential buyer with your product's advertising is immediately before they make their choice (Beal, Driesener, Riebe, 2008). Additionally, the frequency effect can be used. You may have noticed that some television commercials that appeal to humor run for years. This is likely an attempt at peripheral persuasion through frequency effect.

Regulatory Focus Theory (RFT)

The regulatory focus theory is a goal-attainment theory proposed by Higgins in 1997 which focuses on determining the receiver's feelings toward their pathway of attaining a goal, and how that ultimately creates feelings toward the object. Regulatory focus refers to how a person determines their motivation to attain a goal through maintaining their values. It relies on the assumption that people pursue pleasurable experiences and avoid negative. The RFT focuses on the two different motivations to

achieve a goal: promotion or prevention focused (Higgins, 1997). The Regulatory Focus Pride Questionnaire (RFQ) was developed in order to determine whether one identifies more closely with promotion or prevention-based advertising. It also helps assess people's motivations towards their goals (Higgins et al., 2001). The difference between the two is that "promotion-focused customers are concerned with growth and advancement, whereas prevention-focused customers are more concerned with goals of security and responsibility" (Trudel, Murray, Cotte, 2011). Promotion oriented people envision success and are more eager to succeed. Prevention oriented people focus on attempting to avoid negative outcomes. For example, an ad that claims a new health smoothie "gives you energy!" would appeal to a promotion-focused person. The prevention-focused counterpart would respond better to an ad that states that the smoothie "helps prevent colds!".

In a 2011 study by Trudel, Murray, & Cotte, participants were exposed to advertisements for coffee that were either promotion or prevention oriented. After, they drank coffee and were surveyed on their satisfaction. The coffee was either a positive outcome (hot, high-quality coffee) or a negative outcome (lukewarm coffee with baking soda added for distaste). "Satisfaction reported after a positive product experience was higher under prevention than under promotion" (Trudel, et al., 2011). Prevention-focused people are less satisfied with positive outcomes (good coffee) than promotion-focused people. Conversely, prevention-focused people are more satisfied with negative outcomes (bad coffee) than promotion-focused. These results highlight the conservative bias: people tend to place more weight to prior information and give little weight to new evidence, even if the additional evidence should alter the opinion (Edwards, 1968).

Maximizers vs. Satisficers

The rational choice theory assumes that humans know their wants and needs and have well-established preferences. They weigh the costs and benefits of each option fully before making a decision. This is supposed to make them most satisfied post-decision (von Neumann & Morgenstern, 1944). Economics is highly dependent on the rational choice theory to predict how people will choose and purchase products, but psychology knows that this is too good to be true. Rational choice theory is rather idealist and unrealistic. People do not always take the lengthy time it takes to weigh all options, take their time pondering, and think thoroughly about all options before committing (Schwartz et al., 2002b).

Humans are not always reasonable and logical. This is due to time constraints, the information they are given, and their cognitive ability (Schwartz et al., 2002b). Therefore, the theory of bounded rationality is more plausible than rational choice theory. Simon, the researcher who also coined bounded rationality (1955), theorized that when making decisions people “satisfice” rather than maximize. Maximization, also known as optimization, relates to the aforementioned rational choice theory’s assumptions that one weighs all options and contemplates comprehensively before making a decision. Instead of this, he argues that people’s goal is to satisfice. “People need only to be able to place goods on some scale in terms of the degree of satisfaction they will afford, and to have a threshold of acceptability” (Schwartz et al., 2002b). Essentially, a satisficer peruses goods, places them on a scale of degree of satisfaction, and once he encounters one that meets or exceeds acceptability, he chooses it. He does not need full information of all

potential products. The good needs only to meet the acceptability standard, not the good that is perceived to be the most perfect option. As Schwartz et al. states, “To satisfice is to pursue not the best option, but a good enough option” (2002b).

Maximizers, on the other hand, strive to choose the best possible result. They value gathering all information possible in order to make the best choice. For example, let us use the example of shopping for a new car. Both a satisficer and maximizer are looking for a pickup truck that gets at least 20 miles per gallon and has new brakes. The satisficer browses through cars until he finally finds one that has all three of these qualities, so he buys it. When the maximizer finds the truck with this entire criterion, he suspects that there must be another more perfect truck—one that has even newer brakes. He spends hours and hours perusing the lot, reading the dealer description on the window of each car, but he can’t examine all of the brakes on all 400 cars in the lot. That takes getting underneath the car to check, which is simply too time-consuming. He ends up buying the original car he found, but he is anxious that he might have missed a car with newer brakes. This example demonstrates how satisficers will choose the first product that meets their criteria, while maximizers seek to find the most perfect product.

A 2008 study by Chowdhury, Ratneshwar, & Mohanty studied the effects of time constraints on maximizers and satisficers when making purchase decisions. As the maximizer in the car example felt pressured by not having enough time to check all the cars’ brakes, the study found that in online gift purchases under a time constraint, maximizers browsed more before purchasing and perceived more time pressure than satisficers.

Subsequent studies in the series by Schwartz et al. (2002b) further examined the differences between the two types, and strived to find the implications of each. In the first study, researchers measured participants' level of maximization and level of regret. As measurement tools, the Maximization Scale and Regret Scale were designed. It consists of statements which the participant rates the statement's relevance to their own personality on a 1-6 continuum of "completely disagree" (1) to "completely agree" (6). The Regret Scale includes factors such as "Once I make a decision, I don't look back" and "When I make a choice, I'm curious about what would have happened if I had chosen differently." The Maximization Scale includes factors such as "Whenever I'm faced with a choice, I try to imagine what all the other possibilities are, even ones that aren't present at the moment" and "No matter how satisfied I am with my job, it's only right for me to be on the lookout for better opportunities" (Schwartz et al., 2002a). Correlational analyses found that "maximizers reported significantly less life satisfaction, happiness, optimism, and self-esteem, and significantly more regret and depression, than did satisficers" (Schwartz et al., 2002b). While these results do not indicate causality, the researchers suggest that the mediating factor in these correlations may be that maximizers yield better objective outcomes because they strive to choose the most objective optimal choice. However, maximizing produces worse subjective outcomes. Even if the maximizer does indeed choose the most optimal choice, he still believes there may exist superior alternatives, and thus are less satisfied with their decisions (Schwartz, et al., 2002b).

Subsequent studies in Schwartz et al.'s 2002b series focused on maximizers and social comparison. This furthers the conclusions of a study that unhappy people are more

affected by social comparison than happy people (Lyobomirsky & Ross, 1997). The study found that maximizers are less satisfied when they do execute decisions. Additionally, not only are they more likely to engage in upward social comparison, but they are also more negatively affected by it. One discussed mediator for maximizers valuing social comparison is because it is often impossible to gather all information about all potential options, due to cognitive and time constraints. Yet, examining all potential options is the essence of maximization. Because this is not possible, they look to other cues to help make decisions, such as social comparison. However Lyobomirsky & Ross' study found that people highly affected by upward social comparison tend to be less happy, which maximizers are.

How can retailers help alleviate maximizers' extensive decision-making process and improve their post-purchase satisfaction?

It is difficult for companies to help maximizers' extensive decision-making process through advertising. Advertisements usually feature a single or a few products in a single advertisement. Occasionally advertisements will feature a few products, many of which are not alternatives to each other (e.g. pants and shoes). If a maximizer is looking to buy a new pair of shoes, seeing an advertisement that shows one pair of shoes and three shirts is not helpful on his quest to gain information of all the available shoes. However, merchandising departments may be able to help alleviate maximizers' quest for information, as they can position all similar products side-by-side with brief descriptions.

Too Many Options? Paradox of Choice

People enjoy freedom. The first and foremost dynamic that comes with freedom is choice. People enjoy making their own choices. We enjoy choosing our spouses, food, clothes, hairstyles, and any other goods that fit with our personal preferences. We have formed these preferences after repeated encounters with things we do and don't like, and we believe that we know quite fondly what we would choose given a selection of choices. Obviously having multiple choices is good. It gives us freedom to increase our own satisfaction based on our taste. But can it be possible that there can be too many choices?

A famous "jam study" by Iyengar and Lepper in 2000 studied the effect on purchasing decisions when customers are faced with many options, versus only a few. They set up a booth of gourmet jams and offered customers samples. They switched from offering a selection of 24 jams to a selection of only six every few hours. The customers were given \$1 off coupons to buy the jams after tasting them. The results found that more people flocked to the booth for samples when there were 24 types, but more people actually purchased jam when there were only six types. Specifically, 60% of customers that approached the booth did so when there were 24 jams, and 40% did so when there were six jams. However, 30% of people who sampled the assortment with six jams purchased a jar, while only 3% of people who sampled the assortment of 24 purchased one (Iyengar & Lepper, 2000).

The answer is yes. There are several consequences to having too many options, with pertinent underlying explanations. These are explained thoroughly in psychologist Barry Schwartz's book *The Paradox of Choice: Why More is Less* (2004). The first consequence is paralysis. People become overwhelmed with choices and can ultimately

end up not choosing an option at all. Such was demonstrated in the aforementioned jam study, when 97% of the people who were presented with 24 jams chose not to buy any jam at all. Iyenger and Lepper suggest that one reason for this is an attempt to avoid potential regret. “The more options there are, the more likely one will make a nonoptimal choice, and this prospect may undermine whatever pleasure one gets from one’s actual choice” (Schwartz et al., 2002). Additionally, gathering information about criteria that is relevant to your wants and needs for six options is difficult enough. Gathering this information for 24 options, then using the cognition to deliberate is nearly impossible, and the customer is more likely to make a nonoptimal decision.

Even if one does overcome paralysis to make a decision, they tend to be less satisfied with their choice than if there were originally fewer options to choose from. Imagine a customer in the aforementioned jam study was in the 24-choices group. They happened to be one of the 3% of customers that proceeds to purchase a jar. They decide that it is slightly too sour for their taste. With 24 other jams to choose from, it is easy to imagine that an alternative would have been better. Since there were so many other choices, one of them *must* have been perfect. Even if this more optimal alternative was imagined, even the slightest disappointment is magnified, which leads to regret, and subtracts from satisfaction. This is because an increase in options leads to escalated expectations.

Furthermore, expanded options lead to self-blame. When we have only one choice of jam, we must choose it. If we are disappointed in it, then it is not our fault; it is the store or manufacturer’s fault. However, if we have many options and are disappointed in

a product, we have no one to blame but ourselves for inadequate decision-making. This self-blame leads to increased dissatisfaction.

However, some researchers claim that the paradox of choice may be a myth. Take the example of the plethora of options at a standard supermarket. If the paradox of choices exists, they argue, then why is cheese a popular food item, even a staple, even though there are 30 types of cheese to choose from? The answer is this: if a customer already needs it, they will choose one. Although there are 50 types of cheese, they will walk out with cheese because they had previous specific intent to purchase it. However, if they didn't already want cheese, they would likely follow the paradox of choices, become overwhelmed, and not buy any type of cheese. In the same light, Tom Harford of the Financial Times wrote in an article in 2009 using Starbucks as an example of why the theory may be a myth. Why would the coffee giant be so wildly successful if they boast over 87,000 possible drink combinations? According to paradox of choice, people would be too overwhelmed by this many options, and it would not be a thriving business. However, the reason is the same as the supermarket example's: a man who walks into Starbucks clearly enters because he already had his mind set on buying coffee. The menu offers almost no other options (relative to the number of coffee drinks), so it is obvious he walked in already with his affirmative decision to buy coffee, and thus will choose one, regardless of number of choices.

How can retailers combat the paradox of choice?

The paradox of choice is a psychological phenomenon that every customer in the current world must experience at one time or another. Between types and brands, there

are hundreds of types of every product. Juice flavors can be apple, tomato, orange, cranberry, guava, and so on. Then, there are many types of each juice flavor: no sugar added, sugar-free, unfiltered, juice cocktail, 100% juice, etc. Yet, people are not destined to persistently be confused each time they visit the store. Retailers can implement different strategies to help combat the paradox of choice in many ways. Sheena Iyengar's talk on "How to make choosing easier" (2011), explores the retailer's assessment of the obstacle and how they can help reduce this phenomenon. Reducing it is mutually beneficial, as the jam study found that customers are less likely to buy when they have many options. Therefore, it is in the best interest of both parties for the reduction of the symptoms of paradox of choice. Iyengar gives four steps retailers can take to help minimize paradox of choice in customers.

First, a retailer should cut products. Stores may be concerned about cutting products because they assume that a cut in products will create a cut in sales. However, that is not always the case. It helps alleviate customer confusion while simultaneously increasing awareness to the smaller amount of remaining products. Iyengar uses the example that when Proctor and Gamble downsized their selection of Head and Shoulders shampoo from 26 types to 15, they saw an increase in sales by 10%. This jump in sales serves as an example of not only diminishing the paradox of choice, which increases sales, but also the lowering of costs. However, retailers may be weary in the decision of choosing which products to cut. An obvious answer would be the worst-selling varieties of a product. Or, as Iyengar suggests, a simpler rule of thumb is to ask employees to make a distinction between the types. If they cannot individualize varieties then consumers likely can't either.

The second is concretization. In order for people to understand the differences in the choices they have to understand the specific benefits and consequences within each choice. The customers must feel these in a vivid and concrete manner. The best way for this to happen is for viewers to be able to envision the product in the context of their own lives. They must be able to personalize the ad. How will this benefit me? Will it save me time on my drive to work? Will it help me lose those extra three pounds I've been trying for so long? Will people like this food if I serve it at my son's graduation party?

An example of this was the differences in the early 2010 television advertising campaigns of the popular smartphone competitors Android and Apple, Inc. They were both selling newly developed smartphones released in mid-2009 (Apple, Inc., 2009; Verizon, 2009): the Motorola Droid and the iPhone3GS, respectively. Apple's commercial features a hand holding out the phone, as if the viewer was using the phone. The 20-something friendly male voice boasts of the thousands of apps to help out with your life. It flashes from one scene behind the phone to the next, showing how the app is executed in reality. For example, the phone displays an app that starts your car, and shows a car in the background starting up. Other scenes such as finding out tomorrow's forecast or choosing a gift for someone have corresponding scenes in the background of the hand holding the phone (Press It Please xD, 2010). The Droid commercial begins entering a dark spaceship into a dark, small dungeon-looking room. The phone is held in the middle, with the phone in front of the camera—the same perspective as the Apple commercial. Instead of a human hand operating the phone, it is being used by robot assemblages that type and search "human" into the search function and find related results (MrBuddhaBussy, 2010).

It is evident that Apple wanted to convey a sense of concretization. Apple used generic, ordinary scenes that many people can relate to on a daily basis. They attempted to bridge the gap of the consumer creating this image for themselves and explicitly demonstrated how it would concretely be tangibly useful in their daily lives. While it is hard to pinpoint causality between these commercials and sales, not surprisingly the Apple phone far outsold the Android phone.

The third is categorization. People can handle more categories than they can choices. Dividing products into categories does the work of categorizing that the customer would have had to do. For example, if there are 400 magazines in an aisle uncategorized, a customer would likely become overwhelmed. But they may be divided in 20 categories, such as cars, sports, makeup, fashion, etc. The categories highlight the wide differences among the selection, so it is perceived to be a wider assortment, which leads to more consumer satisfaction (Mogilner, 2008).

The fourth is to condition for complexity. People are able to handle more information than they think they can, as long as they are conditioned for more information. This is achieved by ordering the decisions based on complexity. Iyengar conducted a study in which participants were instructed to create their own cars from scratch. They would decide everything about the car, from exterior color (56 options) to engine type (4 options), which totaled 60 decisions. They varied the order from most options (high choice) to fewest options (low choice), while the other participant group's decisions were ordered from low choice to high choice. If the participants kept hitting the default button per decision, it demonstrated that they were getting overwhelmed and were losing cognition, known as shopper's fatigue. The low-to-high choice group stayed engaged and

continued to make purposeful decisions. Since choosing from more options creates the paradox of choice, starting people off easy and gradually getting harder reduces shopper's fatigue (Levav, Heitmann, Hermann, & Iyengar, 2010).

Iyengar's four suggestions all have one aspect in common: they advise the retailer to lessen steps required for the decision-making consumer. Cutting options, gathering information, sorting information, or preparing the consumer for decision-making all help narrow the space between the retailer's selection and the consumer's decision.

The Compromise Effect

Since there hundreds of varieties have emerged for most products, consumers have more obstacles in purchase decisions. The paradox of choice helps explain consumers' confusion when encountering multiple products alongside one another. The compromise effect is the theory that if there are extremes in a set of alignable products, the customer will likely choose the intermediate product. It is the "tendency for an alternative to gain market share when it becomes the intermediate or middling option in a choice set. In theory, when a consumer is faced with three products, which gradually increase in value--and likewise, price—people tend to purchase the middling product" (Simonson, 1989).

This is significant because it gives a wealth of power to the retailer. Retailers are able to simply increase the overall quality and price of all three, and profit margins increase. Furthermore, consumers are more likely to choose the middle product when provided with only insufficient information about the set of alternatives (Chuang, Kao, Cheng, Chou, (2012).

Consumer Personality Variables

One of the most common methods of customer-tailored advertising is using basic demographics, such as gender, race, or age. Take McDonald's memorable early 2000s television advertisements with children happily dancing, bright colors, and the slogan "Put a Smile On." These were observably aimed at a youthful audience, and were quite successful for their familiarity (Admercial, 2014). However, while demographics are a popular and effective tool for advertising, a more recently discovered and undervalued variable is consumer personality variables, and tailoring advertisements to suit the consumer's motivations, concerns, and stemming from their personality.

While there are many different measurements of personality, the Big Five dimensions of personality traits are generally accepted within the field of psychology as being most useful due to its reliable and valid nature. The Big Five is consistent in self-reporting, which is the most common method of gathering personality traits. It has also been empirically validated by participant interviews and observations by researchers (Schacter, Gilbert, Wegner, 2011). The Big Five, as the name suggests, contains five personality umbrella traits. A person generally would fall under the category of one.

Descriptions of the five personality factors are as follows:

- 1) Openness to experience: creative, curious, insightful, and welcoming of new experiences. They enjoy trying new things and are adventurous.
- 2) Conscientiousness: dependable, reliable, persevering, punctual. They are detail-oriented and may follow a schedule.
- 3) Agreeableness: amiable, cooperative, flexible, trusting. They get along with others well and are willing to compromise.

4) Extraversion: active, assertive, sociable, talkative. They are outgoing, enjoy social gatherings, and generally working with people.

5) Neuroticism: anxious, depressed, moody, tense. They have trouble remaining emotionally stable and are vulnerable to stress.

(Simmering, 2013)

Because it is difficult to isolate a person to a single dimension, a person may score high in one dimension, and low in another. For example, a person may have high tolerance to stress (low neuroticism); enjoys trying new activities (high openness to experiences); enjoys being alone (low extroversion), punctual and goal-oriented (high conscientiousness). However, most personalities can be focused to a certain dimension, based on what they most value. This is determined by choosing self-report statements in a way that discover what they most value, such as “I do not like when people are late,” or “I like to be in social settings with friends.”

A 2012 study by Hirsch, Kang, and Bodenhausen compared whether personality variables make a notable difference in advertisement efficacy. They created five advertisements for a cell phone, each altered to target a motivational concern of one of the personality dimensions. The advertisements featured a picture of the phone juxtaposed with a paragraph about the phone, highlighting a concern of one of the personality dimensions. For example, for a participant categorized as an extrovert the ad read, “With XPhone, you’ll always be where the excitement is.” For a neurotic, the ad read, “Stay safe and secure with the XPhone.” The participants were subsequently asked to rate the effectiveness of the ads with a self-report survey with statements such as, “I

find this advertisement to be persuasive”; and “I would purchase this product after seeing this advertisement.” Participants of all of the five dimensions who were exposed to an ad tailored to their personality rated it as more persuasive and effective, compared to participants who were exposed to a generic ad (Hirsch, Kang, Bodenhausen, 2012).

What are the implications for personality-tailored ads? Obviously it is not resourceful to ask an entire population to take the Big Five personality survey and report to advertising agencies. This is largely the reason why studying demographics or geographics are preferred. Tailoring to personality is not as cost-effective, and personalities are more variable. Demographics are easier to determine (e.g. by census, public record, simple surveys) and thus are more efficient to determine. However, a religion 2012 study surveyed 178 students about their basic religious beliefs and personality categorizing them in one of them Big Five personality dimensions. It found that religious beliefs have a significant negative correlation with neuroticism, and significant positive relationship with the other four, more positive personality traits (Khoynezhad, Rajaei, Sarvarazemy). Still, personalities vary widely within a group as large and general as the religious.

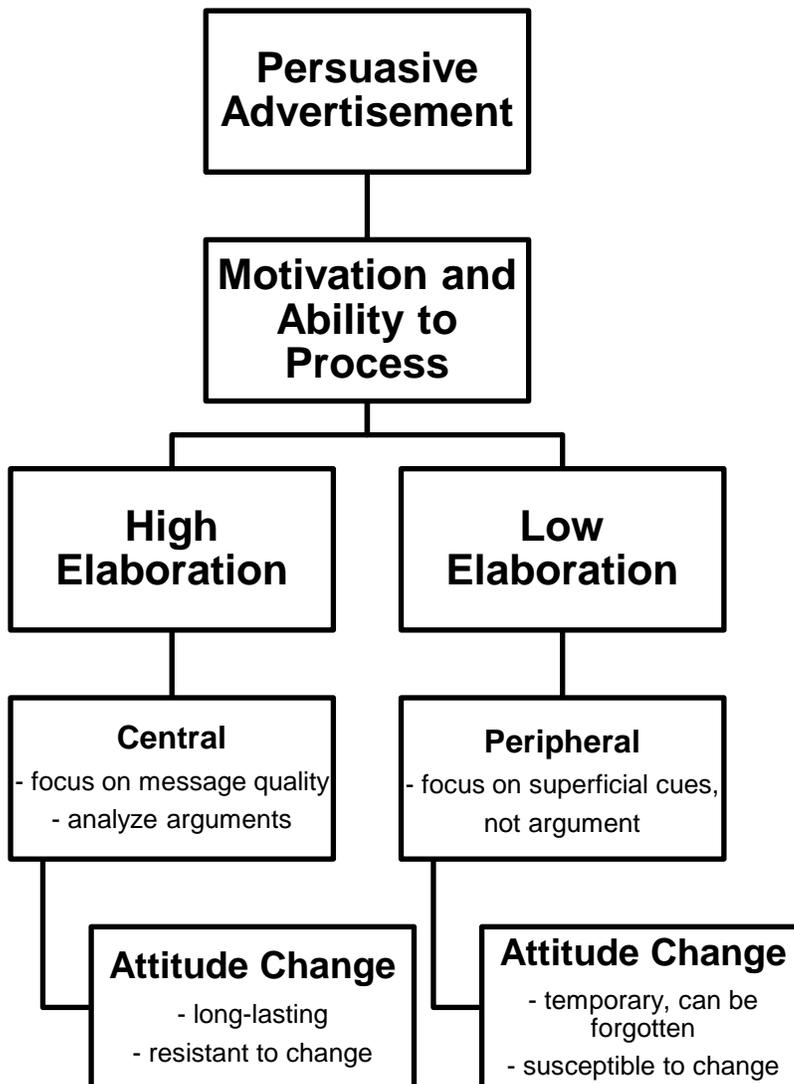
Conclusion

With consumerism comes advertising, and since consumerism is nearly everywhere in the modern world, advertising follows. Countless studies have been conducted to learn how consumers make their decisions. Not only is this information relevant without an abundance of advertising, but it becomes even more imperative to study decision-making as \$171 billion was spent on advertising in 2013 (US Total Media,

2013). Unless the advertising can effectively penetrate the consumer psyche, is it a waste of company resources. Additionally, marketing is not merely limited to explicit advertising that we know in the popular sense of television and magazine ads, but also as more detailed factors, such as decreasing the amount of choices of jam you have in the supermarket. In a world where people are bombarded with media at virtually all times of the day, firms can be too focused on the content of their media with the goal of making it stand out. Rather, the way it will be perceived by consumers is more important to focus on. A creative portrayal of products is futile without positive consumer reception. Further research conducted that would be helpful to advertising could be on children born in the early 2000s, who have developed in the digital age among bombardment of media. It may be hypothesized that they use peripheral routes more often due to constant distraction, and they may be more complex to initiate elaboration.

Appendix A

Figure 1. Elaboration Likelihood Model. This figure illustrates the progression of phases of the central and peripheral routes.



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