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Cognitive Dissonance and Mitigation Strategies: The Restaurant Industry

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Keywords

Cognitive dissonance, Psychology, marketing plan.

Abstract

Cognitive dissonance is a true and quintessential crossover of Psychology and Marketing principles. Its knowledge should be included in every facet of marketing plan. In this study, we have explored first the factors that can affect pre-purchase dissonance, and then conducted a survey of 65 people to assess factors affect them the most when choosing a restaurant. Based on the results, we propose some strategies that restaurants can adopt to reduce dissonance amongst potential consumers and improve customer satisfaction.

1. Introduction

Cognition comes from the Latin verb cognosco (con 'with' and gn sc 'know'), which means 'to conceptualize' or 'to realize' [27]. If there is a state of harmony and internal consistency among the personal attitudes, dispositions, behavior and beliefs, it is called consonance. When the consequence is a feeling of discomfort/psychological stress due mental to contradictory/conflicting beliefs, attitudes dispositions or behavior, it is known as dissonance.

Cognitive Dissonance is an important area of research and intrigues the players in the concerned fields of marketing and psychology. Various authors have put numerous definitions and underlying facets forward in the past. Festinger [10] first developed the theory of cognitive dissonance. He replaced the idea of "inconsistency" arising due to a conflict between the circumstances and cognitions with the word dissonance, and the word "consistency" with consonance. A number of analogies can be drawn to

various other psychological theories put forward by authors like balance theory [7] and the principle of congruity [22].

Festinger [10] gave the following hypotheses:

- The dissonance (being psychologically uncomfortable) will motivate the person to try to reduce it in order to achieve consonance.
- In addition to trying to reduce the dissonance, the person will try to avoid any situation that would likely increase the dissonance.

Cognitive dissonance, with it, brings a motivating state of affairs and creates an automatic drive. Just as thirst impels a person to drink water, so does dissonance impels a person to change his opinions or behavior. Changes in items of information that produce or restore consistency are referred to as dissonance reducing changes.

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2. Literature Review

2.1 Reduction of dissonance

Dissonance can be mitigated in three primary ways: changing attitude, changing behavior or trivialization of dissonant components. Elliot and Devine (1994) [9] showed that discomfort increased in counter attitudinal conditions whereas right after an opportunity was given for attitude change, the dissonance levels were minimum. Simon et al., (1995) [26] found that participants would reduce the importance of their acts in conditions that were created to produce dissonance. They also demonstrated that if the opportunity to trivialize was presented first, then participants did not alter their attitudes.

2.2. Cognitive dissonance and attitudes

Cognitive dissonance can be an important factor for changing a consumer's attitude, and can help them bring in more consonance between their beliefs and behavior. Thus, marketers too try to bring change to consumer's attitude by influencing their cognition, and to thereby reduce dissonance and help with decision heuristics. For example, if a group of consumers possess an unfavorable attitude towards a particular product, the marketer of that particular brand will try to create an attractive and informative advertisement to present the brand to the customers in an attitude changing way (Festinger) [10].

2.3. Factors affecting cognitive dissonance

Sweeney (2000) [28] developed a multidimensional scale to measure dissonance, and summarized three cognitive dissonance dimensions as follows:

Table 1. Sweeny's [28] multidimensional scale

| Emotional | Psychological discomfort associated with post purchase |
|-----------------------|---|
| Wisdom of Purchase | Recognition that they made the wrong choice or did not need the product at all |
| Concern over the deal | Recognition that they may have been influenced while making the decision |

In our study, we are looking at factors are responsible for creating cognitive dissonance in pre-purchase decisions. Through extensive literature review of research papers, we have concluded that the following factors are the most significant determinants of cognitive dissonance in consumers:

2.3.1. Status

Economic factors are some of the fundamental determinants of the person's needs and should

therefore be considered when researching cognitive dissonance. It has been widely studied that low income individuals often face dissonance in their "quest for social status" and indulge in status seeking behavior by spending more in avenues that could improve their status or change the determinant characteristic to be deemed worthy (Oxoby, 2004) [25]. This status seeking behavior can lead to dissonance while making pre purchase decisions such as the choice of a restaurant and may not be limited to only low-income groups.

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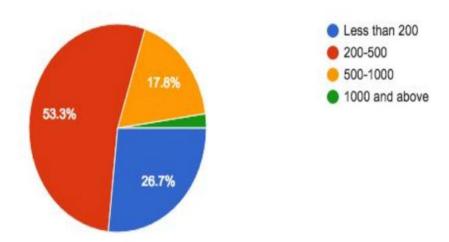


Figure 1. Average Expenditure (Rupees) per meal (From 47 responses of the form)

2.3.2. Familiarity

Consumers are familiar with brands that have been around for longer periods and have had their prominence reinforced through brand experience and other tactics [17]. Youl Ha and Perks (2005) [13] proposed a model that gives the relationship between consumer gratifications, brand trust and brand familiarity, publishing findings on the results of brand experience. Findings show that increasing customer brand familiarity affects customer cognition, and helps reduce dissonance while decision-making. This is especially important in the restaurant industry which functions on familiarity and loyal customers, especially those who dine out rarely or do not want to take a risk each time.

2.3.3. Culture-group norms

It is a combination of different values, ethics, morals, arts, languages, religions, laws and manners that combine together to form a certain culture. Cultural factors too can play a major role in causing dissonance. There can be doubts in a consumer's mind about what might be or what might not be acceptable in his family or society. Geert Hofstede defines culture as "the collective programming of the mind which distinguishes the members of one group or category of people from another" (1991, p.5). He described six dimensions to distinguish one culture from other, and we have focused on the dimension of individualism versus collectivism in our study. Waseem Hassan [15] discusses the effect of cultural and psychological

factors in making consumer decisions, where culture can especially play a significant role in increasing or decreasing pre-purchase dissonance. Indian demographics are highly influenced by the collective behavior when compared to the western countries, thus the cognitions towards restaurants will be affected by the social influence [16].

2.3.4. Word of Mouth

Customers' dependence on WOM has positive correlation with cognitive dissonance. This means that if provided an unflattering WOM even satisfied customers will face negative cognitive dissonance when they are sensitive to WOM. This phenomenon is especially dominant Customers when the services are perceived as high risk & repetitive interaction like service industry where customer purchase and consume. WOM activities do not only limit to offline person to person communication; In the era of internet WOM also encompasses online activity where customers can freely give their viewpoints and comment on social media for a larger audience from ease of their home. Hence it is crucial for organizations to have a dedicated team to control and monitor negative WOM, being more emotionally based, is passed on more immediately and effectively, and therefore has a greater association with an intentional/behavioral component and as we know that consumer will use the power of internet to vent negative emotion, warn other customer and seek retaliation if they feel wronged.

2.4. Rationale of the Study

The choice for a restaurant is often a well thought out decision and based on a multitude of factors like quality of food, service etc. and factors like culture, norms, groups behavior and familiarity can create dissonance in the minds of the consumer about their of restaurant. In this case, it becomes crucial for the restaurants to reduce this dissonance in the minds of the consumers, so that they are satisfied and want to come back again. We conducted a survey to assess which factors have the maximum affect by the making the surveyors answer questions on a 5 point Likert scale. Based on each factor, we propose some strategies for the restaurants to adopt to tackle that specific factor.

3. Methodology

3.1. Participants

Participants in the study consisted of the undergraduate students of Indian Institute of Technology, Delhi. The sample size was of 20 males and 27 females. They were between the ages of 18 and 22, and of varying choices when it comes to food and restaurant choices.

3.2. Procedure

A structured survey that comprised of a checklist and Five-Point Likert scale was used to bring out responses on factors influencing cognitive dissonance. The participants were asked to fill the anonymous questionnaire via online platforms like WhatsApp and Gmail. The results obtained were analyzed and the significant factors/determinants affecting cognitive dissonance were found.

3.3. Questionnaire

The questionnaire (Link to the test form - https://goo.gl/forms/gk5SCBfJnSByavjA3) was designed in order to assess and analyze the consumer purchase behavior and to identify the significant factors/determinants of cognitive dissonance in choosing the appropriate restaurants. There were a total of 16 questions accepting responses on a 5-Point Likert Scale. The questions basically dealt with the different factors mentioned above in the paper including points like "I don't mind going to restaurants having a lower status if I like them".

3.3.1. Status

- I aspire to or often go to restaurants that have a high status.
- I avoid going to restaurants that mismatch my status.
- I don't mind going to restaurants having a lower status if I like them.
- I would pay more for restaurants having a higher status.

3.3.2. Familiarity

- I only go to restaurants I have been to before.
- I would go to a newly opened place despite the risk of not liking it.
- I prefer going to few restaurants multiple times.
- I would go to a familiar place again despite a bad experience once.

3.3.3. Culture - Group Norms

- I prefer going out with others than alone.
- I prefer going out to places recommended by others.
- The choice of my restaurant depends on the choice of my companions.
- I avoid going to places disliked by my peers or family.

3.3.4. Word of mouth

- I would not mind trying a restaurant even if it had bad reviews online.
- I would only go to a place with a good rating.
- I would not mind trying a restaurant even if I heard bad things about it.
- I would only go to places that are very popular.

4. Data Analysis

The survey was done on a sample population of 65. Out of which the response had 47 clean samples i.e. a response rate of 72%.

On the obtained data, correlation was measured using the Pearson Correlation Coefficient between the responses to the questions that were relevant to a single factor (say Culture). The first matrix for each factor records the mean and standard deviation. Then from the correlation matrix, which is second matrix in each factor, Principal Component Analysis was conducted to find those sub factors (questions) of a factor, which caused the most dissonance.

3.4. Analysis for status: (Q1 to 4)

Statistical analysis shows that the elicited mean of the dimension status is 2.82. The largest mean has been obtained as 3.51 in case of question 1, which is therefore very significant in making the decision and shows status seeking behavior. The standard deviation outcome is 8.06, which implies variability. There is a high degree of correlation between question 1 and 4. Variance analysis also shows these two questions of the dimension cover 76.45% of the total variance. That shows that these two questions are of great importance among the concerned questions of the dimension.

3.5. Analysis for familiarity: (Q5 to 8)

The obtained mean of the dimension Familiarity is 2.54. The largest mean has been obtained as 3.27 in case of question 6, which is therefore very significant in creating cognitive dissonances. The standard deviation score is 7.50, which means there is variability. There is a high degree of correlation between questions 6 and 7 and question 7 and 8.

3.6. Analysis for culture: (Q9 to 12)

The obtained mean of the dimension culture is 3.56. The highest mean has been obtained as 3.95 in case of question 9, which is a very significant factor in creating cognitive dissonance. There is a high degree of correlation between question 9 and 11. Variance analysis also shows these two questions of the dimension covers 76.02% of the total variance. That represent that these two questions are of great importance among the concerned questions of the dimension.

3.7. Analysis for Word of Mouth: (Q13 to 16)

The mean of the dimension Word of Mouth obtained is 2.57. The highest mean has been obtained as 3.02 in case of question 15, which is a very significant factor in creating cognitive dissonance. There is a high degree of correlation between question 13 and 15. Variance analysis also shows these two questions of the dimension covers 81.97% of the total variance.

5. Conclusion and Discussion

The results of the survey clearly indicate higher Likert scores for the cultural dimensions where we asked surveyed to rate statements like "I prefer going to places recommended by my peers" and "the choice of my restaurant depends on choice of my companions" which portrays how the collectivistic culture is prominent in these responses and dining out habits. This factor seems more important than word of mouth or even familiarity of a place. This seems like an important emotion to tap into for restaurants in advertising. According to Tandan [29], 25% of the people dining out in urban India are with their families on family functions. The first step in devising a communication strategy can be STP segmentation of the consumers for the particular restaurant and understanding the demographics and psychographic of their customers. Based on the budget, the restaurants can offer promotions aimed at large groups and families. The advertisements can tap into the emotion of family and friends, encouraging them to celebrate their big occasions at the restaurants. Familiarity can tapped as well in devising the communication strategy. With a loyalty program for regular customers offering special offers and service to them. Instead of promoting a restaurant, as cheap and affordable, they can benefit from promoting at as a premium place, as people seek a higher status restaurant while eating out. Advertisements can encourage a value of premium and luxury service. While advertisement can have a positive effect on the consumer's perception, it is unlikely to have a robust effect as choosing a restaurant can have high involvement for a consumer and the ads can only help increase familiarity and awareness of options. Restaurants can focus on word of mouth generation as well, encouraging consumers to share about their experience. Controlling word of mouth (including electronic like on Zomato) can be an extremely useful exercise these days. There is a lot of scope for future research in the restaurant industry, as so far it remains relatively unexplored in a systematic manner. Better mathematical models can be developed and applied to facilitate further research in this topic. Meanwhile restaurants can actively work on a communication strategy for their businesses, instead of just relying on the quality of food and service, as the competition becomes much more cut throat, these strategies can be a deciding factors between successful and unsuccessful businesses.

6. Limitations and Future Scope

The most basic limitation was the demography that we chose which was of people who had sufficient access to Internet on daily basis and the age group was limited from 18-22, which hindered the scope of this research. Along with it the responses were limited to 65 (47 clean), which could have been increased for a better understanding. Some line of questioning might have introduced personal bias which could have altered the responses although we tried our best not to. To further this research one can increase the demographic they are targeting and take some sample surveys first with different line of questioning in order to check which suits our objective the best and is able to introduce least possible bias.

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