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Power of Advertising Claims for Credence Goods: Can It shape the Placebo Effect and Repurchase Decisions?

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Abstract. *This study aims to find out if Advertising claims of credence goods can shape Placebo effect and lead to repurchase decisions or not. The concept of extrinsic factors of a brand being an important ingredient in consumer satisfaction is the antecedent for the study. Studies have been made to show how Advertisement helps products and services to sell more. But very few have tried to connect it with credence goods and know how consumers perceive satisfaction for those products. Further the phenomenon of repurchase decisions of credence goods is still unrevealed. On the basis of focus group technique, data has been collected for five brands which are considered as credence goods and an analysis has been provided to see whether advertising claims can create Placebo effect or not. The analysis of the factors involved in taking repurchase decision of credence goods has also been studied by selecting variables taken as basis. The results indicate that Advertising claims of credence goods can lead to Placebo effect for those where consumers have strong urge for a positive result after using the brand. The rationality of a consumer influences the repurchase decision inversely. There is a strong connection between Placebo effect, Rationality and Repurchase decision of credence goods. Marketers thus have to be cautious while publishing claims of such goods.*

Keywords: advertising claims, credence goods, placebo effect, repurchase

JEL Codes: M3, M31, M37

1. Introduction

Marketing Research has now moved deeper into understanding the consumers and knowing how they behave—observing and finding new insights into consumer behaviour has gained importance. The study is influenced by Shiv, Carmon and Ariely (2005), and Fell and Eisend (2013), who have observed and described how behavioural changes could occur in a consumer after using a product through various marketing actions. Marketers do market their brands with claims showing their superiority over others. These advertising claims are nothing but extrinsic factors of a product that otherwise have no impact on the core value. But they form a part of the brand and often become the memory of the brand. Previous studies have observed that extrinsic factors of a product like Brand name, Price, Set Size, Scarcity can create positive behavioural changes towards the product (Rao and Monroe, 1989; Shiv, Carmon and Ariely, 2005). They have termed it the "Placebo effect of marketing actions". Placebo effects show that marketing actions do not only add some benefit to a product's core benefit—which is the commonly held belief about the beneficial effects of marketing actions—but they can also alter the core benefit of a product as given by Fell and Eisend (2013). Advertising claims are an important factor contributing to the marketing of a product. Advertising effectiveness can be assessed by examining whether the advertising information compels the recipients to engender more positive or favourable advertising attitudes towards the product or service (Fullerton and Punj, 2004). Though it cannot have any effect on the core value of a

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product, it acts as an external attribute that may influence the consumer. Andrews et al. (1996) argue that the consumer responses towards a brand can involve learning and remembering the advertising claims made in the advertisement. The consumers can react differently to positive and negative traits as shown in the advertisement. These are known as brand related beliefs which show that the more a brand is associated with positive advertising claims, the more favourable a consumer will be towards purchase. This is an assumption that these claims can be termed as a Placebo. Sometimes, the consumers are so confused to understand whether they have experienced any positive change which the brand promises to deliver. Consumers are limited with no choice but to look for ways to console themselves with a positive difference. The brands do create expectations upon which the consumers have to rely on their perception of the brand as having any utility or not. The marketers target this grey area through credence goods and the claims made for such products are known as credence claims. Such goods are not easily evaluable, and so the users are dependent on extrinsic factors to determine their satisfaction.

So, the question arises if the consumers cannot easily evaluate the effectiveness of a brand, then why do they repurchase it. Now repurchase is significantly connected with the expectation and satisfaction of the buyer. Habel et al. (2016) in their study have prescribed the two sides of creating expectations and their effect on satisfaction. While a product or service leads to creation of expectation, a higher expectation will lead to refusal and lead to dissatisfaction if not met. On the other hand, the positive effect of the expectation is the recognition of a quality and thus, it leads to satisfaction. Consumers may have equal satisfaction towards a product, but still may vary in loyalty and thus differentiating repurchase behaviour. The age, gender, family background matter in motivating a repurchase intention. The study advocates the association between human psychology and behaviourism in marketing. The study is a novel step to determine if an extrinsic factor like advertisement claims can also create behavioural change in the consumers. The study is designed by selecting brands related to consumer's Health and Hygiene with strong claims in their advertisements. It tries to find out if the extrinsic attributes of advertising are able to generate a Placebo effect. Another objective is to study the repurchase behaviour of consumers towards brands having credence quality. This will lead to a better understanding of the purchase behaviour of consumers towards credence goods.

2. Literature Review

A statement made in an advertisement about the features, uniqueness, benefits and/or performance of a product or service designed to motivate the customers to make a purchase is an advertising claim. It can be found anywhere, from street vendors to business giants in their marketing. A street vendor selling a particular oil may claim it to be therapeutic or magical in removing pain. An advertisement contains such claims of creating a particular change after using and/or consuming a product or brand. A study conducted by Professor Jones tried to calculate a measure of (STAS) short-term advertising strength on 2000 US households got some fascinating data. He tried to measure the impact of an advertisement on the propensity of a consumer to choose a particular brand. The major finding was that the consumers who were exposed to the advertisements were seen to have spent more on that particular brand. Another finding was that there was even a long-term effect for all the advertised brands and led to an increase in the market share (du Plesis, 2005). Darby and Karni (1973) have described the qualities of credence goods as those that cannot be evaluated in the normal process of use. The characteristics of the product, the shape or the utility derived by the consumer of the quality of the product cannot be easily ascertained. These credence products can still make certain claims to the consumers but which are not evaluable even after purchase. If a consumer cannot derive the viability of the claims made, then those claims are called "credence claims".

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A placebo is anything that looks to be the 'real' medical treatment but is not. It may be a pill, an injection or any other type of 'fake' treatment (Williams & Podd, 2004). A common feature that all placebos have is that they do not contain any active substance which affect the health. This has continued for years with the idea that the brain can stimulate the body to feel a 'fake' treatment as a 'real' thing. The working of placebo is still a mystery, but researchers have found that it increases feel-good neurotransmitters in the brain like endorphins and dopamine which are linked to moods and emotional reactions. Kaptchuk et al. (2014) explored Placebos to see if they reacted to migraine pain. One group took a drug labelled with the drug's name, another group were given a placebo labelled "Placebo" and a third group was given nothing. The results showed that the Placebo was 50% effective as the actual drug to reduce migraine pain. The driving force was the feeling of the individual for a positive healing effect.

The previous literature has already established facts and findings related to the Placebo Effect. Various researches have described that extrinsic factor such as Price, Brand name, set size, packaging, scarcity of the product, advertisements etc., have the power of creating of the Placebo Effect (Shiv, Carmon and Ariely, 2005; Fell and Eisend, 2013). Previous studies have described that customers' intention for purchase comes from various factors of problem recognition, Information search, Experience of the customers, Price, Durability, Perceived value and also post-purchase behavior experience (Engel, Blackwell & Kollat, 1968).

Ahmad et. al (2016) did a study on finding the factors behind repurchase decision of cosmetic products in Pakistan and found that Brand and Product Reliability have positive significant relationship with the Repurchase decision. There were other variables such as Price, Product durability which were found as insignificant factors in Repurchase decisions in the category of Cosmetic products. J.J. Cronin et. al (2000) also supported that perceived value of a product or service is a better variable to measure the intention of the customers. In their study, they tried to observe the relation between service quality, satisfaction and purchase intentions. They further found that consumer satisfaction has greater significance on the purchase intentions than service quality. Further, service quality of product categories may differ from one another. High-involvement and low-involvement of consumers is another factor that impacts the satisfaction and service quality which is reflected on the purchase intentions. But despite these characteristics of customers, it also affects the repurchase behaviour. Mittal and Kamakura (2001) in their study to find the effect of customer characteristics on Repurchase behaviour found that the characteristics of consumers have different repurchase probabilities. Consumers may have equal satisfaction towards a product but still may vary loyalty and thus differentiating repurchase behaviour.

Yet there are very few studies which define the factors involved in the repurchase of a brand. Customer expectation is a very crucial factor while purchasing a product or service. It may be conscious or not, but it does affect the purchase decision. Getting to know customer expectations is a difficult task and mostly subjective. Expectations may vary from person to person and from product to product. Keeping in mind the increasing suitability of advertisements in marketing, the researchers have tried to observe if advertising claims along with Rationality of Consumers and Perceived Value can impact the repurchase decision of credence goods.

3. Methodology of the Study

There exist a good amount of literature describing how extrinsic factors of a product have the power of creating a Placebo Effect. According to a report from statista.com, in 2019, India's digital advertising

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spending has increased by 30 percent (statista.com). This shows the importance companies are giving to advertisements. This notion led to the question whether advertisement claims are an extrinsic factor of a brand that might affect the efficacy of a brand and create Placebo Effect. Thus, the study evaluates the advertisements and the claims made in the advertisements to observe whether they have the ability to create the Placebo effect. The claims made for credence goods are not easily evaluate by consumers, even after multiple purchases and consumption. This leads to the formation of our first objective:

Objective 1. To study whether Advertising claims can create Placebo Effect.

Alongside, this objective leads to the formation of one Research question:

RQ1. Can Advertising claims create Placebo Effect?

The market is filled with credence goods and the amount of contact a consumer gets with such goods is increasing. With this, it is also evident that there are certain factors which motivate the consumers to purchase and repurchase those products/brands/services, with or without observing any positive change. There are very few studies define the factors involved in the repurchase of a credence good. There are novel studies which have described that Price of a product, Perceived value of the product, Durability and reliability of a product can affect a Repurchase decision (Ahmad et. al, 2016). But keeping in mind the increasing suitability of advertisements in marketing, the researchers have tried to observe if advertising claims along with Rationality of Consumers and Perceived Value can impact the repurchase decision of credence goods. This led to the formation of the second objective of the study:

Objective 2. To observe the variables involved in Repurchase Decisions of Credence goods.

The formation of this objective leads to formation of three Research questions:

RQ2. Does perceived quality has influence on the Repurchase decisions of credence goods?

RQ3. Can Advertising claims influence the Repurchase decision of credence goods?

RQ4. Can Rationality of consumers impact the Repurchase decisions of credence goods?

3.1 Scope of the Study

The study is limited to advertisements of Personal care products which the researchers hypothesize to have credence qualities. Personal care or toiletries are consumer products used in personal hygiene and for beautification. The study assumes that the consumers cannot easily verify the viability of a personal care product after use. We have taken into consideration only Advertising claims as an extrinsic factor to evaluate Placebo effect. To measure the effect of advertising claims on Placebo Effect, a few variables have been selected. These variables are Recognition of the advertisement and claims, Acceptance of the claims and Recommendation of the brand to others. Plesis (2005) has suggested that Recognition is appropriate in advertising as it leads to memory formation which is important for emotive advertisements. As the study mainly focuses on credence goods the advertisements are basically based on emotional principles. This is an important variable to measure Placebo effect. Acceptance of the claims by the consumers signifies whether they tend to believe in the statements and information provided by the marketers. To measure acceptance of the claims the researchers have tried to find if the claims made in the

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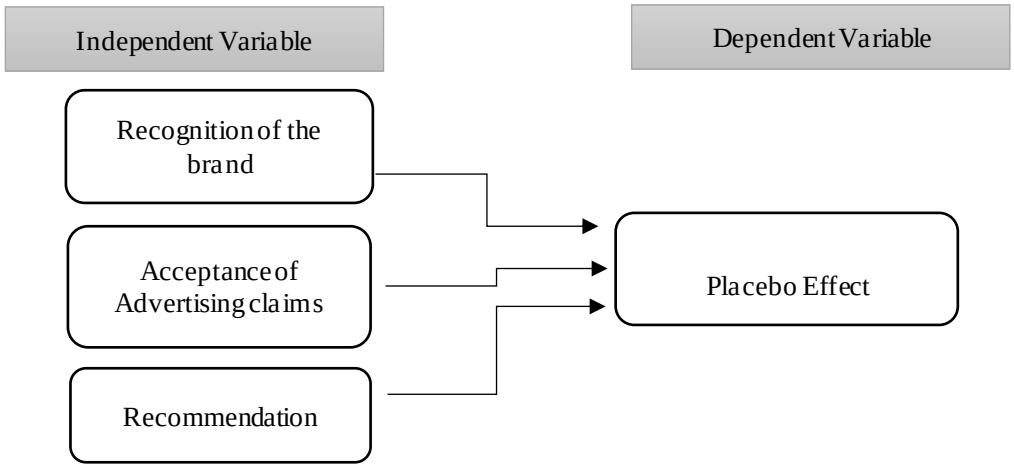
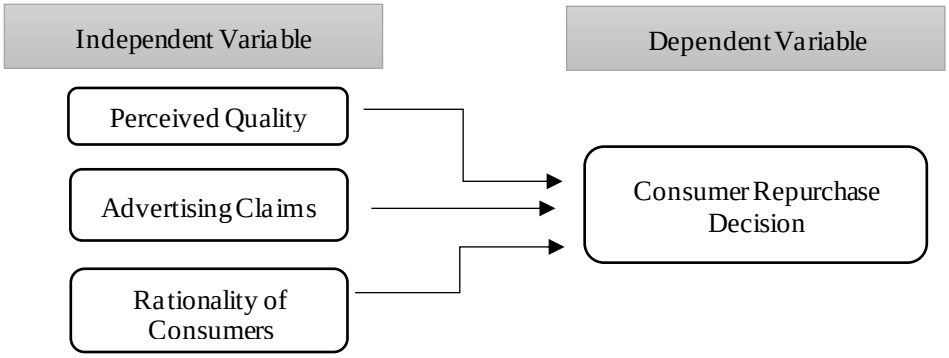
advertisement are experienced in the same way by the respondents as they are presented. Recommendation is taken as a variable because it leads to creation of satisfaction and value in the minds of consumer. Shen (2014) has supported this by stating that the users seem to be more interested to recommend a product that he or she is satisfied and also on the other hasd they value products which have been recommended by others.

Figure 1: Suggested Variables for Objective 1



For the second objective, the statements for each brand have been divided into 4 variables.

Figure 2: Suggested Variables for Objective 2



The researchers have hypothesized that apart from Advertising claims, there are two more factors that can have an influence on the repurchase decision of credence goods. The variables chosen are divided into 3 Independent variables and 1 dependent variable. We are hypothesizing that the Repurchase perception towards brands of credence quality is affected by the Perceived value, Advertising claims and Rationality of consumers. Each variable consists of set of questions and the value for the variable has been calculated by using the median. The study tries to find the effect of the different variables which have an impact on Repurchase Decision, that is why Consumer Repurchase decision is considered as an independent variable. The other variables selected are considered as dependent variable. Customer Perceived value has been taken as the customers' overall perception on the product and its utility based on the perception on the stimuli received as given by Zeithaml (1988). It was also empirically stated by Cronin (2000) that Customer Perceived value as the best predictor of the customers' Repurchase decision because that is the overall assessment of the benefits received from the product or service. Advertising claims are chosen as

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they can increase or decrease the impact of the brand on the perception or repurchase intentions as described by Jiménez and San-Martín (2017) and Irmak et al. (2005) in their studies. Economists have assumed that Rational behaviour of consumers does not relate to the process of decision making but to the outcome the consumers perceive. To what extent they determine the utility of a particular product or service according to their preference is rational behaviour as stated by Goodwin, et al. (2014). Rational behaviour in the study is determined by how much the consumers are interested in assessing the information given in the advertisement through consumer reports or comparison with other brands.

The statements in the question are divided under certain variables according to their relevance. For different brands, different statements have been selected to fit according with the variables. Afterwards, the median is calculated of the ordinal data and further analysed through Pearson Correlation. Hypotheses have been set by the researchers to measure the data.

$H_0$1: Customer Perceived value do not have any positive influence on the customer repurchase intentions

$H_0$2: Advertising claims does not have a positive influence over the repurchase decision of the customer

$H_0$3: Rational thinking does not have a positive role in the repurchase decision of the customers.

The responses collected through Google Forms and the focus group technique is used to select respondents who have accepted to use the brand.

3.2 Data Set

Focus Group Research method is used as the data is collected from the consumers who have experienced the brand or have consumed it. The questionnaires were served to 210 respondents out of which 150 responses were found viable for the study. The respondents who have not used or consumed the brand were excluded from the study. The chosen responses were selected to represent the larger population. Five focus groups consisting of 30 respondents each were selected for 5 brands. Separate questionnaires were framed for 5 different brands, namely Colgate Strong Toothpaste; Horlicks Classic Malt; Fogg Deodorant; Navratna Hair Oil; Dove Bathing Bar.

These five brands have been considered as cases for analysis. These brands are selected on the basis of the nature of their advertisement and the characteristics they have (Benz and Franck, 2007). For instance, some of the advertising claims of the selected brands are:

a. “Strong teeth with Amino Shakti which increases strength of teeth”

b. “Bio-nutrients which goes into the body faster and the kids gets vitamins faster”

c. “Have glowing skin, within 7 days”

d. “Includes 9 ayurvedic ingredients”

e. “800 sprays guaranteed”

These are advertising claims assumed to be hypothetical and having credence qualities of not being easily evaluable and determined by the consumer even after use.

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3.3 Method

The respondents were sent a structured questionnaire with the series of statements manipulated by the author. The respondents were first shown a picture of the brand and then asked some basic questions regarding purchase and recognition of the respective brand. Afterwards, they were shown two advertisements of the brand in order to make them recognise the brand further. This led to asking another set of questions related to the advertisement of the brand. The motive was to first trigger the expectancies of the respondent after seeing the image of the brand and then further to allow him/her to watch and recognise the advertisement of the brand. It led to measuring the respondent's expectation of both after watching the image of the brand and also after watching the advertisement. The data have been analysed using Pearson correlation. Median is also used to analyse the statements for the variables selected. The median is calculated for the ordinal data of the statements and then Pearson Correlation is calculated through the use of SPSS.

4. Data Analysis

4.1. Study I: Advertising claims and Placebo Effect

For the study Colgate Strong Teeth Toothpaste has been selected and the advertisements have been analysed. The claims made so far have been recorded and cross checked with the responses of the consumers. Analysing Consumer Responses:

Table 1: Responses for Colgate Strong Teeth Toothpaste

Basis for Analysing Responses	Consumer Responses in Percentages (1 as Most likely, 3 as average and 5 as Not at all likely)				
	1	2	3	4	5
Watching the advertisement and remembering claims	10.3	13.8	24.1	22.4	29.3
Seen changes after using Colgate	6.6	19.7	39.3	16.4	18
Help in keeping teeth of the family healthy	23.2	25	21.4	16.1	14.3
Colgate is the best toothpaste to fight cavities	13.1	23	29.5	19.7	14.8
Best certified toothpaste available	16.4	21.3	27.9	19.7	14.8
Recommending Colgate to others	10.3	15.5	34.5	19	20.7

Source: Primary Data

Table 1 shows the responses about Colgate Strong Teeth Toothpaste and few questions based on the advertisement and their perception regarding the product. After analysing the responses, it can be seen that though the consumers are not able to remember or recall the advertisement, still most of them believe that Colgate is one of the best toothpastes for teeth and fighting teeth problems. This shows that advertising claims do not have a strong impact on the consumer's perception regarding the brand. There have to be other factors associated with it that shapes the belief of the consumer that leads them to accept it as a good toothpaste. The respondents have further accepted not seeing any changes after using Colgate but still

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believe that it helps in fighting teeth problems such as cavities. The advertising claims thus is not resulting in any placebo effect as it is unable to create a belief of positive change after using the brand from its claims made. Yet, they still have some inclination towards the brand as a good brand.

Table 2: Responses for Horlicks Classic malt.

Basis for Analysing Responses	Consumer Responses in Percentages (1 as Most likely, 3 as average and 5 as Not at all likely)				
	1	2	3	4	5
Watching the advertisement and remembering claims	14.3	25	25	10.7	25
Seen changes after consuming Horlicks	13.8	27.6	24.5	17.2	6.9
Buy Horlicks only during summer, winter vacations and during exams	0	7.1	14.3	28.6	50
Kids are healthy after consuming Horlicks	11.1	27.8	33.3	5.6	22.2
Horlicks helps in keeping focus during exams	11.1	11.1	38.9	11.1	27.8
Recommending Horlicks to others	21.4	32.1	17.9	2.4	7.1

Source: Primary Data

Table 2 shows the perception of consumers of the 'Horlicks Classic Malt' brand. The responses are based on a set of questions. After analysing the responses, it can be understood that the advertisements and the claims made by the brand have surely caught attention as the respondents mostly have accepted to remember the advertisement and claims. This shows that the advertisement has led to the retention of the advertisement which is an important factor of advertising positioning strategy.

Furthermore, the respondents have also admitted having experienced change after consuming Horlicks which again is leading to positive behaviour towards the brand. However, when the respondents were asked specifically about any particular time frame or situation of buying the brand such as summer or winter time or exam-time, they mostly rejected the statement. Again, the respondents have accepted that the brand is a nutritional and healthy drink for children, but they have not supported the brand as a drink that helps increasing the focus of the children during exam time. However, most of the respondents have accepted that they will recommend the brand to others. Thus, the responses show that the brand has been able to attract and retain the attention of the consumers through their advertisements, making the consumers' experience change after consuming the drink. But the consumers are reluctant to accept certain changes in specific situations as shown in the advertisements. There is a minimal placebo effect that we can notice because of the acceptance of the consumers of some of the claims. There are signs of consumer satisfaction among the respondents as they also have accepted to recommend the product to others as well.

Table 3: Responses for Dove Bathing Bar

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Basis for Analysing Responses	Consumer Responses in Percentages (1 as Most likely, 3 as average and 5 as Not at all likely)				
	1	2	3	4	5
Advertisement influences purchase decision	13.3	40	6.7	13.3	26.7
Watching the advertisement and remembering claims	13.8	41.4	10.3	24.1	10.3
Dove helps in getting focus among others	3.6	21.4	17.9	28.6	28.6
Buy Dove only when preparing for some important event	3.4	6.9	10.3	41.4	37.9
Seen changes after using Dove	10.7	42.9	21.4	3.6	21.4
Skin is softer after using Dove	17.9	21.4	21.4	10.7	28.6
Dove gives result within few weeks	10.7	21.4	28.6	17.9	21.4
Recommending to others	21.4	25	21.4	10.7	21.4

Source: Primary Data

Table 3 shows the perception and responses towards the Dove Bathing Bar. The analysis of responses shows that most of the respondents have admitted having been influenced by the advertisement of Dove Bathing Bar when they purchase thus, we can account that their perception towards the brand will also be affected by the advertisement and the claims. Further, most of them have agreed to remember the claims shown in the advertisement. While some responses were on the positive side of seeing changes after using Dove, most of them have rejected that Dove has helped them to gain focus or using it before any important event. Few respondents were also not ready to accept that Dove makes their skin any softer. This shows that some of the claims as shown in the advertisements can attract attention and are accepted by them. But still, some of the claims were not able to create any impact on the experience of the respondents. Thus, the consumers were satisfied to an extent as they are ready to share the brand with others but they are not willing to accept certain claims. It follows that the power of advertisement claims as a placebo was not at all-powerful to make the consumers accept all the claims as shown in their advertisements.

Table 4: Responses for Navratna Cool Hair Oil

Basis for Analysing Responses	Consumer Responses in Percentages (1 as Most likely, 3 as average and 5 as Not at all likely)				
	1	2	3	4	5
Advertisement influences purchase decision	16.7	46.7	10	10	16.7
Watching the advertisement and remembering claims	27.6	31	10.3	6.9	24.1
Seen changes after using Navratna Cool Oil	24.1	41.4	17.2	6.9	10.3

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Feel relaxed and stress free after applying Navratna Cool Oil	51.7	20.7	6.9	10.3	10.3
Natural Ingredients present	37.9	31	13.8	10.3	6.9
Recommending to others	31	31	17.2	10.3	10.3

Source: Primary Data

Table 4 shows the responses to the Navratna Cool Oil Brand. From the analysis, we can infer that the product has positively influenced the respondents in accepting its claims. As the respondents mostly have accepted to have seen the advertisement and remember the claims, we can perceive that their purchase decisions will be influenced by them. The claims as shown in the advertisement have influenced the respondent's perception towards the brand as they have accepted that there are natural ingredients present in the oil; that it helps relieving stress, tension and seeing changes. This we can assume is the effect of the advertisement on the respondents. Thus, in the case of this brand, a placebo effect can be seen over the respondents.

Table 5: Responses for Fogg Deodorant

Basis for Analysing Responses	Consumer Responses in Percentages (1 as Most likely, 3 as average and 5 as Not at all likely)				
	1	2	3	4	5
Advertisement influences purchase decision	29.3	31.3	14.6	14.6	9.8
Watching the advertisement and remembering claims	37.5	30	10	5	7.5
Longest lasting deodorant in the market	9.8	41.5	24.4	17.1	7.3
Compared with other deodorants	12.2	29.3	14.6	31.7	12.2
Long lasting feature is important	25	32.5	22.5	15	5
Most popular deodorant in the market	12.2	4.9	36.6	39	7.3
Recommending to others	10	35	32.5	10	12.5

Source: Primary Data

Table 5 shows the responses to Fogg Deodorant. The responses from the analysis show that the respondents do accept the influence of advertisements of the brand on their purchase decisions. The claims already established by the brand through its advertisement have positioned well into the minds of the customers. Most respondents have accepted some of the claims, even without comparing them with other deodorants. The concept of long-lasting perfume as positioned by Fogg Deodorant since its launch has created an impact that customers now consider an important feature of a deodorant. Yet, the respondents were still reluctant to perceive Fogg deodorant as India's No.1 deodorant. It can be seen that some claims as positioned by the brand have changed the perception of the respondents towards the segment. Thus, the claims here act as a placebo in influencing the belief and attitude of the customers towards the brand.

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4.2. Study II: Repurchase decision for Credence Goods

The connection of expectancies with customer satisfaction is very crucial. Habel et al. (2016) in their study claim that customer expectations should be set in such a way that they should be altered keeping in mind the customers. They have suggested that the service providers should try to increase expectations if the customer's motivation is low, just like their ability to assess the service. On the other hand, they should try to minimise the expectations if the customers already have high motivation and possess the ability to assess the service. Three hypotheses have been set accordingly.

Analysis of the Cases:

In statistics, it is generally accepted that the following scale can be used to estimate the effect size.

Effect size: If r =+/-.5 It is large; =+/-.3 It is medium; =+/-.1 It is small.

Case 1: Colgate Strong Teeth Toothpaste:

Pearson Correlation Coefficient is used to determine the relationship between various variables.

Table 6: Pearson Correlation Analysis of Colgate Strong Teeth Toothpaste

Correlations					
		Repurchase	Advertising claims	Perceived Value	Rationality
Repurchase	Pearson Correlation	1	.342	.856	-.498
	Sig. (2-tailed)		.064	.000	.005
	N	30	30	30	30
Advertising claims	Pearson Correlation	.342	1	.381	-.080
	Sig. (2-tailed)	.064		.038	.676
	N	30	30	30	30
Perceived Value	Pearson Correlation	.856	.381	1	-.401
	Sig. (2-tailed)	.000	.038		.028
	N	30	30	30	30
Rationality	Pearson Correlation	-.498	-.080	-.401	1
	Sig. (2-tailed)	.005	.676	.028	
	N	30	30	30	30
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Source: Primary Data

Table 6 describes the correlation between the variables studied. From the analysis, the author can observe that the correlation between Advertising claims and repurchase is 0.34, which is positive, meaning

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there is a significant relationship between these two variables. The correlation between Perceived value and Repurchase decisions is highly positive i.e., 0.856. It also shows that the Rationality in purchase decision has a negative correlation with Repurchase decision which implies that rationality has inverse relationship with repurchase. There is a negative relationship between rationality in purchase with other variables of advertising claims and perceived value also. This shows the inverse relationship between these variables.

Case 2: Horlicks Classic Malt

Table 7: Pearson Correlation Analysis of Horlicks Classic Malt

Correlations

		Repurchase	Advertising claims	Rationality	Perceived value
Repurchase	Pearson Correlation	1	.671**	-.217	.654**
	Sig. (2-tailed)		.000	.249	.000
	N	30	30	30	30
Advertising claims	Pearson Correlation	.671**	1	-.114	.752**
	Sig. (2-tailed)	.000		.550	.000
	N	30	30	30	30
Rationality	Pearson Correlation	-.217	-.114	1	-.157
	Sig. (2-tailed)	.249	.550		.408
	N	30	30	30	30
Perceived value	Pearson Correlation	.654**	.752**	-.157	1
	Sig. (2-tailed)	.000	.000	.408	
	N	30	30	30	30
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Source: Primary Data

Table 7 describes the correlation between the variables studied. From the analysis, one can observe that the correlation between Advertising claims and repurchase is 0.671, which is positive, and means there is a significant relationship between these two variables. The correlation between Perceived value and Repurchase decisions is also positive i.e., 0.654. On the other hand, it also shows that there is a negative relationship between Rationality and Repurchase i.e., -217, which means that the increase or decrease in Rationality has an inverse effect on the repurchase decision of the consumer. Rationality also has a negative relation with advertising claims.

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Case 3: Dove Bathing Bar

Table 8: Pearson Correlation Analysis of Dove Bathing Bar

Correlations					
		Repurchase	Advertising claims	Rationality	Perceived value
Repurchase	Pearson Correlation	1	.792**	-.138	.499**
	Sig. (2-tailed)		.000	.468	.005
	N	30	30	30	30
Advertising claims	Pearson Correlation	.792**	1	-.232	.655**
	Sig. (2-tailed)	.000		.218	.000
	N	30	30	30	30
Rationality	Pearson Correlation	-.138	-.232	1	.135
	Sig. (2-tailed)	.468	.218		.476
	N	30	30	30	30
Perceived value	Pearson Correlation	.499**	.655**	.135	1
	Sig. (2-tailed)	.005	.000	.476	
	N	30	30	30	30
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Source: Primary Data

Table 8 describes the correlation between the variables studied. From the analysis, one can observe that the correlation between Advertising claims and repurchase is positively high, 0.792, which means there is a significant relationship between these two variables. The correlation between Perceived value and Repurchase decisions is also positive i.e., 0.499. It also shows that the Rationality of consumers has a negative correlation with Repurchase decision which implies the inverse relationship. There is a negative relationship between Rationality of consumers with Advertising claims also. This shows the inverse relationship between these variables.

Case 4: Fogg Deodorant

Table 9: Pearson Correlation Analysis of Fogg Deodorant

Correlations					
		Repurchase	Advertising claims	Rationality	Perceived value
Repurchase	Pearson Correlation	1	.282	.128	.394*
	Sig. (2-tailed)		.131	.500	.031
	N	30	30	30	30
Advertising claims	Pearson Correlation	.282	1	-.055	.278
	Sig. (2-tailed)	.131		.775	.137
	N	30	30	30	30

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Rationality	Pearson Correlation	.128	-.055	1	.120
	Sig. (2-tailed)	.500	.775		.526
	N	30	30	30	30
Perceived value	Pearson Correlation	.394*	.278	.120	1
	Sig. (2-tailed)	.031	.137	.526	
	N	30	30	30	30
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Source: Primary Data

Table 9 describes the correlation between the variables. From the analysis, one can observe that the correlation between Advertising claims and repurchase is 0.282, which is small, meaning that there is a poor relationship between these two variables. The correlation between Perceived value and Repurchase decisions is also positive but medium i.e., 0.394. It also shows that the Rationality of consumers has a very poor correlation with Repurchase decision i.e., 0.128. Rationality of consumer also has a negative correlation with advertising claims which shows the inverse relationship between these two variables.

Case 5: Navratna Cool Hair Oil

Table 10: Pearson Correlation Analysis of Navratna Cool Hair Oil

Correlations

		Repurchase	Advertising claims	Rationality	Perceived value
Repurchase	Pearson Correlation	1	.766**	.343	.692**
	Sig. (2-tailed)		.000	.063	.000
	N	30	30	30	30
Advertising claims	Pearson Correlation	.766**	1	.410*	.698**
	Sig. (2-tailed)	.000		.024	.000
	N	30	30	30	30
Rationality	Pearson Correlation	.343	.410*	1	.292
	Sig. (2-tailed)	.063	.024		.117
	N	30	30	30	30
Perceived value	Pearson Correlation	.692**	.698**	.292	1
	Sig. (2-tailed)	.000	.000	.117	
	N	30	30	30	30
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Source: Primary Data

Table 10 describes the correlation between the variables studied. From the analysis, the author can observe that the correlation between Advertising claims and repurchase is positively high—0.766—which means there is a significant relationship between these two variables. The correlation between Perceived value and Repurchase decisions is also positive i.e., 0.692. It also shows that the Rationality of consumers

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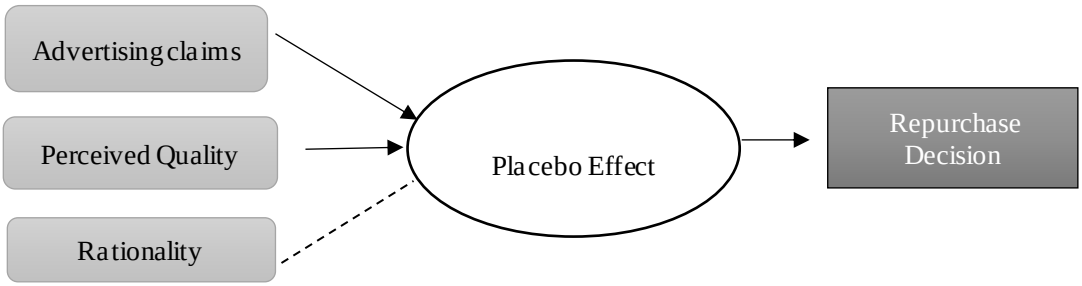
has a positive but less significant correlation with Repurchase decision i.e., 0.343 and with advertising claims. Overall, for this brand, consumers are positive.

Figure 3: Outcome of the Correlation Analysis



Note: Advertising claims and Perceived Quality have a positive relation with Repurchase Decision. However, Rationality has an indirect or inverse relationship with Repurchase Decision.

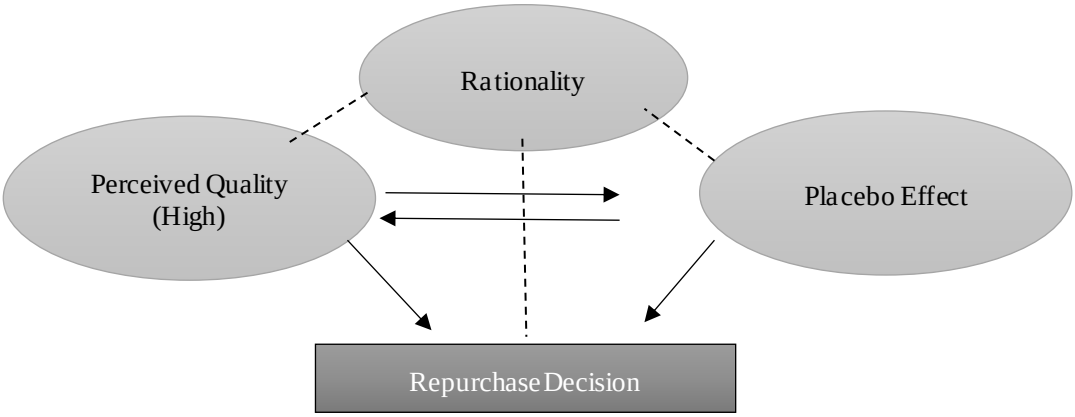
As stated earlier for the second objective, the researchers have set three hypotheses.

- From the analysis, it is observed that customer perceived value and advertising claims as having a positive correlation with repurchase decisions of credence goods and Hypothesis 1 and Hypothesis 2 are rejected.
- From the analysis above, it is clear that Rationality of consumers does not have a positive role but a negative or inverse correlation with the Repurchase decision of credence goods and Hypothesis 3 is accepted.

5. Results and Findings

Based on the literature and interpretation of the results, some major findings have been derived.

Figure 4: Summary of the Findings



Note: From the Figure 4, it can be inferred that Rationality has an indirect relation with Placebo Effect and thus cannot be determined if it will lead to Repurchase decision. Perceived quality, on the other hand, has a direct relation with Placebo effect and can be established that it will have an impact on the Repurchase Decision.

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a. The power of advertising claims as a placebo is different for the selected brands which describe that it is based on the consumer's memory of the advertisement and attitude towards it. For instance, the certification of Colgate as the best-certified toothpaste is a credence attribute that often helps a consumer to choose whether the product is safe or has quality. Caswell and Mojduszka (1996) in their study said that a certification by a government agency or an expert authority has a lot to do with product trustworthiness. Also, Kihlstrom and Schacter (1990) stated that an anaesthetised patient when given verbal suggestions about recovering quickly spend less time in the hospital than other patients. Thus, an advertising claim will lead to a stronger placebo effect if a consumer accepts to recognise the advertisements, believes the claims as true and also if they are ready to recommend them to others. Here, it can be noted that advertising claims cannot shape the experiences alone and alter the efficacy of the brand. If a consumer is satisfied with the product but still does not completely accept the claims there might be the influence of other extrinsic factors involved.

b. The brand where the advertising claims led to a significant Placebo effect was a product that was connected to pain or discomfort or a product such as a therapeutic oil. This means that the advertising claims work strongly for products whose USP (Unique Selling Proposition) is targeted for pain removal or relief from mental and physical discomfort. This is similar to the study conducted by Irmak et. al (2005) where they observed that high desire for an increased boost of the respondents led to the same amount of physical and psychological change after a Placebo drink that occurred in case of a real energy drink. Further, Plassmann and Weber (2015) in their study found that anticipation of expectancy affects the pain-responsive regions of the brain. This means that anticipation of a positive change during pain induced phenomenon is high and at that time the release of dopamine is also significant which leads to a sense of reward-seeking or learning behaviour. Consumers are more open to these claims of the brands and create stronger positive expectancies for these brands.

c. The brands for which advertising claims were less effective in creating placebo effect were brands which though were considered for repurchase by the respondents. Here, there was a mixed observation that the consumers accepted one variable but negated the others. This means that acceptance or rejection of one variable might not hamper the creation of the placebo effect. For instance, the respondents of Colgate were not ready to recommend the brand to others, but were accepting the advertising claims which means that the creation of the Placebo effect is varied. It changes from person to person and it depends on the level of receptivity of the claims.

d. Advertising claims, Perceived quality and Rationality of consumers correlate with repurchase decisions. It means they do form an important consideration behind repurchase decisions of credence goods. This means for such goods where consumers cannot evaluate the quality, they mostly rely upon the claims provided by the marketers, the utility that they believe to have received. As it was said by Du Plesis (2005) in his book 'The Advertised mind', advertisements lead to brand memories that are stored in our subconscious mind and forms brand associations. This supports the statement that the more a consumer responds positively to an advertisement claims and accept it, the more chances there are of Repurchase. Here, rationality is to be noted as an important variable for a consumer being more rational towards the brand and its information, lesser are the chances of repurchase.

e. One observation was made for the brand Navratna Hair Oil that the product having a strong Placebo effect, the rationality of consumers towards this brand was positive. This was a significant observation that for brands having a high placebo effect, the repurchase decision will also have some rational behaviour

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involved. For the repurchase of credence goods having a strong Placebo effect, there is a presence of rational thinking of the consumers. This shows that for a brand to have repurchase there should be positive Placebo effect with a less significant positive rational behaviour.

- If Placebo effect is low + Rationality is highly positive = lesser are the chances of Repurchase Decision

- If Placebo effect is low + Rationality is highly negative = lesser are the chances of Repurchase Decision

- If Placebo effect is high + Rationality is significantly positive = More are the chances of Repurchase Decision

f. There is a strong connection between the Placebo effect and the Repurchase decision of credence goods. The placebo effect is generated when the consumers create a positive belief in quality and that belief leads to a repeated purchase. And this phenomenon is inherent in credence goods where the consumer mostly has to rely on the perception he or she forms towards a product. When there is a High Placebo effect, it may lead to Positive Repurchase behaviour. This supports the study of Mirabi et. al. (2015) where they observed the impact of the quality of a product on a customer's purchase intention. They find out that the product quality does have a significant and positive impact on customer's purchase intention. The consumers value the quality that they have received from the brand and the higher the perceived quality higher will be the chances of Repurchase.

6. Conclusion and Recommendations

The study is an attempt to append available literature in the field of advertising and put focus on the Placebo effect which itself is a novel area of study in marketing. As in the marketing world, we know emotions are critical and what a consumer likes is what s/he will buy and recommend. From the study, it was evident that the Placebo effect can be generated through Advertising claims as an external cue. It depends on the consumer's receptivity of claims, and it is not easy to measure at all. But an important finding was that a stronger desire for positive change before using a brand mostly in pain or discomfort may lead to a stronger Placebo effect. This is in line with the various researches done where it was proved that before solving a puzzle if respondents are given Placebos as a strong stimulator, it will lead to the same amount of positive change as an actual one.

The brands selected were of a credence nature which makes them difficult to be assessed in terms of quality. Thus, the repurchase behaviour of such brands becomes difficult to analyse. However, this study was an attempt to see if certain variables can create any impact on the repurchase behaviour of such goods. And it was observed that the advertising claims and the quality perceived by a consumer have a very significant impact on the repurchase decision of such goods. Another important finding states that the rationality of consumers mostly has an inverse relationship with such goods. Though for brands having a stronger desire for a change it is positive to a limited extent. These findings call for future studies from a different angle to facilitate more into the literature and bring out novel areas of research in marketing. There is further scope for future researchers to create a framework for defining the High-medium-low Placebo effect. It was observed in the study that the researcher was unable to determine how strong or how weak the Placebo effect was. This may open the doors for designing such a framework that fills this gap.

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The study can be extended in the future to see if advertising claims can lead to any negative stereotypical beliefs or not.

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