



Study the Impact of Creative Advertising on Customer loyalty of Fast Food Restaurant

*Divya Mamtani (Researcher)

**Dr. Preeti Singh

**HOD, School of Commerce

Devi Ahilya University

Indore, Madhya Pradesh, India

Abstract

Advertising is a means of communication in order to reach target audience whose purpose is to grab the attention of viewers. Creative advertising play a key role in influencing customer loyalty towards fast food. Creative advertising is all about connecting to the target audience and grab their attention. The rapidly increasing of new players in fast food industry makes competition tough. Due to increasing competition, it is important for organization to understand the need of their customers. The consumption of fast food is dependent on the lifestyle of customers. Therefore, the purpose of this study is to examine the impact of creative advertising on customer loyalty and to investigate the most important factors of creative advertising on customer loyalty. This study was conducted in Indore city on selected fast food restaurant. In this study, convenience sampling was used as the sampling techniques. The information collected for this study is based on the questionnaire based on Likert's five point scale. The findings of this study may offer advertisers and marketers to formulate effective strategies.

Keywords: *Creative advertising, customer loyalty, fast food industry, fast food restaurant*

Introduction

Consumers are exposed to large number of advertisements. With the help of advertisements it is becoming easier for advertisers to reach mass audience. Advertisers discover it is challenging to grab attention of consumers because of the rapid increase in advertising clutter. One of the solutions to address this situation is that advertisers should focus greatly on creative advertisements.

In changing scenario, creative advertisements are very effective to attract more and more customers. Nowadays creativity study in advertising is a topic of growing importance. Creative advertisement is valuable element for advertisers. Creative advertisement not only helps to reach the target people but also persuade them to buy the product. Creative advertisement is the focal point of advertising industry. Customers always select that product which suddenly catches the attention. Creative advertisements can positively change the attitude and perception of consumers.

Schweitzer & Hester (1992) explained that creative advertisement is an important tool to attract new customers. In a competitive marketplace, advertisers agree that additional progressive thoughts in innovative advertisement will build remarkable value. Smith and Yang (2004) stated that creative advertising can attract audience because divergence makes them more distinguishable in comparison to non creative advertisements.

Ang and Low (2000) explained that creativity in advertising has been recognized as helpful to grab attention and to provide information. Creative advertisement is not a new idea. However, there are still unanswered questions due to non generalization of the term. Researchers investigated that there is lack of research in the field of creative advertising (e.g. Zinkhan 1993; Smith and Yang 2004).

Sasser, Koslow, and Riordan (2007) pointed out that creative work and creative understanding occur within an industrial background; it is not done in isolation.



Rapidly increase in fast food restaurant indicates that the consumptions of fast food are increasing. Because of the extreme competition in fast food industry, fast food restaurants should fulfill customer's expectations. Fast foods are very popular among youngsters. Fast food culture has particularly grown over the last 10-15 years in Indore city. Fast food industry in Indore city is dominated by franchises includes KFC (Kentucky Fried Chicken), McDonald's, Pizza Hut, Domino's Pizza, Subway and Burger King. Fast food restaurant's success is dependent on the location. Fast food sector has a worldwide influence. Indian fast food market is estimated to grow in future. According to Atkins and Bowler (2001) the demand for fast food is increasing particularly in a society where consumers are busy and working hard. Habib et al. (2011) stated that fast food is famous among the people who lives in urban areas and busy in working.

Therefore, creative advertising plays an important role to influence target audience. Creative advertising is crucial for organization and marketers which is helpful to grab attention of viewers. There is high competition among the fast food player in India. So it is essential to include creative criteria in fast food advertising to arouse interest and maintain the customer which will be beneficial to achieve high degree of competitive advantage.

Despite this there is no research that examines the impact of creative advertising on customer loyalty of fast food restaurant. Consequently, the aim of this research work is to bridge the gap. Therefore, the purpose of this research is to examine the impact of creative advertising on customer loyalty.

Literature Review

Customer Loyalty of Fast Food

In today's competitive environment, there are large numbers of fast food restaurants in Indore city. The choice of consumer to select fast food restaurant varies according to change in demographic profile and lifestyle. Tabassum and Rahman (2012) pointed out that choice and preference of food may change due to difference in lifestyle and demographic variables.

To serve the purpose of study it is claimed that a loyal customer is a customer who continuously holds positive attitude towards service provider and purchase repeatedly from same restaurant. According to Ladhari et al. (2011) customer loyalty is that where customer continuously supports the organization's products or services.

Zahari et al. (2006) explained that increase in customer's desire and taste for fast food is indirectly affected by services provided by fast food restaurant such as style of cooking, quick service, efficient delivery and use of advanced equipment. AC Nielsen (2005) studied that about 59 percent of adult population consumes food at restaurants at least once in a week. Fast food restaurant is convenient for people to access with ease and to match busy schedule. In addition to that fast food restaurants are exceptionally highly liked by young people.

Reichheld & Sasser (1990) examined that increase in customer loyalty by 5 percent can result into increase in profit to about 25 percent to 85 percent. Therefore, there must be focus on developing customer loyalty because it is important for fast food restaurants to grow and survive in competitive environment.

Creative Advertising

Creative advertisement can be defined as original, relevant and memorable that must have the ability to gain attention of target audience. Creative advertising is very important for advertisers to influence target audience. There are different perspectives in the literature through which creative advertisement can examine (e.g. Reid, King, and DeLorme 1998; El-Murad and West 2003; Till and Baack 2005).

According to Wells et al. (2003) the focus of creative advertising is to influence consumers and create positive attitude towards organization. Definitions of advertising and surveys from the



point of view of public toward advertising have not concentrated on ideas about creativity (e.g., Reid and Soley 1982).

The target audiences need to look at an advertisement as creative. Advertising create image of product and persuade people to buy but it means restricting the focus and segmentation of market according to demographic profiles that have different tendency to consume. Friestad and Wright (1994) explained that consumers understand and analyze advertising according to their needs and wants. People's perception of advertising as creative if it reacts to their wants and needs. Friestad and Wright (1999) there must be good relationship between advertiser and target audience. Both should understand each other's viewpoint of creativity which will be helpful to maintain long term relation.

Novelty

Novelty is a primary aspect of creative advertising (White and Smith 2001; Koslow, Sasser, and Riordan 2003). Novelty is the idea that involves deep thinking which nobody has imagined before. It is not an idea that is new to the originator but not fresh to the world (Wells et. al 2003). Haberland and Dacin (1992) explained that viewers establish some expectations from advertisements that are based on life experiences of viewers. So, an advertisement is said to be original when it is different from atypical advertisements. According to Ang and Low (2000) novelty can be considered as unexpectedness because advertisements of same product category are inconsistent with other advertisements. Novelty plays an important role for advertisers which makes advertisement creative and also persuade consumption related behaviors.

Meaningfulness

Advertisements should contain elements that are meaningful to consumers. It provides meaning to an advertisement that can be very impactful. According to many researchers, an advertisement should be meaningful to qualify as creative. Lee & Mason (1999) stated that meaningfulness gives meaning to advertising information that deals with logic. It is helpful to accelerate the communication in target audience's mind that can influence target audience and builds positive attitude towards advertisements.

Unsworth 2001; El-Murad and West (2004) explained that meaningfulness provides valuable, relevant and consistent information to attract target audience which results in profitable customer action. An advertisement cannot be considered as creative that does not convey meaning.

Meaningfulness advertisements develops positive relation with target audience which may results in increase awareness, develops trust and positive attitude towards advertisement.

Humor

The study on effectiveness of humor in advertising is inconsistent. Researchers have different perspectives on humor and there is little homogeneity in research. Sternthal & Craig (1973) found that the use of humor in advertising is a topic of conflict which involves different opinions. Weingarten (1967) stated that humor should not be included in advertising because it may have tendency to entertain than persuade somebody to buy. Humor may divert attention from actual advertising by focusing on itself rather than the message it is intended to convey.

Many practitioners proposed that the use of humor in advertising is effective. Madden and Weinberger (1984) explained that use of humor in advertising is effective and it is beneficial for organization to grab attention of target audience. Sternthal & Craig (1973) suggested that using of humor in advertising creates positive attitude towards advertisement. It is helpful in persuading target audience which not only improves liking for the product but also maintains audience. Gruner (1976) pointed out that humor creates message more memorable which leaves an impression in consumer's mind for long time.

Color



The use of color in advertising plays very effective role to gain attention of target audience. Crozier (1999) stated that color is an important key aspect of advertising and plays very crucial role. But there must be appropriate decision for the selection of color. According to Wells, Burnett and Moriarty (1992) the use of color in advertising makes an advertisement different in comparison to other advertisements. Advertisers must select the color which can gain attention and generate good feelings towards advertisement. The color provides appealing appearance of product or service which makes advertisement more realistic.

Color can be used to influence perception of target audience. Grossman & Wisenblit (1999) red is influencing color which arouses interest, it is strong enough in a manner that it can grab attention and stimulate to action. So, red is mostly used in restaurant because it influences people to eat more. Batra and Ray (1986) consumer's action in response towards advertisement suggest that feelings generated by an advertisement. Tucker (1987) the using of color in advertising can positively persuade target audience and arouse positive feelings.

Interactivity

Interactivity is a concept that involves specific behavior of user like mouse click, mouse movements in a computer program. Interactivity is an interactive medium to communicate with consumers which can be helpful to promote products or services.

According to Kaye & Medoff (2001) interactive advertising means advertising with the help of internet. Bezjian-Avery, Calder and Lacobucci (1998) stated that interactive advertising involves active involvement of consumer when target audiences are introduced to product information, consumers easily navigate the information. While in traditional advertising consumer is not actively exposed to product information.

Zaichkowsky (1994) explained that interactivity provides opportunity of interaction with other consumers and advertisers. It can influence the audience and positively affect attitude where consumers think that they are connected with advertisement.

Objectives

1. To examine the impact of creative advertising on customer loyalty.
2. To investigate the most important factors of creative advertising on customer loyalty.

Hypothesis

In order to examine impact of creative advertising on customer loyalty of fast food restaurant, the hypothesis of this study will be as follow:

H0: Creative advertising has no significant influence towards customer loyalty.

H1: Creative advertising has significant influence towards customer loyalty.

Methodology

The Study: Present study is exploratory study and is based on primary data.

The Sample: In present study non probability convenience sampling method has been used. After eliminating the inexplicable responses, a total of 150 respondents were taken into consideration who consumes fast food at 3 selected fast food restaurants in Indore city.

Tools for Data Collection: This study is based on Primary data. Primary data was collected using self designed questionnaire. The survey questionnaire is divided into 2 parts which are Section A; respondents were requested about demographic profile. Section B; respondents were asked about the creative advertisements and customer loyalty. The questions have 5 responses categories ranging from strongly disagree to strongly agree and rank from 1 to 5.

Tools for Data Analysis: The data was analyzed with the help of suitable statistical tools like percentage analysis, reliability analysis, regression analysis.

Results and Discussion

Table 1 shows the demographic profile of the respondents. It shows the gender frequency for each respondent who consume fast food in Indore city. From the total number of respondents the frequency for male who consume fast food is 68 and the female is 82.



Table 1. Profile of Respondents: Gender

Gender	Frequency	Percentage
Male	68	45.33
Female	82	54.66
Total	150	100

Table 2 shows the age frequency of the respondents. The respondents who fall under the age group of 16 - 25 is 47, age group of 26 - 35 is 72 which is highest frequency. The frequency for respondents who are between age group of 36 - 45 is 22. There are few respondents for the age group of above 46 is 9.

Table 2. Profile of Respondents: Age

Age	Frequency	Percentage
16 – 25	47	31.33
26 – 35	72	48
36 – 45	22	14.67
Above 46	9	6
Total	150	100

Table 3 shows the occupation frequency of the respondents. The respondents who are student is 52 which is highest frequency, the respondents who are businessman is 42. The frequency for respondents who are professional is 37. There are few respondents for the frequency of housewife is 19.

Table 3. Profile of Respondents: Occupation

Occupation	Frequency	Percentage
Student	52	34.66
Businessman	42	28
Professional	37	24.67
Housewife	19	12.67
Total	150	100

Reliability Analysis

Table 4 shows the results of reliability tests. Reliability is testing on consistency and consistency indicates how well the items are correlated to one and another. Reliability analysis for this study shows that Cronbach's alpha value for the scales ranged from 0.877 to 0.936 which is higher than benchmark 0.70 that confirms the items is considered fully reliable and internally consistent.

Table 4. Reliability Analysis

Variables	Cronbach's alpha
Novelty	0.901
Meaningfulness	0.916
Humor	0.908
Color	0.936
Interactivity	0.877
Customer Loyalty	0.890

Comparative Analysis



Table 5 shows the comparative analysis of all the variables in this study. As illustrated in this research framework independent variable is creative advertising. The dimensions under creative advertising will be novelty, meaningfulness, humor, color and interactivity. Dependent variable for this study is customer loyalty. All the observed variables were measured by a 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree). The mean score for each of the construct were presented in Table 5. The highest mean score was humor (3.76) which was slightly above color (3.65), novelty (3.63) and interactivity (3.60), the lowest construct was meaningfulness (3.49).

Table 5. Comparative Analysis of the Variables

Variables	Mean
Novelty	3.63
Meaningfulness	3.49
Humor	3.76
Color	3.65
Interactivity	3.60

Multiple Regression Analysis

Table 6 Multiple regression analysis was conducted to examine the relationship between creative advertising and customer loyalty. It includes many techniques for modeling and analyzing several variables but the main focus is on the relationship between a dependent variable and independent variable. Based on the result produced by the test, the hypothesis is accepted with the value of .000 meaning to say that if the significant level is below than 0.05 is acceptable. The conclusion for this finding the most important dimension of creative advertising towards customer loyalty will be color (Beta = 0.459) and humor (Beta = 0.254) with significance level of below than 0.05.

Table 6. Results of Multiple Regression Analysis

	Beta	T	Sig.	Results
(Constant)	-	6.258	.000	Overall Hypothesis Accepted
Novelty	.055	.568	.571	Rejected
Meaningfulness	.146	1.695	.092	Rejected
Humor	.254	3.944	.000	Accepted
Color	.459	6.079	.000	Accepted
Interactivity	.096	1.575	.117	Rejected

a. Dependent Variable: Customer Loyalty

Conclusion

The result of this study will provide better understanding of customer loyalty towards fast food restaurant. This study will be beneficial for both advertisers and consumers. It will be crucial for advertisers and marketers to implement efficient strategies which help them to find better solutions and achieve further success. The findings of this study show the most important dimensions of creative advertising towards customer loyalty. The results exposes that creative advertising have an influence towards customer loyalty of fast food industry which supported by overall significant value 0.000. However novelty, interactivity and meaningfulness are insignificant towards customer loyalty. The highest beta value of color indicated that it is the most important dimension to be considered. Fast food industry should give more importance to this dimension while they are creating an advertisement for their organization. An advertisement should include all dimensions mentioned above but importance should be given to color and humor both because it plays an important role in an advertisement.



References

- AC. Nielsen. (2005). *Consumer in Asia Pacific – Our Fast Food/Take Away Consumption Habits* Retrieved April 13, 2010.
- Ang, S. H. and Low, Y. M. (2000), "Exploring the Dimensions of Ad Creativity". *Psychology & Marketing*, 17:10 (October), pp. 174, 835–854.
- Atkins, P. and Bowler, I., (2001). *Food in Society: Economy, Culture and Geography*, Arnold / Oxford University Press, London.
- Batra, R. and Michael L. Ray., (1986), "Affective Responses Mediating Acceptance of Advertising", *Journal of Consumer Research*, 13(September): 234-249.
- Bezjian-Avery A, Calder B, Lacobucci D (1998), "New Media Interactive Advertising vs. Traditional Advertising", *Journal of Advertising Research*, 38(4): 23-32.
- Crozier, Ray, W. (1999), "The Meanings of Colour: Preferences among Hues", *Pigment & Resin Technology*, Vol. 28, No. 1, pp. 6-14.
- El-Murad, J., and West, D. C. (2003), "Risk and Creativity in Advertising", *Journal of Marketing Management*, 19, 657–673.
- El-Murad, J., and West, D. C. (2004) "The Definition and Measurement of Creativity: What Do We Know?", *Journal of Advertising Research*, 44(2), 188–201.
- Friestad, M. & Wright, P. (1994), "The persuasion knowledge Model: How People Cope with persuasion Attempts", *Journal of Consumer Research*, Vol. 21, June, pp. 1-31.
- Friestad, M. & Wright, P. (1999), "Everyday persuasion knowledge", *Psychology and Marketing*, Vol. 16, March, pp. 185-194.
- Grossman, R.P. & Wisenblit, J.Z. (1999), "What We Know About Consumers' Color Choices", *Journal of Marketing Practice: Applied Marketing Science*, Vol. 5, No. 3, pp. 78-88.
- Gruner (1976), "Wit and Humor in Mass Communication," in *Humor and Laughter: Theory, Research and Applications*, Antony J. Chapman and Hugh C. Foot, eds., New York: John Wiley & Sons, 287-311.
- Haberland, G. S. and Dacin, P. A. (1992), "The Development of a Measure to Assess Viewers' Judgments of the Creativity of an Advertisement: A Preliminary Study", *Advances in Consumer Research*, 19, 817–825.
- Habib, F.Q., Dardak, R.A., Zakaria, S. (2011), *Consumers' preference and consumption towards fast food: Evidences from Malaysia*. *Business Management Quarterly Review*, 2(1), 14-26.
- Kaye, B.K. & Medoff, N.J. (2001), *The World Wide Web: A Mass Communication Perspective*. Mountain View: Mayfield Publishing Company.
- Koslow, S., Sasser, S. L., and Riordan, E. A. (2003), "What Is Creative to Whom and Why?: Perceptions in Advertising Agencies", *Journal of Advertising Research*, (March), 96–110.
- Ladhari., R., Souiden, N., & Ladhari, I. (2011), "Determinants of loyalty and recommendation: the role of perceived service quality emotional satisfaction and image", *Journal of Financial Services Marketing*, 16, 111-124.
- Lee, Y. H. and Mason, C. (1999), "Responses to Information Incongruity in Advertising: The Role of Expectancy, Relevancy, and Humor", *Journal of Consumer Research*, 26 (September), 156–169.
- Madden, T.J., & Weinberger, M.G. (1984), "Humor in advertising: A practitioner view", *Journal of Advertising Research*, 24(4), 23-29.
- Reichheld, F.F. & Sasser, W.E. (1990), "Zero defections: quality comes to services", *Harvard Business Review*, 68 (5), p.p. 105-111.
- Reid, Leonard N. and Lawrence C. Soley (1982), "Generalized and Personalized Attitudes toward Advertising's Social and Economic Efforts", *Journal of Advertising*, 11(3), 3-7.
- Reid, L. N., Whitehill King, K., and DeLorme, D. E. (1998), "Top-Level Agency Creatives Look at Advertising Creativity Then and Now", *Journal of Advertising*, 27:2 (Summer), 1–16.
- Sasser, S.L., Koslow, S. and Riordan, E.A. (2007), *Creative and Interactive Media Use by Agencies: Engaging an IMC Media Palette for Implementing Advertising Campaigns*, *Journal of Advertising Campaigns*, *Journal of Advertising Research*, 47(3), pp. 237-256.
- Schweitzer, J.C. & Hester, J.B. (1992), "The Importance of Winning Advertising Award Shows", *Southwestern Mass Communication*, Vol. 7, no. 1, pp. 55-66.
- Smith, R. E. and Yang, X. (2004), "Toward a general theory of creativity in advertising: Examining the role of divergence". *Marketing Theory*, 4 (31), 31–58.



- Sternthal, B., and Craig, C. S. (1973), "Humor in Advertising", *Journal of Marketing*, 37(October), 12-18.
- Tabassum, A., and Rahman, T. (2012), "Differences in Consumer Attitude towards Selective Fast Food Restaurants in Bangladesh: An Implication of Multi-attribute Attitude Model", *World Review of Business Research*, 2(3), 12-27.
- Till, B. D. and Baack D. W. (2005), "Recall and Persuasion: Does Creative Advertising Matter?" *Journal of Advertising*, 34 (3), 47–57.
- Tucker, J. (1987), "Psychology of Color", *Target Marketing*, Vol. 10, pp. 40-49.
- Unsworth, K. (2001), "Unpacking Creativity", *Academy of Management Review*, 26:2, 289–297.
- Weingarten, J. (1967), "Is 'Far Out' Advertising Entertaining the Public More But Selling it Less?", *Dun's Review* 90 (July) 27-28.
- Wells, W., Burnett, J., & Moriarty, S. (1992), *Advertising: Principles and Practice Second Edition*, Prentice Hall, Engelwood Cliffs, New Jersey.
- Wells, W., Burnett, J., & Moriarty, S. (2003), *Advertising: Principles and Practice Sixth Edition*, Prentice Hall, Engelwood Cliffs, New Jersey.
- White, A. and Smith, B. L. (2001), "Assessing Advertising Creativity Using the Creative Product Semantic Scale", *Journal of Advertising Research*, 41:6, 27–34
- Zahari, M.S., Othman, Z., Ramly, A.S., & Ahmad, R. (2006), "Factors moderating customers patronizing restaurants: a comparison of Mamak and Malay restaurants", *Proceeding of the National Seminar on Science Technology & Social Sciences, Kuantan Pahang*, 517-523.
- Zaichkowsky, J.L. (1994), "The personal involvement inventory: reduction, revision and application to advertising", *Journal of Advertising*, Vol. 23, No. 4, pp. 59-70.
- Zinkhan, G. M. (1993), "Creativity in Advertising: Creativity in the Journal of Advertising", *Journal of Advertising*, 22 (June), 1–4.