



## International Journal of Applied Business and Economic Research

ISSN : 0972-7302

available at <http://www.serialsjournal.com>

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Volume 15 • Number 14 • 2017

### Analysis on Consumer Behavior Model for Storytelling Advertising of High-Tech Products: Focusing on Identification and Empathic Response

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#### ABSTRACT

The present study explored the empathic understanding obtained after seeing the advertisement of a high-tech product and the effect of identification on the relationship between vicarious emotional response, emotional response, and purchase behavior. The present study has verified the basic hypothesis through the structural equation model, which can control the measurement error, and in which the use of parameters is easy and statistical evaluation of the theoretical model is possible. To perform verifications using the structural equation model, the statistical program AMOS 8.0 was used. The results drawn from the study are as follows. First, each factor of empathy (empathic understanding and identification) was found to have a positive effect on the relationship with the cognitive response of consumers through the advertisement of a high-tech product. Second, the cognitive response that is formed through advertisement empathy was found to have a positive effect on the relationship with consumers' vicarious emotional response as well as emotional response. Third, vicarious emotional response was found to have no relationship with the purchase behavior of consumers and, lastly, consumers' emotional response was found to have a positive effect on purchase behavior. Ultimately, for a creative storytelling advertisement, presenting experience that can seep naturally into people's feeling and emotion is an essential incitement. Accordingly, storytelling relating to a product can gain positive results when it focuses on forming active empathy for consumers by presenting an empirical and hedonic summary.

**Keywords:** Storytelling, empathic understanding, Identification, cognitive responses, vicarious emotional response, emotional responses.

## 1. INTRODUCTION

In today's society, both for-profit and non-profit organizations must adapt as per their target consumers. These organizations might be unable to meet the needs of the consumers if they do not change the method of promotional communication that has been used for a long time. Unlike in the past when solving a temporary problem that may occur between two parties was the focus, promotional activities of commercial organizations or non-profit organizations should drive both producer and consumer to sustain unchanging constant interest and common empathy. This implies that by going beyond the limited relationship of a producer and consumer, a cycle of delivering and receiving interest and favor should take place repeatedly even in a general environment rather than putting an end to the relationship after sale and consumption.

The biggest difference between traditional marketing and relationship marketing is the fact that commercial organizations or non-profit organizations provide immediate satisfaction to consumers who are the target of communication and aim to form empathy in the long term.

Satisfaction of customers is attained in a number of ways. Immediate satisfaction can be achieved more easily compared to long-term empathy. However, long-term empathy is difficult to develop, although it should be easy from the perspective of a corporate marketing objective. Relationship marketing focuses on forming a long-term relationship by going beyond a simple transaction and strengthening a relationship between a company and customer by maintaining a favorable association.

People live with dreams. Although one achieves dreams, other people and other environments are always involved. Members of the society that we are part of live together by dreaming. Although the dreams may be the same, they are clearly different in most cases. Formation of empathy is essential for delivering one's dream to those who have different dreams and enlighten them about the dream. One of the new promotional communication tools for forming empathy with others is storytelling (Urška, Golob and Podnar 2013). The storytelling technique that a company often uses as a means of forming empathy makes consumers feel moved and excited because it is a story that gels well with the product rather than its value or rarity. A product's story does not simply tell about the background of the product, the reason for developing the product, characteristics of the product, and differences from other similar products. It is a story that can form empathy with consumers and induce surrogacy experience. Although a product's story should be a complete reflection of consumers, it is not necessarily so. Even if it is not the reflection of consumers, it can take place if it is a story that induces humanistic interest or impression. Drama, which gives an impression to oneself as his/her own story, no longer exists. If one's image gives empathy and joy to others, one's life is affluent. A product's property value cannot warrant joy and impression on the minds of the people as well as unchanging loyalty from them. However, if an emotional story is embedded into the product, it can gain complete support from consumers even if the story itself is a very trivial one. In essence, this is the technique of storytelling.

Although commercial organizations or non-profit organizations live together with dreams, they should inform about products to consumers who are in pain and hard-pressed, and lead them to purchase the products. Although reality is not an environment in which persuasion is easy, the organizations should create an environment in which consumers do not resist or reject the message that the informant proposed, and instead accept it joyfully. This is where the concerns of a marketing communicator begin. Furthermore, as the marketing message is one-sided and has a strong unilateral tendency, it is essentially

a solitary communication even if the feedback obtained is carefully considered. It is difficult for a solitary communication, which does not consider others, to form empathy. Although it is difficult to create an environment in which one can accept and be impressed by a corporate message, corporate objectives can be achieved if a company creates a story by presenting a future image in which consumers can imagine their current lifestyle.

Accordingly, the purpose of the present study is to analyze the structure of consumer responses to the storytelling technique through experiments. The storytelling technique, which is implemented to maximize consumer response, is like a well-written screenplay and aims to provoke empathy or the experience of surrogacy. As a screenplay that matches the feeling and emotion of consumers can induce internal appeal, companies are now focusing on this marketing technique. Verifying whether storytelling is a creative technique that can give satisfaction to both company and consumer at the same time forms part of a guideline that can be useful for short-term and long-term marketing planning.

## **2. MARKETING EFFECT OF PATHOS STORYTELLING**

Individual brands of companies have to face vigorous competition to grow in the local or global market. During a period in which there were qualitative differences in a product or service, the difference in performance or function was the basis for corporate growth rather than the difference from a similar product. However, due to technological advancements, the boundaries between products have collapsed and qualitative differences in products have almost disappeared. Today, when qualitative differences in products are not the basis for selection, companies are busy looking for what drives consumers' choice. Companies in the face of fierce competition have to find a means of persuasion that is different from the past when the differences in brands' functional properties or benefits determined the corporate growth. They may miss the times when they maintained customer loyalty with superior products that were manufactured through technological development. As the regression of history makes the presence of companies uncertain, companies should focus more on the software communication part rather than hardware communication. They need to develop a new way of messaging that is different from the past when hardware communication was the focus.

Consumer-oriented story forms the center axis of software communication. Earlier, consumers were satisfied with the corporate and brand image as indicated by the product quality, price, and distribution locations, which were the basis of direct comparison for product selection. Today, consumers want something different from the past. They want communication that is unlike the past where the focus was on the rational judgment of consumers. Since the message that drives emotional judgment and assessment instead of rational judgment and assessment can share the inner feeling and empathy of consumers, it is recognized as a factor that must be considered in corporate marketing activities. An effective story generates emotional empathy in consumers, induces deep impression, and makes their heart bump for a long time and feel alive. Communication with consumers through storytelling cannot be achieved by simply preparing a summary.

There is a plot that exists in the cross-section of lives of consumers. Although a summary of story exists, what to tell and how to tell should be determined by the degree of emotion that consumers could share. The reason why a company is unable to lead consumers into active and absolute impression despite spending a significant amount of time and expense is that it presents a story that has a low feeling or

emotion that the consumers can share. Storytelling is a creative technique by which company can gain stability from the crisis.

Relationship marketing, which is often used by companies, is a method for creating a splendid story. A positive relationship with consumers is needed because it induces continuous loyalty. Although simple, the method is actively used by companies because it is a less risky factor from their perspective (Rio, Vazquez and Victor 2001).

Relationship marketing, which aims to induce emotional empathy in consumers, is something more than customer acquisition. It emphasizes one-on-one communication, long-term interest of the customer lifetime value, interactive communication, and making customers a partner. In other words, companies' consideration of relationship marketing focuses on transforming potential consumers into current consumers, current consumers into continuous consumers, and continuous consumers into loyal consumers. One of the goals of corporate relationship marketing is to be recognized as a family member that is always with consumers.

Maintaining unchanging relationship with consumers for a long time in the marketing environment of the 21<sup>st</sup> century is an essential asset to a company's growth and development. It costs six to nine times more to generate new customers than maintaining existing customers and the emotional relationship between a company and customers plays a key role in this regard.

Storytelling generates curiosity that humans have had from the beginning and offers a resolution. During the childhood, one resolves the curiosity about the world from the whisper of the mother. As individuals grow, they are exposed to the stories of the people around them, as well as video and print media programs. Stories are usually focused on the emotional aspect rather than rational aspect. The emotional aspect of storytelling is effective in terms of marketing because of some characteristics that consumers have (Lee 2014; Byun 2016; Chang 2012). In other words, consumers share emotions due to the natural form of the story rather than combatant or rational conversation. Moreover, most messages that are stored in the human brain have a form relating to a series of stories rather than fragmentary ones. Drawing out the story in the brain by a stimulus gives joy and happiness. Withdrawal from a story related to sadness or misery also plays a positive part in terms of stress relief. The commonality in a successful brand and a failed brand is whether a story proposed in marketing can induce empathy in consumers. The boundary of empathy induction is not always constant. However, certain parts of a story, which evades consumers' attention, are predictable. Similarly, a story about consumers' happiness, joy, hope, love, and dream may be predicted as a mechanism that can induce emotional empathy at the minimum. A story induces a natural response from people. As it is a major clue that can stimulate people's sensory and emotional response, it is becoming a marketing method that is often used as a technique of persuasion by companies.

### **3. STRATEGIC COMPONENTS OF STORYTELLING IN ADVERTISING**

A company's advertisement is the principal means of delivering a story to people. Advertisement, which delivers a story of the company, product, product development, or consumers, is a story business. As the story business of advertisement forges an interactive bond of empathy with the consumers, a strong brand power is formed. Unrivaled corporate brand power is created by delivering a concentrated emotional impact to consumers. In advertisements, storytelling is not limited to a certain product or expression. Regardless of the type of product, storytelling in advertisements may be used without limitations of expressional methods.

From the perspective of strengthening consumer sovereignty, the fact that a company appeals to the senses of the people through storytelling is ironic because the freedom of consumer selection has a strong aspect based on rational thinking. Although people think themselves as rational beings, their actions are determined through past experiences. Particularly, they disregard much of the related information and return to the past behavior when there is urgency. Experience carries a lot of emotional orientation; therefore, emotional storytelling is a marketing activity beyond reason and focuses on stimulating human emotions.

The storytelling aspects in advertising have no clear framework. However, they can be generally classified into five components, based on the summary of various studies. First is the message, which is a key subject of storytelling. The qualitative and quantitative aspects of the message should be considered simultaneously. A message should not be difficult to decode. To make an impression on consumers, a message should be short and beneficial (Wentzel, Tomczak, and Herrmann 2010). The second component is conflict. Conflict is the reversal factor that draws the attention of consumers and stimulates curiosity. As a story without match point is merely laid out, it may render a sense of boredom and annoyance. If a conflict is presented and resolved through the proposed method, it becomes a successful story. In other words, if the composition of conflict is well formed and the fundamental needs of people who seek balance and harmony are resolved, it becomes a story that acquires interest and offers conflict resolution. The third element is character. If a tool that captures the attention of consumers is the composition of a conflict, there should be a character that addresses the dramatic conflict. The character that resolves the conflict tackles an insecure environment characterized by difficulty and distress. People experience joy, anger, sorrow, and pleasure by seeing their own image in the image of the character. The fourth component is plot, which refers to the story. The five stages: beginning of the event, development, peak, downturn, and finale, is an important system that influences the overall storytelling. The fifth component is speaker. Storytelling becomes possible when there is a message informant and a message receiver. The informant part can be divided into first-person informant, third-person informant, or indirect informant through the drama character. An effective point of informant can be determined by the informant's environment and consumer's environment. In advertisement, the speaker as a messenger reflects a form of the narrator.

### **Research Hypothesis**

**Hypothesis 1:** Empathic understanding of a high-tech product will have a positive effect on the cognitive response.

**Hypothesis 2:** Identification for a high-tech product will have a positive effect on the cognitive response.

**Hypothesis 3:** Cognitive response will have a positive effect on consumers' vicarious emotional response.

**Hypothesis 4:** Cognitive response will have a positive effect on the emotional responses of consumers.

**Hypothesis 5:** Consumers' vicarious emotional response will have a positive effect on the purchase intention.

**Hypothesis 6:** The emotional response of consumers will have a positive effect on the purchase intention.

The basic hypothesis of the present study aims to explore the positive influence of purchase intention by establishing vicarious emotional response and emotional response as mediating variables through empathic understanding of a high-tech product, and vicarious emotional response and emotional response through

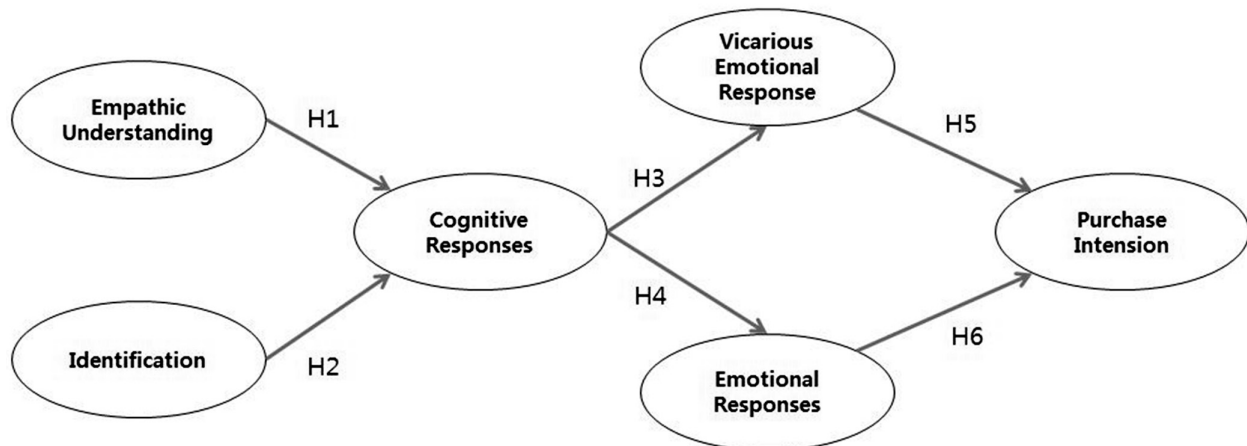


Figure 21.1: Research model

he cognitive response of consumers for identification. The present study has verified the basic hypothesis through the structural equation model, which can control the measurement error, and in which the use of parameters is easy and statistical evaluation of the theoretical model is possible. To perform verifications using the structural equation model, the statistical program AMOS 8.0 was used.

## 4. CONCLUSION

### Measurement Scale

Four questions, which were used in prior research, were modified to fit the present study and used to measure empathic understanding. Each item consisted of a 7-point scale and included the following: “I understood the situation shown in the advertisement,” “I understood the needs that the character had,” “I understood the motive of behavior by the character,” and “I understood the emotion felt by the character.” Following a reliability analysis on the measurement items, the Cronbach’s  $\alpha$  obtained was .86. Accordingly, all four questions were used in the analysis of the study.

To measure identification for a high-tech product, four questions consisting of a 7-point scale were used. The Cronbach’s  $\alpha$  was .87, and thus all four questions were used in the analysis of the study. For the cognitive responses of consumers, four questions consisting of a 7-point scale were revised for the present study and used. The Cronbach’s  $\alpha$  was found to be .88, and thus all four questions were used in the analysis. For the vicarious emotional response, three questions consisting of a 7-point scale were revised for the present study and used. The Cronbach’s  $\alpha$  value was .89, and thus all three questions were used. For emotional responses, four questions consisting of a 7-point scale were used. The Cronbach’s  $\alpha$  was found to be .83. Finally, two questions consisting of a 7-point scale were used for purchase intention. The Cronbach’s  $\alpha$  value was found to be .87.

## 5. RESEARCH RESULT

### Correlation Between the Main Variables

The correlation among all input variables that were used to verify a causal structure that is set in the present study was analyzed and the results are shown in Table 21.1.

**Table 21.1**  
Correlation among all input variables

	<i>Empathic Understanding</i>	<i>Identification</i>	<i>Cognitive Response</i>	<i>Vicarious Emotional Responses</i>	<i>Emotional Responses</i>	<i>Purchase Intension</i>
Empathic Understanding	1.00					
Identification	.901**	1.00				
Cognitive Response	.889**	.876**	1.00			
Vicarious Emotional Responses	.883**	.889**	.873**	1.00		
Emotional Responses	.857**	.832**	.846**	.839**	1.00	
Purchase Intension	.761**	.767**	.791**	.765**	.797**	1.00

Note:  $p < .05^*$ ,  $p < .01^{**}$

Empathic understanding and structural analysis model in accordance with identification, consumer's cognitive response, vicarious emotional response, and emotional response

The present study deployed the structural equation model and established the basic hypothesis, which claims that a higher empathic understanding and identification through high-tech product advertisement is associated with positive cognitive response of consumers, higher positive cognitive response of consumers is associated with positive vicarious emotional response, and emotional response is positively associated with purchase intention. For evaluating the model, there is a method that uses  $X^2$  verification and a method that uses the goodness of fit index. However,  $X^2$  verification is sensitive to the sample size, and null hypothesis is considerably strict. Hence, this model is not evaluated by basing it entirely on  $X^2$  verification. Through RMSEA, TLI, and CFI, which are not sensitive to the sample size, consider the simplicity of the model, and establish criteria for the goodness of fit evaluation index, the present study evaluated the goodness of fit of the model. According to Browne and Cudeck (Brown and Cudeck 1993), if the RMSEA value is less than .05, the goodness of fit is high; if the value is between .05 and .08, the goodness of fit is appropriate; and if the value is greater than .10, the goodness of fit is inappropriate. In case of TLI and CFI, the value appears differently depending on the continuum from 1 to 0, and if the value is greater than .80, the goodness of fit is high. As shown in Table 21.2, the goodness of fit of the research model is at a satisfactory level. Since the fitness of the research model was verified, the hypothesis of the present study was verified through path coefficients that are estimated through the research model.

**Table 21.2**  
The goodness of fit of the research model is at a satisfactory level

$X^2$	<i>df</i>	<i>CFI</i>	<i>TLI</i>	<i>RMSEA</i>
801.19	182	.817	.888	.028

Empathic understanding, as presented in Table 21.3, is found to have a statistically significant positive relationship with cognitive response through each parameter estimate. Through this, a higher empathic understanding is found to be associated with the increasing cognitive response of consumers. Thus, hypothesis 1 was supported. Furthermore, identification for advertisement of a high-tech product was found to have a statistically significant positive relationship with cognitive response. Through this, higher

identification for a high-tech product was associated with increasing cognitive response of consumers. Thus, hypothesis 2 was supported.

**Table 21.3**  
**Estimates of model parameters**

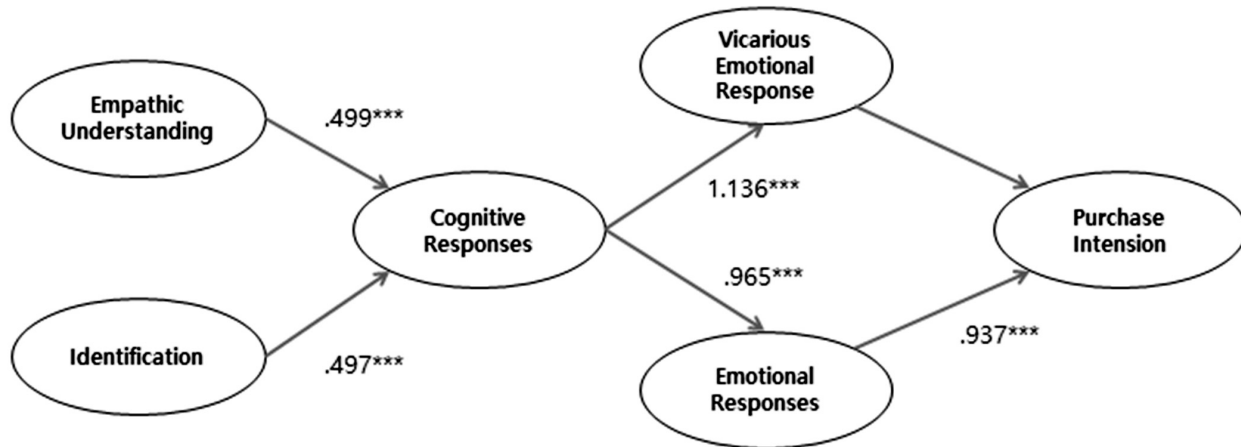
	<i>Standardized Regression weights</i>
Empathic Understanding → Cognitive Responses	.499(.497)***
Identification → Cognitive Responses	.497(.491)***
Cognitive Responses → Vicarious Emotional Response	1.125(1.136)***
Cognitive Responses → Emotional Responses	1.220(.965)***
Vicarious Emotional Response → Purchase Intension	.027(0.26)
Emotional Responses → Purchase Intension	.766(.937)***

*Note:* Numbers are non-standardized coefficients, and standardized coefficients are enclosed in parentheses.

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$ .

Hypothesis 3 is the exploration of such cognitive response and vicarious emotional response of consumers. Cognitive response was found to have a statistically significant positive relationship with vicarious emotional response. Additionally, cognitive response and emotional response had a statistically significant positive relationship. Thereby, hypothesis 4 was also supported.

On the other hand, vicarious emotional response and purchase behavior did not have a statistically significant relationship, thereby rejecting hypothesis 5. However, emotional response and purchase behavior had a statistically significant positive relationship, and accordingly hypothesis 6 was supported. Figure 21.2 presents the results of the analysis in accordance with the hypothetical relationship.



**Figure 21.2: Results of the research model**

## 6. CONCLUSION AND DISCUSSION

The present study explored the empathic understanding obtained after seeing the advertisement of a high-tech product and the effect of identification on the relationship between vicarious emotional response, emotional response, and purchase behavior. The results drawn from the study are as follows. First, each factor of empathy (empathic understanding and identification) was found to have a positive effect on the



relationship with the cognitive response of consumers through the advertisement of a high-tech product. Second, the cognitive response that is formed through advertisement empathy was found to have a positive effect on the relationship with consumers' vicarious emotional response as well as emotional response. Third, vicarious emotional response was found to have no relationship with the purchase behavior of consumers and, lastly, consumers' emotional response was found to have a positive effect on purchase behavior.

The present study makes academic contributions, considering it has explored the relationship between consumers' emotional response and purchase behavior through the emotional response to advertisements and consumers' cognitive response. Although previous studies on the understanding of advertisement empathy, which is represented by empathic understanding and vicarious emotional response, do exist, studies on the relationship between advertisement empathy and consumers' cognitive response and emotional response are relatively insufficient. The present study proved the relationship between empathy for advertisement and consumers' cognitive response and emotional response through data and statistically demonstrated the effect of such emotional relationship on the purchase behavior of consumers. Through these results, the empathy of consumers for advertisements will lead toward a new advertisement effect theory that explains the broad influencing relationship.

However, vicarious emotional response and emotional response of consumers was found to have no direct effect on purchase intention. As vicarious emotional response and emotional response form a similar concept, the analytical difference between the two variables may be insignificant. Whether vicarious emotional response is an emotional response that occurs in storytelling advertisement or a consumer response that occurs at the same level, or a response that is induced at the same level as identification, which is a leading variable, and empathic response should be specified. Ultimately, for a creative storytelling advertisement, presenting experience that can seep naturally into people's feeling and emotion is an essential incitement. Accordingly, storytelling relating to a product can gain positive results when it focuses on forming active empathy for consumers by presenting an empirical and hedonic summary.

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