

## **TESTING COGNITIVE-EXPERIENTIAL THEORY: EFFECT OF ECONOMIC VS FEAR APPEALS ON PERCEIVED VALUE AND AD EVALUATION OF SAVING SCHEMES ADVERTISEMENTS AND MODERATION OF NEED FOR COGNITION**

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**Abstract.** This article, examines moderating influence of need for cognition in the context of fear and economic benefits appeals in saving schemes advertising. This is to address a void in the research that is whether rational or emotional appeals in service-related advertising are positively evaluated. The study uses quasi-experimental 2 x (advertising appeals: economic benefit vs fear) 2 (need for cognition: economic benefits vs fear) factorial design on a sample of 100 employees. The findings suggest that fear appeals were found more positively related to the high need for cognition which resulted in more positive evaluation of saving scheme advertisements than economic benefit appeals. Theoretically, the study offers the applicability of the understudied dual-mechanism Cognitive-Experiential theory in advertising research. Practically, the study offers managerial implication for the Pakistani banks and insurance

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companies to improve promotional strategies related to the saving schemes.

**Keywords:** Fear appeals, Economic benefits, Cognitive-experiential theory, Need for cognition, Value Perception, Advertisements evaluation

## I. INTRODUCTION

Dual processing models such as Cognitive-Experiential theory (CET) define two contrasting schemes of advertising content information processing (Epstein, 2003, 2014). For instance, consumer process information given in advertisements based on arguments in advertisements (Dahl, Lutz, & Davidson, 2015), or by evaluating advertisements content by using the emotional scheme (e.g., Rozendaal, Lapierre, van Reijmersdal, & Buijzen, 2011). This is what makes it a more effective model applying in advertisements research to understand the cognition and affective factors involved in developing a favorable attitude (Eze & Lee, 2012) or behavior (Tucker, 2012). In fact, consumers perceived the given benefits such as economic (Schmuck & Matthes, 2017), utility of product (Bart, Stephen, & Sarvary, 2014), or given emotional appeals such as fear (Manyiwa & Brennan, 2012), guilt (Chang, 2014) by using these routes. Thus, presence of two interoperating thinking styles in modern dual process models such as (CET) can be used for interpreting several effects of advertising.

Stream of research has provided strong evidence that consumer process information in two separate and qualitatively different means (Huang, Su, Zhou, & Liu, 2013), rational (Hample & Richards, 2016), and experiential (Couwenberg et al., 2017). However, slight research has addressed dual mechanism effects on decision-making style of consumers in response to emotional and rational appeals in a single study (Karimi, Papamichail, & Holland, 2015). Likewise, there has been no attempt to instantaneously measure dual dimension appeals in context of Pakistan. In addressing this gap, study has developed and examined a model for measuring the moderating effect of dual-thinking styles of individual using two appeals, economic benefits and fear appeals. In specific, study

aims to understand that how the efficiently economic benefits and fear appeals describe the motivations of the consumers.

For said reason, study has used saving schemes advertisements offered by the banking sector of Pakistan as the context of the study. Saving schemes are the services provided by banks and advertisements have been used widely as the tool of promotion. These saving schemes have different packages and banks using several mediums such as print media and television for advertising saving schemes. This promotional activity is not limited to the use of regular media rather, it involves using advertisements, pamphlets, brochures, and signboards for advertising saving schemes. Indeed, these means are used to exemplify the benefits (e.g., economic or social) of the saving schemes (Ioannou, Boukas, & Skoufari, 2014). Albeit having different focuses (e.g., economic or fear about not saving for family), but purpose is to get positive motivation which can tend to use saving schemes.

In this regard, an interesting question in saving schemes advertisements research is whether using economic benefits or fear (i.e., if not buying saving scheme uncertain future) is a more effective way to motivate people to buy these schemes. This study has offered a dual-mechanism model to clarify the influential factors (i.e., need for cognition) involved thinking style of people (Nettelhorst & Brannon, 2012). To exemplify, when a person sees/watch saving scheme advertisement, the process of perceiving its value starts which ends in evaluation of saving scheme advertisement. In actual, however, answering the saving schemes advertisements effects is not straight forward as stated.

This mechanism might have intricacies at certain levels, cognitive and affective. For instance, Akbari, (2015), has identified that when advertisements reach to a person, they prompt the psychological mechanism. Consequently, perceived value (VP) of saving schemes advertisements depends on its contents (i.e., messages and images). Responses may differ as well, the use of economic benefits (cognitive) and fear appeals (affective) in saving schemes advertisements would produce distinct reactions. Further, economic benefits (cognitive) and fear (affective) may differently interact with the dual-mechanism based on the need of cognition.

Perhaps, responding these inquiries would certainly give practical and applied information to the banks or insurance industry which are interested in promoting their service of saving schemes. Justifiably, this line of research has relevancy with recent research calls made by (Vanwesenbeeck, Ponnet, & Walrave, 2017) and (Sharma & Roy, 2016) to test the theoretical predictive value of the dual-mechanism theories such as Cognitive-experiential theory (CET).

## **II. LITERATURE REVIEW**

### **THEORETICAL FRAMEWORK: COGNITIVE-EXPERIENTIAL THEORY (CET); A DUAL PROCESS MODEL**

Cognitive-experiential theory (CET) is a dual-mechanism model presented by Epstein (2003, 2014). The (CET) is founded on the notion that individual operates using two discrete schemes for information processing: analytical rational and intuitive experiential (Epstein, 2011). The analytical rational scheme is thoughtful, leisurely, and arguments based (Epstein, 2003). Main expectations of (CET) are that both neither experiential nor rational scheme is largely superior, and the two schemes function both instantaneously and consecutively, each capable to impact the other (Cerni, 2012).

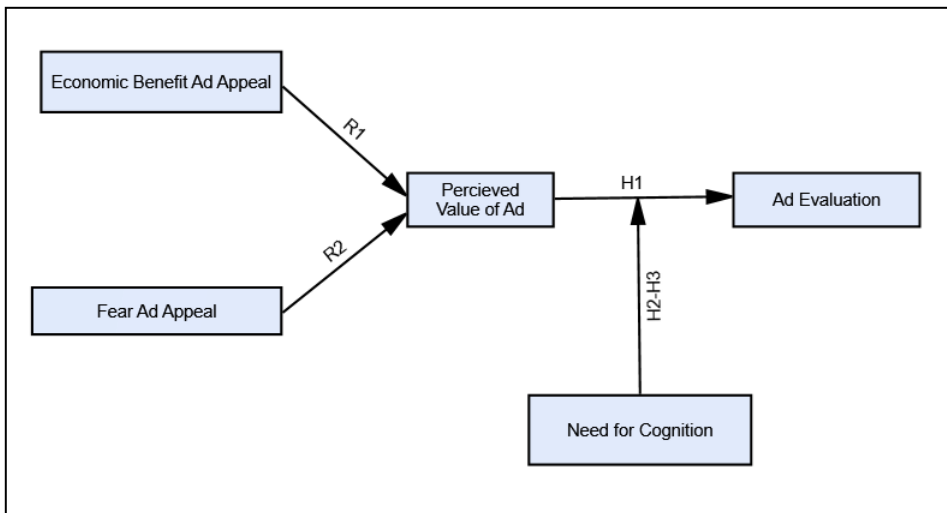
We have founded our study in Epstein's (CET) for two reasons. Firstly, there have been other dual-mechanism theories such as heuristic model (Manyiwa & Brennan, 2012), Jung's distinction between thinking and feeling (Raskin, 2013), and theory on automatic processing (Tiffany, 1990) all have analogous mechanisms to (CET). However, Epstein's (2003, 2014) cognitive experiential theory (CET) is unique as it has placed a dual-mechanism model within the framework of the theory of personality. Instead of assuming it as a separate variable or cognitive shortcut as (ELM) has done, cognitive experiential theory (CET) has added it in the model.

Secondly, researchers (e.g., Keng & Liu, 2013; Kuo, Horng, Lin, & Lee, 2012) have argued that in context of individual's everyday routine, a continuous interface happens between the two schemes. As the experiential scheme is rapid, directed by emotion and experience, and needs slight information to activate regarding cognitive resource (Epstein, 2011). In terms of information mechanism, (CET) specially

assumed that information mechanism also happens in routine, all of which happens outwardly from mindful responsiveness. This allows an individual to focus the partial capacity of our rational scheme on whatsoever involves his/her conscious consideration at the time of responding stimuli (e.g., economic benefits). Thus, drawing work on (CET) has provided conceptual descriptions of two diverse thinking styles of individuals. This, in turn, would describe that how appeals (economic or fear) in saving schemes advertisements effects their evaluation.

FIGURE 1

Proposed Model of Economic Benefit vs Fear Appeal



Past studies have executed research by using a model such as (ELM) which have been suspected over the functioning of weakening explanation of dual-process in these models (Epstein, 2014). Inversely, we added two prepositions (H2 and H3) about the understanding effectivity of economic and fear appeals in saving advertisements which are explained in next sections of this article. We proposed the following theoretical model (see figure 1) which reflects that need for cognition has dual-mechanism. One for probing the processing and influence on the economic benefits of saving advertisement and second for the fear appeals route.

### **ECONOMIC BENEFITS A RATIONAL APPEAL**

The rational appeals are one of most commonly used advertising tactic that marketers use to influence individuals to purchase a service or product (White & Simpson, 2013). The rational appeals employed to persuade the target audiences to act on somewhat product or service given in advertisements by tempting to their cognitive sense based on reasons or logic (Akbari, 2015). In other words, the rational appeals effectually make sense in such a way that it really cannot be argued. There are several common rationale appeals, economic benefits (White & Simpson, 2013), product utility (Bart et al., 2014), and economic benefits (Schmuck & Matthes, 2017). White and Simpson, (2013), explained that advertisements with benefit appeal highlight the benefit of the taking given actions. In this way, economic benefits appeals can inspire customers to involve in comparatively unacquainted sustainable behavior such as saving schemes which is under study here.

### **FEAR APPEALS AN EMOTIONAL APPEAL**

The fear appeal is a negative self-conscious emotion that causes self-evaluation (Manyiwa & Brennan, 2012), and encourage individuals to do correct actions and evade wrongdoings (Sharma & Roy, 2016). Individuals may sense fear when they assess action described in the advertisement as personally related but dissimilar with their self-goals (Mukherjee & Lee, 2016). Literature has suggested that fear appeals usually motivate inclinations and related with the certain contexts, persuasion knowledge (Mukherjee & Lee, 2016), value perception (Eisend, 2008) and anti-smoking (Manyiwa & Brennan, 2012). To illustrate in context of this study, when fear appeal in saving schemes advertisements narrate harms related to the families of the consumer, those who feel fear related to the future of families would act to purchase these schemes. Consequently, it is in line with Pakistani cultural context as more likely to act as people feel to take actions for their families' future.

### **NEED FOR COGNITION (NC)**

Need for cognition is a factor that structures appropriate circumstances in meaningful and in a unified way. This need underlies reasonable observation derived from the given arguments and experiential (e.g., emotional) elements in advertisements (Haddock,

Maio, Arnold, & Huskinson, 2008). In this way, high NFC is related with improved gratitude of argument and knowledge evaluation (Vanwesenbeeck et al., 2017). Keng and Liu, (2013) described that the individuals with a higher need for cognition (NC) may be motivated towards high elaboration. On the other hand, individuals with the low need for cognition may exhibit reverse leanings and may process information in a heuristic way through their low elaboration (Zhang, 1996).

In the context of saving schemes advertisements both economic benefits and fear appeals have possible impact on people, but they need of cognition (NC) may play an important role in their evaluation. That is consistent with (CET) theory that the individuals constantly get psychological, informational and emotional interactions which have already developed their tendency in terms of the need for cognition. Therefore, this need for cognition (NC) variable in the context of saving schemes advertisements is central in defining the ad-evaluation (AE) of saving related advertisements.

### **III. HYPOTHESIS DEVELOPMENT AND RESEARCH QUESTIONS**

#### **EFFECT OF ECONOMIC AND FEAR APPEALS ON PERCEIVED VALUE OF ADS.**

In saving schemes advertisements all possible details are included in the saving schemes and packages. People watch these advertisements and brochures for more details this thing show their levels of interest. The purpose of these advertisements is to aware people that they should save money. And invest this money into the banks or in saving companies. There is a proper mechanism for these monthly/yearly saving accounts or policies offered by different banks and companies. Monthly saver accounts are a part of bank schemes in which people save money and deposit it into the banks. The banks use this money for investment and other projects and give monthly profit, after three months or after 6ix months or after one-year profit to its consumers. The ratio of the profit and time span of the schemes is varying from company to company. Different banks have different schemes and different packages and they give different profits to its consumers. Some banks give different amount

of profits like 10%, some 20% and so on. Saving Schemes has different packages.

Thus, these Schemes are the services of the banks with clear delineation of economic benefits to the individuals. Advertisements with such economic benefits have a positive impact (Schmuck & Matthes, 2017). However, the other important type we discussed earlier is a fear appeal (Manyiwa & Brennan, 2012). Fear appeals have is also commonly used advertisement appeal and have affective role. In saving schemes advertising fear appeal is also employed to prompt the affective (e.g., emotional) responses of the individuals. However, in context of Pakistan, it is yet unclear which among economic benefit or fear appeal has more perceived value. Considering the above we have presented following research questions

R1: Does economic benefit appeal saving scheme advertisement has an effect on the perceived value of Ads?

R2: Does fear appeal in saving scheme advertisement has an effect on the perceived value of Ads?

### **EFFECT OF VALUE PERCEPTION OF ECONOMIC BENEFITS AND FEAR APPEALS ON ADS EVALUATION.**

The concept of advertising was always present, though people may not be aware of it (Büttner, Florack, & Serfas, 2014). But now a day's advertisers use every possible media to convey their message to the target audience (Scott, 2015). Advertisers have been doing the publicity of their product through different types of media like television, radio, press, internet, direct selling, hoardings, mailers, contests, sponsorships, posters, clothes, events, colors, sounds, visuals (Zha, Li, & Yan, 2015). Advertisements on TV not only helped the manufacturer to register the product in the mind of the viewers but also inculcate in the mind of the viewers that this specific product or service can solve their problems. But the treatment and execution of the ads matter a lot if the advertisement is done in an effective manner then people will definitely attract towards product or service and this attraction leads the viewers towards persuasion and then acceptance of the product (Wu, Kao, Wu, & Huang, 2015).



Past studies have identified some aspects related to the effects of the services related advertisements offered by the banks and cooperations (Wu *et al.*, 2015). Some have suggested that after watching benefits in the advertisement people respond positively (Lim, Ri, Egan, & Biocca, 2015). This research has provided the base of theoretical perspective and applied used (CET). The basic theme of used (CET), how differently people depend on the information processing routes to response the ad. This can be measured by gauging the value perception (VP) developed to response the saving schemes advertisements which in turn would describe the overall ad-evaluation (AE). Therefore, we have two level of the models, one for hypothesizing about the economic benefits of the advertising and separate for the fear appeals. We argue that the given value perception (VP) in the result of the economic benefits and fear appeals determine that how much positively it effect (cognitive vs affective) them. Subsequently, followed by the motivation to use saving schemes in terms of positive evaluation (AE) of saving schemes advertisements and hypothesize that:

H1(A): Saving scheme value perception would positively effect the evaluation of saving schemes advertisements among the participants who would view economic benefits appeals.

H1(B): Saving scheme value perception would positively effect the evaluation of saving schemes advertisements among the participants who would view fear appeals.

### **MODERATING EFFECT OF NEED FOR COGNITION.**

Although literature endorses the rational appeal such as economic benefits is an effective way of advertising product and service (Leonidou & Leonidou, 2009). Researchers have argued, benefits in advertisements allow marketers to target demographically diverse groups at a time (Akbari, 2015; Mortimer & Grierson, 2010). As such advertisements entirely give focus on the benefits of the services such as understudy advertisements of saving schemes (Lwin & Phau, 2013). Despite the advantages of benefits appeals, on the other hand, the fear appeals have been advocating in the literature (e.g., Manyiwa & Brennan, 2012; Shin, Ki, & Griffin, 2017) as well as an established generalized marketing strategy. Campaign with wide appeal. While important concern

highlighted in advertising research is some influential factors such as the need for cognition.

Need for cognition (NC) can be a factor which can outline the effects related to both economic benefit and fear appeals. The consumer background who is either looking for investing saving may incline more towards economic benefits (Vanwesenbeeck et al., 2017). In other words, the rapid positive response may be expected as Epstein, (2011) noted in (CET), that the congruence with ones need, requires slight information to activate the cognitive response. Thus, we have incorporated need for cognition (NC) in an experimental model with two levels, as a moderating variable which has two-facet benefits. One this study can measure the influence of need of cognition (NC) on both economic and fear appeals evaluation separately, meanwhile can give information that which saving scheme advertisements appeal has more positively evaluated (AE) among Pakistanis, thus we hypothesize that:

H2: Need for cognition would moderate the relationship between value perception and the evaluation of saving schemes advertisements among the participants who would view economic benefits appeals.

Adversely, a family-oriented person may have a high need for cognition towards the family appeals messages (Haddock et al., 2008). Instead of depending on the cognitive resources (economic benefits) would rely more on emotional (affective) route. Fear appealing related to drawbacks of not to save for family would be therefore key to activate their emotional conscious of such participants and need for cognition (NC) motivate them to positively evaluate (AE) the saving scheme advertisements.

H3: Need for cognition would moderate the relationship between value perception and the evaluation of saving schemes advertisements among the participants who would view fear appeals.

## IV. METHODS

### DESIGN, SAMPLE, AND PROCEDURE

Participants were one hundred 23 to 56-years- old employees of the different organization in this quasi-experimental study working in different organizations in Lahore, Pakistan. Mainly they were professionals (i.e., doctors, engineers, teachers and bankers). Ethnically, the sample was mainly from Punjab (79%); 5% participants described themselves as Pashtuns, 2% as Sindhi and 14% as others. For collecting data convenient sampling has been used and participant was approached in their offices. The quasi-experimental design was a 2 (i.e., Ad appeals: Economic vs Fear appeal) X 2 (Need for cognition: Economic vs Fear appeal) factorial post-test only. This research designed is widely used in previous advertising research which justifies its contemporary value and applicability in advertising field (Akbari, 2015; Okazaki, Mueller, & Taylor, 2010).

For executing the quasi-experiments convenient sampling is also recommended and reduced the internal validity threats such as sample maturation (Drost, 2011). Additionally, as we approached the sample, there was no predisposition was involved which has guaranteed external validity in measuring the original responses as desired in casual studies (Mayer & Davis, 1999). For ensuring quasi-experiment two conditions, half of the participants (50), once agreed they were requested to view and evaluate one of the two advertisements stimuli. One stimulus of saving scheme advertisements was with the economic benefits while another half of the participants (50), were requested to view and evaluate the second ad (fear appeal saving scheme advertisements).

## V. MEASURES

### SELECTING AD-STIMULI

A pilot study has been initially commenced to choose the two advertisements (one ad describing the economic benefits and second describing the fear appeal message in saving schemes advertisement). A list of the saving scheme advertisements was selected mainly consist of all popular saving schemes advertisements. For the pilot study, in total 30 students have been requested to rate the most suitable two saving

schemes advertisements (Please see Appendix Figure A and B) which they think that one represents the fear appeal in saving scheme advertisement and the other represents the economic benefits of saving schemes. Based on the maximum validation rating scores two (Economic benefit and Fear ad-stimuli) saving schemes advertisements were chosen for the next phase of data collection. We decided using real advertisements that were matched on key variables instead of artificial stimuli which is also recommended in past influential studies (e.g., Okazaki et al., 2010).

### **VALUE PERCEPTION OF ADS (VP)**

This study has measured the construct of value perception using the same semantic difference scale developed by Eisend (2008), with three items with following end-point anchors on 5 intervals Likert scale, explicitly Very attractive/Less attractive, Desirable/Undesirable, Valuable/Nonvaluable. Some recent studies (e.g., Sharma & Roy, 2016) have also used the same scale for measuring value perception. The said scale has shown reliability with Cronbach's .83 for fear appeals and .91 for economic appeals data.

### **NEED FOR COGNITION (NC)**

This study has measured the construct of the need for cognition using the same scale developed by Cacioppo, Petty, Feinstein, and Jarvis, (1996), with eighteen items with following end-point anchors on 5 point-interval Likert scales. Some recent studies have also used the same scale for measuring the need for cognition (e.g., McKay-Nesbitt, Manchanda, Smith, & Huhmann, 2011). The said scale has shown reliability with Cronbach's .93 for fear appeals and .86 for economic appeals data.

### **AD EVALUATION (AE)**

This study has measured the construct of ad-evaluation using the adapted scale from (Mackenzie & Lutz, 1989) with four items on the 5-point Likert scale. They read: 'Overall, I find the ad ...' 'not at all good' (=1) to 'very good' (=5) (5-point scale); 'The ad is ...' (2) 'interesting', (3) 'likeable' and (4) 'pleasant' (5-point scale, 5 = high). Some recent studies (i.e., Terlutter, Diehl, & Mueller, 2010) have also used the same scale for measuring ad-evaluation. The said scale has shown reliability with Cronbach's .79 for fear appeals and .83for economic appeals data.

## VI. DESCRIPTIVE ANALYSIS

The correlations among Value perception (VP), Ad-evaluation (AE), and Need for cognition (NC) variables are presented in Table 1. The results have exhibited significant association among (VP), (AE), and (NC) constructs in both sets of data (Fear appeals responses and economic benefits responses). Subsequent, the data normality has been achieved for all variables after adjusting missing values. There has been no multicollinearity issue found as VIF has been measured by using linear regression on SPSS and in both models VIF values have found below to the cut off (10).

TABLE 1

Correlation and Descriptive Statistics

Var.	M <sub>fear</sub>	M <sub>Econ</sub>	SD <sub>fear</sub>	SD <sub>Econ</sub>	VP <sub>fear</sub>	AE <sub>fear</sub>	NC <sub>fear</sub>	VP <sub>Econ</sub>	AE <sub>Econ</sub>	NC <sub>Econ</sub>
(VP)	3.23	2.67	.63	.63	1			1		
(AE)	3.14	2.45	.84	.84	.45*	1		.17*	1	
(NC)	3.67	3.31	.73	.73	.39*	.22*	1	.26*	.13*	1

*Value perception (VP), Ad-evaluation (AE), Need for cognition (NC) and \*p < 0.01*

Onwards, we have used two separate confirmatory factor analysis (CFA) of both measurement models (one for fear appeals and other for the economic benefits appeals responses) all (VP), (AE), and (NC) variables have been conducted and have showed that there is no multidimensionality. This has confirmed the nomological network validity of the ((VP), (AE), and (NC) variables. The CFA's of both models have also showed that (VP), (AE), and (NC) are empirically diverse as for fear appeals model;  $\chi^2$  (df) chi-square (degree of freedom) = 1081.32(512);  $\chi^2$  /df relative Chi-square = 2.11; CFI = .93; IFI = .97; GFI = .95; RMSEA = .023. For as for economic appeals model;  $\chi^2$  (df) = 1435.34(785);  $\chi^2$  /df = 1.83; CFI = .98; IFI = .99; GFI = .98; RMSEA = .041. These values on specified indices have provided evidence that both models uphold fit structure to proceed (Byrne, 2016; Zia, Raza, & Ifthikar, 2017).

TABLE 2  
Confirmatory Factor Analysis

Model	$\chi^2$	df	$\chi^2/df$	GFI	IFI	CFI	RMSEA
VP-AE-NC-Fear Appeals	1081.32	516	2.11	.95	.97	.93	.023
VP-AE-NC-Economic Appeals	1435.34	785	1.83	.98	.99	.98	.041

Similarly, (VP), (AE), and (NC) variables-based measurement models have also revealed acceptable convergent and discriminant validity after deleting the two items from both models (also Table 3). This has indicated that the data is acceptable to proceed with hypothesis testing.

TABLE 3  
Discriminant and Convergent Validity

Var.	$\alpha$	CR	AV	VP <sub>fear</sub>	AE <sub>fear</sub>	NC <sub>fear</sub>	$\alpha$	CR	AV	VP <sub>Econ</sub>	AE <sub>Econ</sub>	NC <sub>Econ</sub>
(VP)	.83	.82	.62	(.79)			.91	.87	.69	(.83)		
(AE)	.93	.91	.81	.27*	(.90)		.86	.84	.61	.28*	(.78)	
(NC)	.79	.88	.57	.18*	.35*	(.75)	.83	.78	.53	.34*	.45*	(.73)

\* $p < 0.001$ , Values in parentheses represents the square root of AVE = Average Variance Extracted.

## MANIPULATION CHECK

In order to answer research questions (R1 and R2), manipulations checks have been conducted by using MANCOVA on the dependent variable value perception (VP). This has verified a direct effect for two levels of appeals (Fear:  $F(4,124)=19.20$ ,  $p<.001$  and  $\eta^2=.31$ ; Economic benefits:  $F(6,989)=12.36$ ,  $p<.001$  and  $\eta^2=.15$ ). These manipulations have exhibited that effect of the fear appeals has more positive and strong effect on value perception than the economic benefits. Further, for the hypothesis testing MGA (multi-group analysis) on AMOS has been conducted by using (SEM) structural equation modeling.

## HYPOTHESIS TESTING AND RESULTS

The study has examined the anticipated goodness of structural model Ad-evaluation (AE) as the dependent variable. The anticipated model has exhibited satisfactory fitness as values have remained within the cut-offs of fit indices used (see Table 4)

TABLE 4

Fit Indices for Predicting Ad-evaluation (AE)

Model	$\chi^2$	df	$\chi^2 / df$	SRMR	GFI	IFI	CFI	RMSEA
Structural	1765.24	897	1.96	.064	.94	.91	.98	.061

The study has conducted multi-group analysis on AMOS for testing the hypothesis H1(A), H1(B), H2 and H3 the on the direct and moderating relationship of (VP) and (AE). To illustrate. the use of MGA-approach (multi-group analysis) has been widely used to analyze in experimental designs wherein differences of the responses from two or more groups (data sets) are required simultaneously (Byrne, 2016). As we have assigned the groups with two different conditions MGA-analysis has allowed to confirm the assumption on moderation of (NC) and direct effects of (VP) on (AE) in both conditions (fear vs economic benefits).

The outcomes have revealed that in both conditions Ad-evaluation (AE) has been found positive but the intensity was different. The findings in Table 5, the difference of the two conditions of appeals (i.e., Economic vs. Fear) effects of Value perception (VP) on the Ad-evaluation (AE) based on the  $\chi^2$ -differences analysis of the unconstraint and constrain models. The direct effect of the Value perception (VP) on the Ad-evaluation (AE) for the sample exposed to the economic-appeal ( $\beta = .24$ ), for the participants exposed to the fear-appeals ( $\beta = .41$ ). Thus, it has proved that fear appeal has been more positively evaluated that economic benefit appeals.

TABLE 5

Multi-group analysis of Chi-square Differences Test Results

Multi-group Analysis	$\chi^2 - \Delta$	df- $\Delta$	p-value
Multi-group Analysis of 2-models' difference VP-AE	5.23	3.13	.001

Onward, Preacher, and Hayes, (2008) have been used for the examining the moderating effect in two-moderation conditions (Need for cognition; Economic benefits vs Fear appeals) hypothesized in H2 and H3. First off, for H2 the interaction of the need for cognition (NC) in (Economic benefits appeal condition) and value perception (VP-X-NC) with ad-evaluation (AE) has been examined. The consequences (see figure 2 and Table 6) have revealed that (NC) in (Economic benefits appeal condition) has positively moderated the effect of the VP and AE relationship as ( $\beta = .13$  and  $R^2 = .27$ ).

TABLE 6

## Hypothesis Testing and Moderation Analysis

Variables Links	$\beta$	t-Value	P	Hypothesis
VP (Economic Appeals)→AE	.24	5.82	.001	H1(A)Accepted
VP (Fear Appeals)→AE	.41	3.56	.001	H1(B)Accepted
(VP-X-NC Economic Appeals)→AE	.13	4.78	.001	H2 Accepted
(VP-X-NC Fear Appeals)→AE	.37	5.56	.001	H3 Accepted

*Value perception (VP), Ad-evaluation (AE), Need for cognition (NC) and X interaction term*

For H3 the interaction of the need for cognition (NC) in (Fear appeal condition) and value perception (VP-X-NC) with ad-evaluation (AE) has been examined (see figure 36). The consequences (see figure 3 and Table 6) have revealed that (NC) in (Fear appeal condition) has positively moderated the effect of the VP and AE relationship as ( $\beta = .37$  and  $R^2 = .57$ ).

Furthermore, the slope has been examined to depict the (VP-X-NC) interaction in both conditions as it is highly advised technique (Abu Bakar, Jian, & Fairhurst, 2014). This has revealed that (NC) strengthens the positive relationship between (VP) and (AE) in both conditions but fear appeals condition has a significant difference in a positive direction. This has suggested concluding that as if there would be fear appeals present in the saving schemes advertisements it can more positively activate the need for cognition and results more positive ad-evaluation. In other words, fear appeals have the stronger effect to motivate the



consumers to invest in saving schemes offered by banks or insurance companies.

FIGURE 2

Moderation of (NC) Improves the Positive Relationship between (VP) and (AE) in Presence of Economic Benefits Appeals

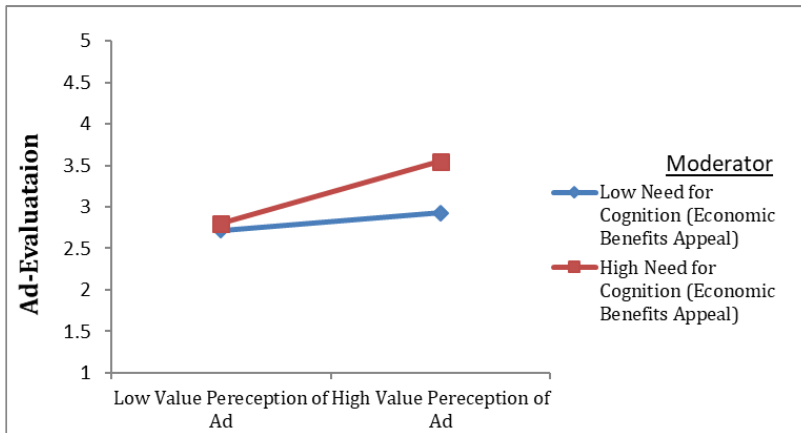
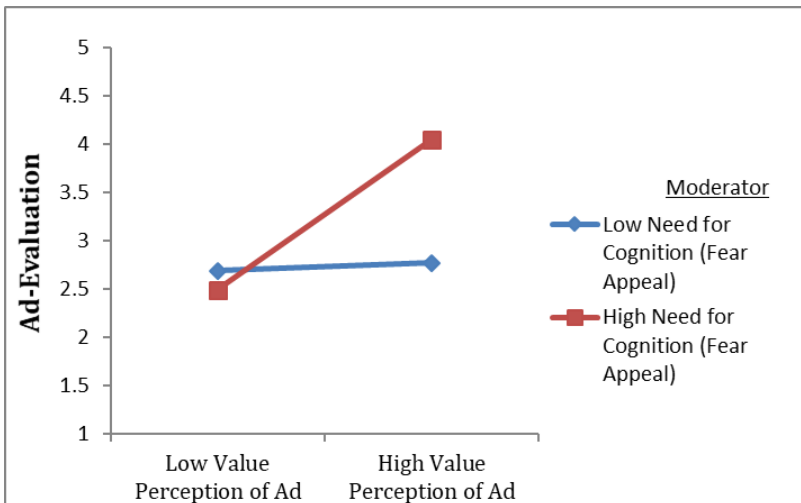


FIGURE 3

Moderation of (NC) Improves the Positive Relationship between (VP) and (AE) in Presence of Fear Appeals



## V. DISCUSSION

The label of discount or saving; attracts the consumers as it is economically beneficial for them. Such saving schemes bring the idea of cutting down the expenditures and saving the money that is the prior choice of the customers and hence they buy the products with saving label as they gratify them. Thus, deals and discounts influence buying behavior as consumers can have more in less. They can spend the saved amount on their family and on other needs. Offering the products on sale price rather than the original is a powerful appeal for the publicity and promotion. Sales are often launched with limited time offer that is a big appeal with urgency, so the people rush to the outlets to grab the products. Whereas fear appeal is associated with emotional arousal that makes people concerned about them and their families. It makes them put an effort to alleviate the fear by mitigating its cause. It activates the buyers to save them from the deficiency, avoid the problem or prevent some issue that can be the threat to them or their family. The perceived message becomes persuasive with economic benefit or fears ad appeal intend in engaging the audience in the communication.

Further, these saving schemes are the services provided by banks and different corporations and these banks and corporation offer different packages according to the socio-economic statues of the viewers. Banks and saving scheme-based cooperation broadcast their advertisements on television and radio so that they can grab the attention of the viewers, which will ultimately lead them to avail these packages and service offered by them. The researcher has observed that People who watch saving schemes advertisements have a great impact on their minds and they took a keen interest in those ads because they perceive that all solutions regarding the savage of their money are being answered in such type of ads. The trend of saving schemes ads is increasing day by day and viewers feel that they can secure their future after buying these saving schemes.

For this purpose, we have conducted a study gauge the impact of saving scheme's ads in specific, on employees or job holders. In doing so we proposed a model wherein dual-mechanism involvement and motivational level towards saving schemes have been measured. Results have suggested that the saving schemes advertisements have an impact

on compelling individuals. With this regard, positive relationships have been observed between value perception (VP), ad-evaluation (AE), and need for cognition (NC) variables in presence of fear and economic appeals in saving scheme advertisements. This can be concluded as that getting economic benefits information about saving schemes is important and at the same time fear appeals describing the benefits for the family has also a role to play.

The moderating hypothesis of the need for cognition (NC) has given interesting insight which has theoretical and managerial implications. Theoretically, it has verified the Cognitive-Experiential Theory (CET) assumption that analytical and experiential means both have a dual-mechanism role. For instance, results have verified that the individuals exposed to economic benefits or fear appeals have positively evaluated the saving schemes advertisements. This is clear indication that there is no shortcut route both work parallel. This is the need of cognition at times which describe their intensity. On managerial sides, the findings clearly indicated that the fear appeal used in saving scheme advertisement has been given more impotence. In the context of Pakistan, advertisers may incorporate fear appeals but with the addition of the family, describing in a saving scheme that how it may affect the family future in case of not investing in saving schemes. Future studies must consider some cultural variables to uncover other influential factors on appeal effectiveness.

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APPENDIX

FIGURE A

Economic Benefits Appeals in Saving Schemes Advertisements

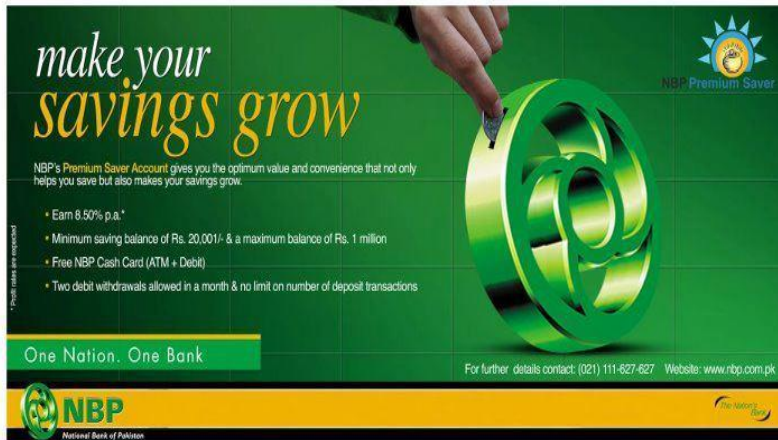


FIGURE B

Fear Appeals in Saving Schemes Advertisements

