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Effect of Intrinsic Motivation on Consumer Brand Evaluation: The Influence of Motive, Involvement, and Need for Cognition

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Abstract

Purpose - Intrinsic motivation, as indicated in a number of studies, closely related to brand evaluation where this intrinsic motivation depends on motive, involvement and also NFC of individual. In accordance with the above-mentioned statement, this study is accomplished and is aimed at analyzing the effects of motive, involvement, NFC on consumer brand evaluation (i.e., motorcycle) from intrinsic motivation perspective.

Design/methodology/approach - Research procedure follow the procedure in early research commonly, with the early step is instruct the subject to explore the information about product raised in questioner by showing the name of brand from each products. Analysis conducted for this research follows the result of path analysis from Amos 6, by emphasizing at influence whitin variable as compiled in hypothesis.

Findings - Research results show that individual involvement and motive significantly affect motivation but they do not affect brand evaluation. NFC is found to affect intrinsic motivation and brand evaluation; intrinsic motivation affects individual brand evaluation. It was also found in the resulted model that there exist a partial-mediation role of intrinsic motivation within the relationship between NFC and brand evaluation; a full-mediation role of intrinsic motivation within the relationship among involvement, motive, and brand evaluation.

Practical Implication - There are some contribution from this research, joining paradigm of examination of guide exploiting with the procedure used typically in persuasion (e.g. manipulation between involvement and motive). First, do not same to the most research in a past, this research examine the information processing in brand assessment. Second, do not as research about information processing assuming that involvement (as personal relevance) directed only by utilitarian motive; in this research we examined the influence of individual involvement, motif, and NFC by each other at intrinsic motivation. Besides, is also examined the influence of intrinsic motivation at consumer brand evaluation activity.

Originality/value - Result of this research is expected to give the worthwhile information in the field of marketing science, especially about respective consumer behavior with the relation pattern between individual involvement, motive, NFC and also intrinsic motivation in its relation with the brand evaluation, especially among college student.

Keywords: Intrinsic Motivation, Involvement, Motive, NFC, Brand Evaluation, Path Analysis.

Paper type: Research Paper

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Research Background

The competition in motorcycle industry is very high, according to the amount of new comer in the industry. Competition was not in price only, because the manufacturer offer their product in the same price relatively. In the marketing perspective, there was a challenge, primerily in compiling the effective marketing communication strategy.

Marketing in this time occupied by potential information integration and communications technology till exploiting of database of consumer and internet marketing. Billion of potential consumer at this time can be accessed at this time. Nevertheless, perception of summary to the marketing practice in internet indicate that some company run the aggressive action like pop-ups, using advertisement of banner and hyperlinks and also other format from mechanism which impinge with the personal facility.

Short-term idea will push the company up at shorter campaign and plan the advertisement, this matter will push the company up at offcolour business practice or digress. This things can be transferred by company which adopting proactive ethical behavior from consumer. In order to adopting stance which proactive like that, company have to develop an ethical interactivity model with consumer.

The model of ethical interactivity was introduced and discussed by a former research develop seven different matters, namely: notice, choice, access, contact, security, horizon, and intrusiveness. The real interpretation from the things instruct at consumer enableness to create the big added significance for the company of and for the consumer (Gauzente and Ranchhod, 2001).

Growth of amount of motorcycles in Indonesia is very fast and become the interesting phenomenon in the last decades. To the number of product which on the market in so many brand have peeped out the immeasurable desire. Immeasurable desire of course also driven the consumer buying behavior becoming complex progressively. One of the product which is in course of complex buying decision, is otomotive product otomotif, e.g. motorcycles. New brand appearance in this time have made the consumer given on more choice, what it is, of course, also will improve the complexity process buying decision.

Research concerning of buying behavior is more emphasizing at the influence of individual involvement, motif, NFC (need for cognition), and intrinsic motivation had by a consumer in brand evaluation. Decision in purchasing very depend on consumer involvement in course of its purchasing, for the process of low involvement process the decision also modestly, while the process needing high buyer involvement intensity, making decision process become more complex. In course of complex decision, consumer evaluate the existing product in detail and comprehensive, more information searched and more product evaluated from other purchasing situation type.

According to Assael (2001), complex purchasing situation oblige the consumer to conduct the evaluation to existing product in more detailed and comprehensive. Thereby complex purchasing decision more destined to product with the category:

- Costly price
- Relate to the performance risk, like health product, vehicle (car and motorcycles)
- Complicated, like CD player and computer
- Relate to the someone ego, like clothes and cosmetic.

Naturally, purchasing of product not only representing the condition of complex buying decision process, more important is available of time which is last for developing information seeking and its processing. Complex buying decision will not be happened if decision has to be made quickly. Other condition in complex buying decision is the existence of adequate information to evaluate the alternative brand. Consumer sometime delays its decision for assymmetric information. Besides, the decision postponement happened by so much characteristic and product feature. The mentioned mean that the complex buying decision also entangles the consumer ability to process the information (Assael, 2001). Complex purchasing decision become to draw to be studied farther because in its process entangle the more input, exogen and endogen variable.

Research Problem

Change that happened and also more number of product variant which on the market will cause the information about product quality had by consumer becoming not complete, this matter will cause at intrinsic motivation to conduct brand evaluation and also at desire to buy, because consumer buy the product in an uncomplete information regarding the alternative product generally.

Thereby, research problems is brand evaluation conducted by consumer, influenced by individual involvement, motive, NFC (need for cognition), and intrinsic motivation. Related to the research problems, hence this research is conducted to study how situation in brand evaluation influenced by individual involvement, motive, NFC, and intrinsic motivation.

Research question which is related to the mentioned shall be as follows:

1. Are the intrinsic motivation of consumers in brand evaluation influenced by individual involvement, motive, and NFC?
2. Is brand evaluation conducted by consumer influenced by its intrinsic motivation?

Pursuant to the research question, this research is addressed to:

1. examine the influence of individual involvement, motive, and NFC each other in individual intrinsic motivation;
2. examine the influence of intrinsic motivation to consumer brand evaluation

There are some contribution from this research, joining paradigm of examination of guide exploiting with the procedure used typically in persuasion (e.g. manipulation between involvement and motive). First, do not same to the most research in a past, this research examine the information processing in brand assessment. Second, do not as research about information processing assuming that involvement (as personal relevance) directed only by utilitarian motive, in this research we examined the influence of individual involvement, motif, and NFC by each other at intrinsic motivation. Besides, is also examined the influence of intrinsic motivation at consumer brand evaluation activity.

Thereby, science contribution from this research is enhanceing the knowledge of concerning pattern of relation and influence of individual involvement, motive, and NFC and also mediation role from intrinsic motivation at brand evaluation. Despitefully, result of this research is expected can give the information to all researcher hereinafter, the core important in explaining relation between individual involvement, motive, NFC, and intrinsic motivation in brand evaluation.

Result of this research is expected to give the worthwhile information in the field of marketing science, especially about respective consumer behavior with the relation pattern between individual involvement, motive, NFC and also intrinsic motivation in its relation with the brand evaluation, especially among college student.

Literature Reviews

This chapter is conducted by study to the former research regarding the information processing in brand evaluation conducted by consumer pursuant to objective value. Primary factor which is explored as constraint of information processing is intrinsic motivation from consumer to evaluate the brand. Intrinsic motivation which explored more circumstantial with the focus at individual involvement, motive, and NFC.

Theoretical Framework

Decision making processes conducted by consumer in buying product cannot be assumed similar each other. Purchasing for convinience goods (e.g. soap) and the purchasing goods which have high performance risk (e.g. otomotive product) owning different process. Assael (2001), developing a tipologi for decision-making processes in two dimension, namely (1) decision making level; and (2) level of consumer involvement in purchasing. Engel et al. (2004), said information processing by consumer consisted of five phase, that is: (1) Appearance: a contiguity attainment to stimulus as an opportunity to activation one or more someone sense; (2) Attention: allocation of incoming stimulus processing capacities; (3) Interest: stimulus interpretation; (4) Acceptance: a level showing stimulus influence to knowledge and/or someone attitude; and (5) Retention: evacuation of stimulus interpretation into long-range memory of someone.

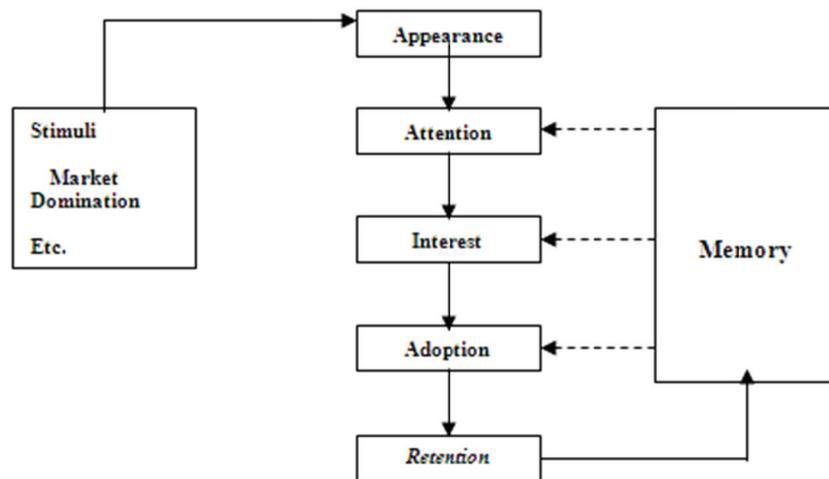


Figure 1: Individual Information Processing
Engel *et al.* (2004)

Individual Involvement

Zaichowsky (1985) said that individual involvement as a personal relevance to the object which perceived to requirement which is separated, namely value and interest, and also develop 20 item scale (Personal Involvement Inventory / PII) to measure the long-range involvement with product. Beatty and Smith (1987) defining ego involvement (long-range involvement) as product importance to individual and individual concept, value, and individual ego. They also found that consumer is more involved with one product category make the worse objective value choice, and they use their finding for the consumer of entangled higherly become more influenced by image and prestige because they have the more self concept in the product. They found that consumer with low-involvement and high product knowledge makes best value choice.

Foxall and Pallister (1998), they examine of consumer involvement in financial service, compare PII (Personal Involvement Inventory) with PIS (Purchase-decision Involvement Scale), found that in financial services there is two interested things, emotional structure and rational structure in the decision to purchase the product of financial services.

Aldlaigan and Buttle (2001) found that under PII scale; mortgage, investment and usage of automatic teller machine are high involvement services, while the usage of saving account, personal loan, cheques, overdraft, and switch card are medium involvement services, at the other hand under CIP (Consumer Involvement Profile) investment, mortgage, and saving account are high involvement, while personal loan, overdraft, switch card, cheques are medium. Consumer involvement show the consumer interest at one particular product or service, situation, communications and also represent a situation or condition which different each other between individual (Neese *et al.*, 1995).

Motive

Motive is common motivation directing consumer behavior to fulfill its requirement. The difference between consumer situation at the moment with a purpose to which wish reached, needed by a stronger motivation to act in fulfilling its requirement. The motivation bring the impact directly to benefit criterion used by consumer in brand evaluation (Assael, 2001). Two motive, namely utilitarian and expressive, always exist in consumer behavior, especially when related to an information processing. Utilitarian oriented at functional benefit from one product or brand; while expressive oriented at benefit of social-simbolic or self image from product or brand.

Need For Cognition

Need for cognition (NFC) is representing an individual tendency to enjoy and involve to think (Cacioppo and Petty, 1982; Bolton and Capella, 1995). Their result shown that someone with higher NFC tend to cognitive thinking and elaborate the relevan information while they have to act than the lower one. Need for cognition (NFC) as an individual cognitive differences is a controversial fenomenon, in which usually debating at the first time it is founded by Festinger in 1957, that NFC having an effect on the decision-making processes by individual, and also very potential influence the consumer attitude hereinafter and satisfaction obtained in purchasing decision (Soutar and Sweeney, 2003).

When someone behaves the cognitive misers, in general, prefer to scrimp than interspersing energi in thinking, and also because of usage of brand information in evaluative task of duty entangle the cognitive efforts, hence cognitive difference will influence the motivation in evaluating brand. Individual with higher NFC prefer to think and choose information in behaving than a lower one. High NFC will influence the process evaluate the brand by consumer (Cacioppo and Petty, 1982; Bolton and Capella, 1995; Mandrik, 1999).

Intrinsic Motivation

Intrinsic motivation relate to the energy, direction, result on all aspect of activity and intention. Though intrinsic motivation is sometimes considered as a single construct, someone can be motivated because they have intrinsic motivation or extrinsic motivation (Ryan and Deci, 2000). Zuckerman et al. (1978), defining intrinsic motivation as someone requirement to feel the interest and self-determining. Thereby activity done based on intrinsic motivation is a matter done by individual voluntarily. Therefore when someone motivated intrinsicly, he/she will feel the easiness and also satisfaction to its choice (Ryan et al., 1991).

Brand Evaluation

Brand evaluation refer to amount and quality of information processing that happened in context of brand choice at the time of purchasing to reach one evaluation or consideration of its quality

of brand. Brand information processing interpreted as a series of immeasurable unity during, strive, and skill required to make one valid consideration (Mandrik, 1999; Parasuraman *et al.*, 1994; Zeithaml *et al.*, 1996). When buying a product, consumer will pay attention the attribute which look from pertinent product to assess the quality: type, colour, lable, name of brand etc., but when no attribute available to show the quality, hence consumer will use price as indicator of quality (Parasuraman *et al.*, 1994).

Besides, activity on brand evaluation represent the result from information processing conducted by consumer, consumer use the information which have past and new information to evaluate the brand by considering to obtain benefit. Consumers prefer the brand which they expect can give the more satisfaction as according to benefit which they wish (Assael, 2001).

Research Hypothesis

According to things which have been elaborated represent the rationale from compilation of following hypothesis:

H1A : Involvement is having a positive effect on intrinsic motivation

H1B : Motive is having a positive effect on intrinsic motivation

H1C : NFC is having a positive effect on intrinsic motivation

H2 : Intrinsic motivation is having positive effect on brand evaluation

Hypothesis which have been formulated is being the form of the relation pattern between variables in this research as follows.

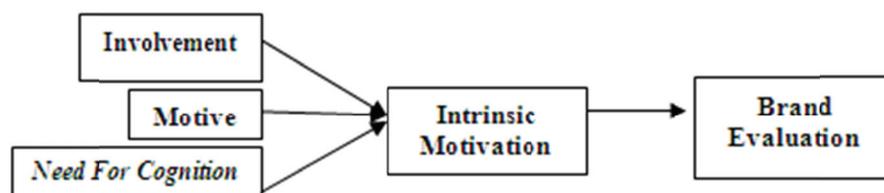


Figure 2: Research model

Research Method

This research examine the variables influencing brand evaluation in brand choice context. Theoretical framework used to be alighted from buyer behavior theory model that presented by Howard and Sheth (Enis Et al., 1991).

Research Variables

Consumer characteristic. This variables representing consumer demography and comprise the personal data of consumer, this variable is needed to depict the consumer profile. In this

research, consumer characteristic only differentiated by gender, and age, and used for depicting respondent characteristic.

Independent Variables. Independent variables in this research are follows:

Motive. Motive exploration conducted to subject, referredly at previous research (Mandrik, 1999). At this phase, subject asked to equip the questioner designed to explore the motif, both of expressive and utilitarian motive. Motive explored using the questioner adopted from previous research (Mandrik, 1999).

Involvement. Involvement have been explored extensively in consumer behavior since early research in social psychology. There are common agreement in the research that involvement mean the personal relevance (e.g. in advertisement, product category, or decision situation) to a consumer (Assael, 2001; Mandrik, 1999). Besides using PII (Personal Involvement Inventory) scale (Mandrik, 1999), to measure the involvement also can be using CIP (Consumer Involvement Profile) scale (Aldlaigan And Buttle, 2001) and PIS (Purchase-decision Involvement Scale) scale (Foxall And Pallister, 1998). In this research involvement is explored using the PII scale adopted from previous research (Engel et al., 2004; Mandrik, 1999; Foxall and Pallister, 1998; Aldlaigan and Buttle, 2001).

NFC (Need for Cognition). NFC is individual tendency that influencing motivation to be more involve in a brand evaluation which is called cognitive efforts to conduct the perception (Mandrik, 1999; Ryan et al., 1991; Ryan and Deci, 2000; Zuckerman et al., 1978; Tormala and Petty, 2004; Bolton and Capella, 1995).

Dependent variables. Dependent variable in this research is brand evaluation while intrinsic motivation represent the mediator variable. Brand evaluation in this research is evaluation to alternative of brand choice, so that using the criterion from alternative assessment referred to service quality (Parasuraman et al., 1994). Brand evaluation explored using questioner from Parasuraman et al. (1994) and Mandrik (1999). Motivation explored using the IMI (Intrinsic Motivation Inventory) (Zuckerman et al., 1978; Deci et al., 1981; Vansteenkiste and Deci, 2003).

Research Procedure

Research procedure follow the procedure in early research commonly, with the early step is instruct the subject to explored the information about product raised in questioner by showing the name of brand from each products. Analysis conducted for this research follows the result of path analysis from Amos 6, by emphasizing at influence whitin variable as compiled in hypothesis.

Sampling Design

Intention of this research is examine the influence of involvement, motive, and NFC at motivation and also examine the influence of motivation at brand evaluation. Population for this research adapted for the target of research (purposive sampling design) with the certain

demarcation pursuant at consideration to correspond to the research criterion so that can improve the sampel accuracy (Sekaran, 2000). The sample choosen from student in Department of Management, Faculty of Economics, Gunadarma University regarding to the criterion as follows.

1. Eksploration is taken to examine the influence of involvement, motive, and NFC, on motivation and also examine the influence of motivation on brand evaluation.
2. Eksploration is addressed to collect the relevant information with a purpose of the research and can be obtain from one certain consumer group.
3. Corresponding to behavioral consumer research focus commonly.
4. To avoid the heterogenity of sample that able to degrade the strength from examination.

Pre-Test

In this research, pre-test conducted using 100 respondent, pre-test done as a mean to know the product brand which is in course of its evaluation need the high involvement or lower, and evaluated by pursuant to utilitarian motive or expressive, in other word we have done the pre-test to know about trade-off between involvement and motive in brand evaluation (Mandrik, 1999; Zeithaml *et al.*, 1996; Parasuraman *et al.*, 1994).

Trade-off Involvement-Motive

Score for each motive specified between 20 till 100, the score calculated by 1 x 20 item (20) till 5 x 20 item (100), hereinafter calculated a score mean by dividing total score from certain brand to the amount of respondent who choose it (Mandrik, 1999), then compare score mean from each motive, the larger shows the motive tendency pushing respondent in evaluating the brand.

Tabel 1: Respondent Motive

No.	Brand Name	Sample*	Score Mean of Utilitarian	Score Mean of Expressive	Motive
1	Shogun 125	6	81	59,6	Utilitarian
2	Jupiter MX	10	81,9	63,7	Utilitarian
3	Supra X 125	10	76,4	50,3	Utilitarian
4	Scorpio Z	10	78,6	64,9	Utilitarian
5	Tiger	18	79,5	59,6	Utilitarian
6	Thunder	3	80,33	74,33	Utilitarian
7	Spin	0	-	-	-
8	Vario	19	77,87	53,84	Utilitarian
9	Mio Sporty	24	82,9	64,3	Utilitarian

* number of respondent who choose the brand

Involvement score specified as 15 till less than 37,5 is low-involvement; 37,5 till 75 is high-involvement, the score is calculated by 1 x 15 till less than 2.5 x 15 (15 till less than 37.5) for low-involvement, 2.5 x 15 till 5 x 15 (37.5 till 75) for high-involvement, hereinafter calculated a

score mean by dividing total score from certain brand to the amount of respondent who choose it (Aldlaigan dan Buttle, 2001; Foxall dan Pallister, 1998).

Table 2: Respondent Involvement level

No.	Brand name	Sample*	Mean of Involvement	Involvement Level
1	Shogun 125	6	69,66	High
2	Jupiter MX	10	72,30	High
3	Supra X 125	10	74,20	High
4	Scorpio Z	10	71,30	High
5	Tiger	18	67,27	High
6	Thunder	3	69,00	High
7	Spin	0	-	High
8	Vario	19	72,78	High
9	Mio Sporty	24	73,33	High

* Number of respondent who choose the brand

Table 3, represents trade-off between motive-involvement in brand evaluation processing conducted by respondent of this research.

Table 3: Trade-off Involvement-Motive in Brand Evaluation

No.	Nama Merek	Keterlibatan	Motif
1	Shogun 125	High	Utilitarian
2	Jupiter MX	High	Utilitarian
3	Supra X125	High	Utilitarian
4	Scorpio Z	High	Utilitarian
5	Tiger	High	Utilitarian
6	Thunder	High	Utilitarian
8	Vario	High	Utilitarian
9	Mio Sporty	High	Utilitarian

Result

Respondent characteristic

Characteristic of respondent targeted in this research only seen by gender, and age as presented in Table 4 and 5 as follows.

Table 4: Respondent Characteristic by Gender

Gender	Σ	%
Men	164	54,49
Women	137	45,51
Total	301	100,0

Table 5: Respondent Characteristic by Age

	Age (Years)									Total
	17	18	19	20	21	22	23	24	25	
Σ	7	47	97	120	25	1	2	1	1	301
%	2,3	15,6	32,2	39,9	8,3	0,3	0,7	0,3	0,3	100,0

Hypothesis testing

For hypothesis testing we adressed questioner to 350 respondent, but 49 questioner can not be processed thereby we use 301 questioner/respondent that regarding to Roscoe, while sample size $30 \leq n \leq 500$ is adequate for common research (Sekaran, 2000).

Hereinafter is examining the hypothesis depicting influence of each variable at intrinsic motivation:

H1A : Involvement having a positive effect on intrinsic motivation

H1B : Motive having a positive effect on intrinsic motivation

H1C : NFC having a positive effect on intrinsic motivation

Hypothesis testing done by AMOS ver. 6, therefore analysis conducted relate at result of path analysis from AMOS. For accepted or rejected hypothesis using significance value(p value) at 0,05 or 5%, in other words hypothesis accepted if significance value (p value) is $\leq 5\%$ (Hair *et al.*, 1998; Sekaran, 2000; Mandrik, 1999; Arbuckle, 2005).

Hypotesis 1A: Involvement is having a positive effect on intrinsic motivation

H1A₀ : $b_1 = 0$: Involvement is not having a positive effect on intrinsic motivation

H1A_a : $b_1 \neq 0$: Involvement is not having a positive effect on intrinsic motivation

According to the result of path analysis, we can accept the hypothesis 1A because it has p value less than 5% (Hair *et al.*, 1998; Sekaran, 2000, Mandrik, 1999; Arbuckle, 2005), which the estimate is standardized regression weight, represent in Table 6 as follows.

Table 6: Result of path analysis for hypothesis 1A

	Estimate	p
Involvement → Motivation	0,221	***

This result show that we can reject hypothesis 1A₀, so we could said that involvement is a good predictor for intrinsic motivation. In other word, intrinsic motivation is influenced by individual involvement in a brand evaluation process.

Hypothesis 1B : Motive is having a positive effect on intrinsic motivation

H1B₀ : $b_1 = 0$: Motive is not having a positive effect on intrinsic motivation

H1B_a : $b_1 \neq 0$: Motive is having a positive effect on intrinsic motivastion

According to the result of path analysis, hypothesis 1B is accepted, because it has p value less than 5% (Hair *et al.*, 1998; Sekaran, 2000, Mandrik, 1999; Arbuckle, 2005), which estimate is standardized regression weight, represent in Table 7 as follows.

Table 7: Result of path analysis for hypothesis 1B

	Estimate	p
Motive → Motivation	0,211	***

This result show that we can reject hypothesis 1B₀ , so we could said that motive is a good predictor for intrinsic motivation. In other word, intrinsic motivation is influenced by individual motive in a brand evaluation process.

Hypothesis 1C : NFC is having a positive effect on intrinsic motivation

H1C₀ : $b_1 = 0$: NFC is not having a positive effect on intrinsic motivation

H1C_a : $b_1 \neq 0$: NFC is having a positive effect on intrinsic motivation

According to the result of path analysis, hypothesis 1C is accepted, because it has p value less than 5% (Hair *et al.*, 1998; Sekaran, 2000, Mandrik, 1999; Arbuckle, 2005), which estimate is standardized regression weight, represent in Table 8 as follows.

Table 8: Result of path analysis for hypothesis 1C

	Estimate	p
NFC → Motivation	0,169	0,002

This result show that we can reject hypothesis 1C₀ , so we could said that NFC is a good predictor for intrinsic motivation. In other word, intrinsic motivation is influenced by individual NFC in a brand evaluation process.

This result show that individual with high involvement represent that respondent have stronger intrinsic motivation in brand evaluation process, and utilitarian motive will drive respondent more motivated intrinsically; higher NFC show that respondents have more motivation to evaluate the brand, because respondents have the competence with this activities.

Hypothesis 2: Intrinsic motivation is having a positive effect on brand evaluation

H2₀ : $b_1 = 0$: Intrinsic motivation is not having a positive effect on brand evaluation

H2_a : $b_1 \neq 0$: Intrinsic motivation is having a positif effect on brand evaluation

According to the result of path analysis, hypothesis 2 is accepted, because it has p value less than 5% (Hair *et al.*, 1998; Sekaran, 2000, Mandrik, 1999; Arbuckle, 2005), which estimate is standardized regression weight, represent in Table 9 as follows.

Table 9: Result of path analysis for testing hypothesis 2

	Estimate	p
Motivation → Evaluation	0,176	0,004

This result show that we can reject hypothesis 2₀, so we could said that intrinsic motivation is a good predictor for brand evaluation. In other word, brand evaluation processing intensity is depend on individual intrinsic motivation. Intensity of brand evaluation conducted by respondent will be raise when respondent is intrinsically motivated.

Although we did not examine mediating variable in our hypothesis, we conducted the test for mediating variable to see the role of intrinsic motivation in the relationship between involvement, motive, NFC and brand evaluation. Mediating variable testing follows the result of hypothesis testing.

Table 10. represent direct effect whitin variables in this research, according to the research hypothesis.

Table 10: Direct effect whitin variables

H				
1A	Involvement	→	Motivation	Significant
1B	Motive	→	Motivation	Significant
1C	NFC	→	Motivation	Significant
	Motive	→	Brand evaluation	Not Significant
	Involvement	→	Brand evaluation	Not Significant
	NFC	→	Brand evaluation	Significant
2	Motivation	→	Brand evaluation	Significant

Table 10. shows that intrinsic motivation has significantly influenced by individual involvement; brand evaluation has not significantly influenced by individual involvement; and brand evaluation has significantly influenced by intrinsic motivation, according to Baron and Kenny (1986) we could said that intrinsic motivation has full mediation role in the relationship between individual involvement and brand evaluation.

Intrinsic motivation has significantly influenced by individual motive; brand evaluation has not significantly influenced by individual motive; and brand evaluation has significantly influenced by intrinsic motivation, according to Baron and Kenny (1986) this situation shows that intrinsic motivation has full mediation role in the relationship between individual motive and brand evaluation.

Intrinsic motivation has significantly influence by NFC; brand evaluation has significantly influence by NFC; brand evaluation has significantly influence by intrinsic motivation, this situation shows that intrinsic motivation has partial mediation role in the relationship between NFC and brand evaluation (Baron and Kenny, 1986).

Discussion

According to the result of hypothesis testing, high involvement, and utilitarian motive will drive responden more motivated intrinsicy to evaluate the brand, and also high NFC show that

respondents have competence in this activity, and will make the respondent progressively motivated in brand evaluation. Thereby high involvement, utilitarian motive and type of individual with high NFC will drive individual more motivated to evaluate the brand intrinsically. (Ryan *et al.*, 1991; Ryan and Deci, 2000; Zuckerman *et al.*, 1978; Tormala and Petty, 2004; Bolton and Capella, 1995; Hibbet and Cohen, 2006).

Hereinafter seen that intrinsic motivation have an effect on brand evaluation, when individual is highly motivated it will conduct the activity of brand evaluation progressively, this matter show the individual interest at a product or service (Neese *et al.*, 1995).

According to the result of mediating variable testing, we found that intrinsic motivation have full mediation role in the relationship between individual involvement, individual motive and brand evaluation; partial mediation role of intrinsic motivation founded in the relationship between NFC and brand evaluation.

Conclusion

According to analysis and hypothesis testing, we can draw a conclusion of this research:

Involvement, motive, and NFC have a positive effect on motivation; and motivation has a positive effect on brand evaluation

Generally we can said that in brand evaluation process, especially among the college student, there is an effect of involvement, motive, and NFC on its process through the intrinsic motivation.

Research Limitation, Suggestion, and Implication

This research was not differentiated by subject characteristic (gender and age) according to the brand evaluation process. For further research we can suggested to develop this research, e.g. replication, or using other methods. And at the future could be use less of product and/or brand in the research instrument to minimize subject anxiety.

This result brings the implication to the part of theory regarding to brand evaluation process, that is when someone has high utilitarian involvement (high involvement and utilitarian motive), it shows that he/she motivated intrinsically in the process.

Besides, we found that intrinsic motivation and brand evaluation were influenced by NFC as an individual characteristic. And we also found the mediation role on intrinsic motivation regarding to relationship between individual involvement, motive, NFC and brand evaluation.

Thereby, this result contribute to understand the relationship pattern between individual involvement, motive, NFC, and mediation role of intrinsic motivation on brand evaluation processing, and the manager can be compiled appropriate marketing strategy based on this pattern to win consumer choice.

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Restructuring as an Effective Change Management Tool in Nigerian Commercial Banks

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Abstract

Purpose - This study assessed corporate restructuring, its pattern, staff perception on its general impact and the cost-effectiveness of the recapitalisation exercise of the 25 post-consolidation commercial banks in Nigeria.

Design/methodology/approach - The banks, stratified into “merged”, “stand-alone” and “acquiring”, were randomly sampled by questionnaire administration; personal interview was also conducted. Collected data was analysed using descriptive and inferential statistics.

Findings - The result revealed that the sampled banks (United Bank for Africa, Guaranty Trust Bank and Union Bank) adopted a mixture of downsizing, business-process reengineering and advanced ICT (like the use of ATMs) in restructuring their organisations, but downsizing was more noticeable in UBA than in the other two banks. Computer usage was found to have reached a very high level as necessitated by advancement in technology and the quality of banks’ services improved tremendously post-recapitalisation with better banks overall performance.

Practical Implication/limitations - Restructuring as a tool proved very effective in achieving the broader goals and specific objectives of the exercise; but a major hiccup for each of the banks was the resultant widespread lay-offs and retrenchment making worse the country’s already high unemployment rate. As old workers were laid off, new graduates were employed in replacement; but the balance between the two was uncertain at the time of this study. The study concluded that the restructuring, well planned, implemented and made to be inclusive by way of strategy, was an adequate and effective change management tool for the sampled banks in Nigeria.

Keywords: Change, Management Tool, Banks, Restructuring

Paper type: Research Paper

Introduction

As an integral part of the Nigerian economy, the banking sector’s success or failure can make or mar the global economic competitive strength of any nation. Countries experiences in restructuring are diverse but there is a commonality caused by past and present challenges to the banking institutions due to an ever dynamic business environment and its associated incessant and endemic changes.

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The need to cope with these changes partly informed the steps taken by the Nigerian apex bank, the Central Bank of Nigeria (CBN) to restructure the country's commercial banks by increasing their capital base from 2 billion naira to a whopping 25 billion naira with the deadline for compliance fixed at December 31, 2005, a date after which banks that failed to meet up was expected to cease existence. The move was to forestall the experiences of the past in Nigeria where several banks failed, partly, as a result of illiquidity, but also due to gross mismanagement.

The bulk of this study was devoted to an aspect of restructuring that has received an unduly little attention across the globe, and that was the cost-effectiveness of restructuring exercise on banks in Nigeria as a developing economy. This research concentrated on the 25 banks that emerged from the 2004-2005 consolidation exercise in Nigeria; these banks were stratified into banks that "stand-alone"^[1], "merged"^[2] with other banks or "acquired"^[3] others; a bank was randomly selected from each stratum as representation for others in similar category.

Restructuring for Corporate Sustainability

Sarkis (2005) contended that even though corporate restructuring has been a subject of academic and popular debate for two decades, the conceptual and empirical basis for understanding how restructuring affects the internal operations of organisations was surprisingly small and the implications for future corporate sustainability not been given its deserved attention.

The strength of a corporation to achieve sustainability at least, for the foreseeable future, would be expected to be a major consideration for embarking on any restructuring exercise to begin with; so if issues like sustainability was therefore, not given prominence, then the whole exercise would have been wasted; this and other issues formed the focus of this study.

Corporate sustainability could be achieved if restructuring was able to improve the banks' efficiency ratio, achieve higher profitability, and increase market share among other crucial parameters.

Other focused areas in this study include restructuring patterns in each of the banks, restructuring strategies, and the general cost-effectiveness of the exercise on the banks sampled.

Research Objectives

The overall objective of this study was to assess the cost effectiveness of restructuring commercial banks in Nigeria. The specific objectives were to:

- (i) Explain restructuring patterns in the sampled banks;
- (ii) Outline adopted strategies;
- (iii) Evaluate staff's perception on the overall effects of restructuring on individual banks.

¹ "Stand-alone": Banks strong and liquid enough to stay on their own.

² "Merged": Banks not liquid enough but had to join forces with others to survive.

³ "Acquiring": Banks strong and liquid enough to buy other banks.

Research Hypotheses

The hypotheses for this study were as stated below:

- (i). No significant relationships between the level of computer usage and the resulting quality of service in the banking industry.
- (ii) Computer usage and the banks' overall cost-effectiveness were not directly related.
- (iii) Restructuring and cost-effectiveness in the sampled banks were not correlated.

Methodology

More than 400 (approximately seventy-five percent of total staff size) members of staff of the three banks surveyed were sampled at random using questionnaire. In addition, eight members (two in each of Union and GT banks and four in UBA) in management cadre, who were directly involved in the restructuring exercise, were interviewed with the help of structured questions. Bivariate correlations were carried out between three pairs of variables:

- (i) Computer usage and quality of the resulting banks' services delivery;
- (ii) Computer usage and cost-effectiveness of restructuring; and
- (iii) Overall performance and cost-effectiveness of the exercise.

Findings and Interpretation

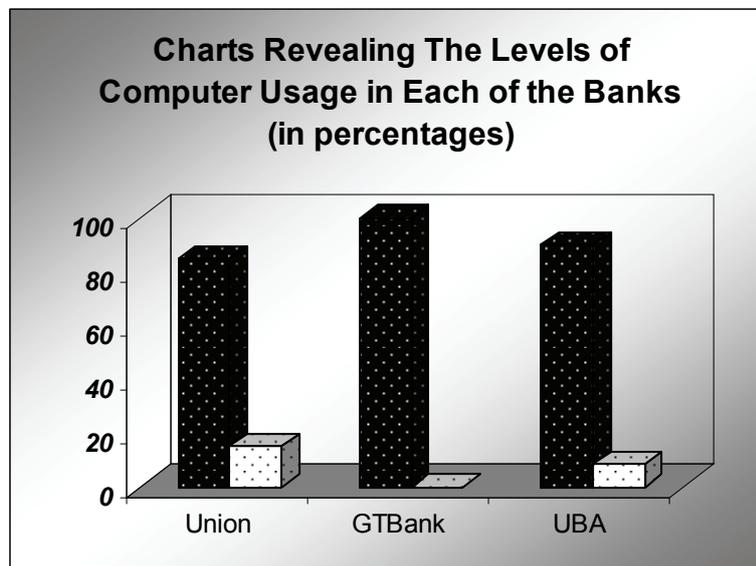


Figure 1

Source: Charted From Tables Generated From Field Study

On computer technology usage for everyday banking transaction as shown in figure 1, 84.7%, 100%, and 89.8%% of Union Bank, GTBank and UBA banks respondents respectively agreed that computer technology usage was at a high or very high level in the various banks; this would

have immensely contributed to helping the banks compete favourably against each other in improving the quality of their various services.

The part that technology played in the successful restructuring of commercial banks in Nigeria could be attested to by Valetta (1999)'s assertion on American banks when the writer stated that U.S financial services, in particular the banking industry, underwent substantial technological change during the 1990s. In the same study, it was noted that the variety of new techniques and services introduced in all areas of the financial services sector and industry restructuring through mergers and consolidation was a defining feature of the American banking industry. This is true for commercial banks in Nigeria as the, albeit belated, use of technologies like ATMs, internet banking and other online services tremendously boosted the results of the restructuring exercise and this only bore similarities to what aided past successful restructuring exercises in America as well as Europe and Asia. Many commercial banks in Nigeria necessarily had to effect technology upgrade for the recapitalisation exercise to achieve the expected impact. Also quoting Keltner and Finegold (1998), Hughes and Bernhardt (1998) confirmed that the banking industry underwent marked changes between late 70s to late 90s; the writers confirmed that the changes were driven, in part, by deregulation and new technologies as is the case with banks in Nigeria.

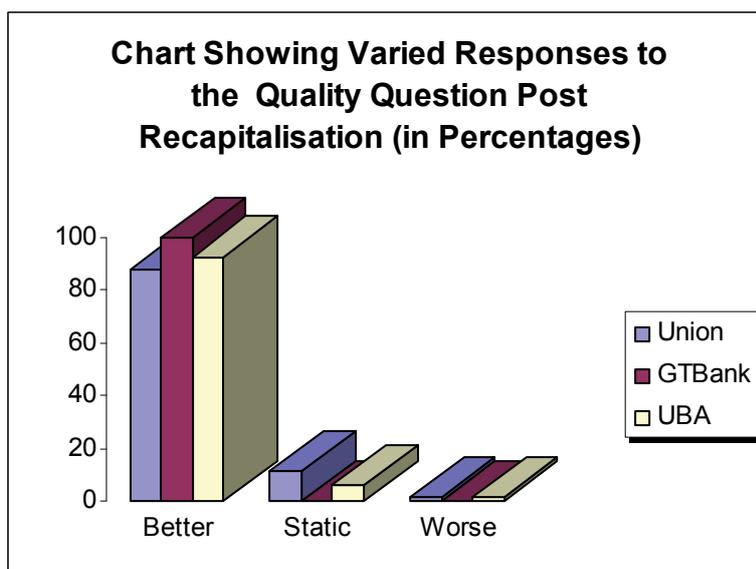


Figure 2

Source: Charted From Tables Generated From Field Study

Figure 2 showed that 87.0% of Union Bank respondents felt that the quality of their banks services had improved as a result of the recapitalization of the Nigerian banking sector. The percentage for GTBank totaled 100% while that of UBA for the same reason was at a high 92.8%. This aspect is a key factor in keeping a bank as a going-concern (existing for the foreseeable future) in the competitive environment.

Quality of commercial banks services in Nigeria, which used to be linked to the old-school “armed-chair”^[4] banking, improved beyond belief as banks now have to get out of the comfort of their offices to persuade impending customers to do business with them. Products like credit cards are now common place in Nigeria but the marked competition among banks for users of such services are expectedly intense because the potential market is huge due to the vast populous nature of Nigeria. The heightened competition among the nation’s commercial banks, in turn create value for customers’ money, savings and businesses.

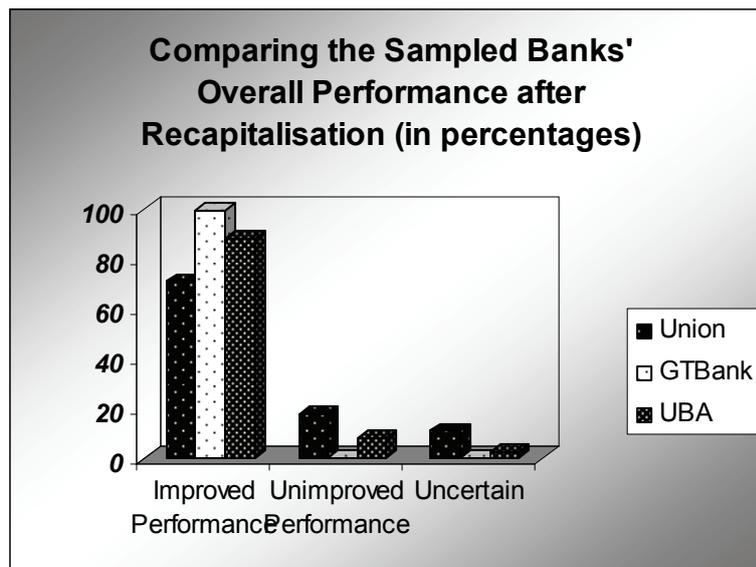


Figure 3

Source: Charted From Tables Generated From Field Study

The indication from figure 3 was that 71.2% of Union Bank’s respondents either agreed or strongly agreed that the overall performance of their banks has been boosted by the recapitalisation exercise, the figure for GTBank was a whopping 100% while UBA recorded 88.7% of staff agreeing. This meant that an overwhelming majority, particularly in GTBank and UBA felt their banks performance tended towards a more positive end due largely to the restructuring exercise.

Nigerian banks recapitalisation was done to strengthen the industry and secure all stakeholders’ interests and by the end of the exercise banks that were either unable to cope or already in trouble exited the system leaving only about twenty-four (24) out of the original eighty-nine (89) banks still operational, these are all a fall out from the exercise. Countries like Korea^[5] and

⁴ “Armed-chair banking” - The old and conservative way of doing banking business in which bankers wait in their offices for customers to come and do business with them.

⁵ Korea compelled seven of its banks to recapitalise as part of the 1990s restructuring exercise.