

# THE INFLUENCE OF NOSTALGIA AND NEOPHILIA ON MILLENNIAL DECISION MAKING STYLES

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**Abstract** - Although past studies provide wealthy information about the consumer decision making styles, very limited studies focus only on the impact of different factors on consumer decision making styles. It is therefore important to investigate new emerging factors such as nostalgia and neophilia that have not previously been tested together with consumer decision - making styles. Therefore, the goal of this study is to develop a more rigorous understanding of association of nostalgia and neophilia with decision making styles of Sri Lankan millennial. The research philosophy of the current study is a positivist research paradigm and follows a deductive approach and survey strategy. Convenience sampling technique was used to draw the sample and the sample size was 385. The link between nostalgia and neophilia with each dimension of consumer decision making styles, Pearson's correlation coefficient was used. The results of this study indicate that, the relationship between neophilia and Perfectionist consciousness, Habitual & Brand Loyal Consciousness, Novelty Fashion Consciousness, Impulsive, Careless Consumer is comparatively high than their relationship with nostalgia.

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**Keywords** - Consumer Decision Making Styles, Millennial, Neophilia, Nostalgia

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## I. INTRODUCTION

Today, consumer decision making is more complex and difficult but far more vitally in it is important than the past (Hafstrom, Chae, Chung, Hafstrom, & Chae, 2015). Conversely, today consumers are well informed and aware since consumers are encircled by advertising, social media, digital word of mouth, news articles and direct mailings that provide a wealth of information (Patel & Puri, 2018). On the one hand, although the above characteristics are generic for modern consumers, it is more complex and difficult to understand the decision - making styles of millennial consumers and even more important than other generation groups (Moreno, Lafuente, & Carreón, 2017). Although past studies provide wealthy information about the consumer decision making styles (CDMS), very limited studies focus only on the impact of different factors on consumer decision making styles. For example, gender (Sharma & Aich, 2009), domestic brand biasness (Wanninayake, 2014), students' background and family (Haron & Chinedu, 2018), Religiosity Commitment (Aliman, Ariffin, & Hashim, 2018). Therefore, it is worth considering, among the many environmental conditions and factors, which shape could influence on the millennial decision making styles (Parment, 2013) in order to appeal this particular generation of consumers. Therefore, the goal of this study is to develop a more rigorous understanding of association of new emerging factors such as nostalgia and neophilia that have not

previously been tested together with consumer decision - making styles.

## II. LITERATURE REVIEW

### 2.1 Nostalgia and Nostalgic Marketing

Term Nostalgia comes from the Greek. Nostos mean to return home, and algia mean a painful condition thus, nostalgia is defined as a painful yearning to return home" (Davis, 1979). The concept of nostalgia has gained momentum in consumer research over the past few decades (Preseren & Koklic, 2017). According to the definitions of nostalgia, it reveals that slight changes can be visible in the definitions. But basically they're dealing with pleasant feelings towards past or longing for something from the past.

Personal nostalgia is real nostalgia based on personal experience that is triggered by genuine stimuli (Cui, 2015; Kessous, 2015). The researchers of this study focused on millennials' experience of nostalgic feelings towards their own past rather than the cultural and historical nostalgia. Nostalgia marketing is a concept that matches consumer nostalgia. It refers to a marketing tactic that gives consumers a certain nostalgic element in marketing activities to stimulate the nostalgia of consumers (Cui, 2015b). It tries to evoke memories deep inside the consumer, and eventually promote consumers' buying behavior.

### 2.2 Neophilia

The meaning of the term "neophilia" is coming with Greek translation. Neo- is Greek for "new" and -philia in Greek means "attraction for." (Hungate, 2018). The meaning of neophilia is therefore attraction to new things or novelties (Brown & Nemes, 2008). Added to that Merriam Webster Dictionary (2010) defines neophilia as "a love or

enthusiasm for what is new or novel". Further, people high in neophilia are more open to new things (Li, Frieze, & Horvat, 2012). In 2001, Louis Janda defined neophilia as "appreciation for and even a desire to have, fresh, new experiences" or "a love of the new". It may be apparent from the definitions of neophilia that neophilia stands for newness or novelty. However, considering the marketing perspective, Neus Soler, Professor at the University of Oberta de Catalunya, provides an in-depth analysis of the growth of neophilia, pointing out that neophilia customers are opinion leaders, technology influencers and innovations that denote the success of new products or services. Furthermore, according to Nielsen Consulting, identifying a neophilia is a key factor in the survival of a new product.

### **2.3 Nostalgia, Neophilia and Decision Making Styles of Sri Lankan Millennial.**

Betti and Jahandad, (2016) discovered the significant relationship between nostalgia and consumer decision making styles. He also found that Nostalgia proneness showed significant Pearson coefficients with perfectionism shopping, fashion conscious shopping and, habitual shopping. Furthermore, previous studies have confirmed that nostalgia influences consumer behavior in different ways. The study conducted by Pascal et al. (2012) found that there is relationships between ad-evoked nostalgia and consumers' responses. Another study conducted by Muehling, Sprott, and Sprott, (2013) revealed that, nostalgic signs in advertising affect attitudes towards advertising and advertised brand. Moreover, previous studies revealed that nostalgic feelings may indeed influence the behavior of consumption (Sedikides, Wildschut, & Baden, 2011). In addition, nostalgia has a significant positive effect on the perceived value, satisfaction and loyalty of the destination (Verma & Rajendran, 2017). With these previous findings, a set of potentially interesting collateral relationships between consumer decision - making styles and nostalgia appear to be highlighted. Similarly, several studies have revealed that neophilia influences consumer behavior (Veeck, 2004; Li et al., 2013; Elena, 2015; Khodayari, Younesi, & Barnaj, 2016). Therefore, the researcher suggests the following hypothesis:

H1: Nostalgia has a positive influence on one or more dimensions of decision making styles of Sri Lankan Millennial.

H2: Neophilia has a positive influence on one or more dimensions of decision making styles of Sri Lankan Millennial.

### **III. RESEARCH METHODOLOGY**

The current study involves the use of existing theories such as consumer decision typologies, generational theory to develop hypotheses to be tested during the research process, which is often in the positivism philosophy. The survey has been selected as the

research strategy and mono method as a research choice of the study. The study can be considered as a single cross sectional design and self-administered questionnaires have been developed to collect data.

For this study, population is identified as the millennial consumers who are living in Sri Lanka. The convenience sampling technique was used and 385 has been set as a sample size according to Krejcie & Morgan (1970) sample determining table, where the current study population is approximately 6.6 million (Mid-year Population Estimates by Department of Census and Statistics Sri Lanka., 2018). Majority of the respondents are female, younger millennial born between 1991-2000, undergraduate and have monthly income below Rs.25000.

Factor Analysis was used to determine whether the CDMS recognized by prior researchers were common to the sample of the Sri Lankan Millennial. Further, it was used to reduce and summarize data and to identify underlying dimensions. Pearson's Correlation was used to identify the relationship between nostalgia and neophilia with each dimensions of the CDMS. The goodness of the measures used in the study assessed by testing the instruments 'reliability and validity' and Reliability and Validity tests were satisfied according to their tests and standards.

### **IV. DATA PRESENTATION AND ANALYSIS**

#### **4.1 Consumer Decision Making Styles**

The study extracted seven factors from the original CSI scale through an exploratory factor analysis. Accordingly, researchers named the remaining factors in line with the original study conducted by Sproles and Kendall (1986) when reflecting similar decision - making characteristics. The findings of this study suggest that the Sri Lankan millennial has seven decision making styles, namely Perfectionist Consciousness, Habitual & Brand Loyal Consciousness, Novelty Fashion Consciousness, Brand Consciousness, Hedonistic & Recreational Consciousness, Confused by over choice and the Impulsive Consumer.

#### **4.2 Nostalgia and Neophilia with CDMS dimensions**

The link between nostalgia and neophilia with each dimension of consumer decision making styles, Pearson's correlation coefficient was used. According to Table 01 nostalgia and neophilia seems to be positively correlated with all 07 dimensions of the CSI model. Therefore, we accepted H1 and H2 hypothesis and reject the null hypothesis that there is no connection between nostalgia and the dimensions of the CSI as well as there is no connection between neophilia and the dimensions of the CSI. Furthermore, the relationship between neophilia and Perfectionist consciousness, Novelty Fashion Consciousness, Impulsive and Careless Consumer are

comparatively higher than their relationship with nostalgia. Brand Consciousness, Habitual & Brand Loyal Conscious and Confused by over choice

decision making style shows a higher relationship with nostalgia than neophilia.

		Perfectionist Conscious	Habitual & Brand Loyal Conscious	Novelty Fashion Conscious	Brand Conscious	Hedonistic & Recreational Conscious	Confused by over choice	Impulsive, Careless Consumer
Neophilia	Pearson Correlation	.151**	.104**	.134**	.151**	.177**	.211**	.267**
	Sig. (2-tailed)	.003	.001	.009	.003	.000	.000	.000
Nostalgia	Pearson Correlation	.130*	.167*	.133**	.231**	.157**	.255**	.239**
	Sig. (2-tailed)	.011	.000	.009	.000	.002	.000	.000

**Table 1 Nostalgia and Neophilia with CDMS dimensions**  
Source: Survey Data

**V. FINDINGS**

The findings of this study showed that Sri Lankan Millennial has seven (7) major decision - making styles. There are Perfectionist Consciousness, Brand consciousness, Novelty-fashion consciousness, Hedonistic & Recreational Consciousness, Impulsive/ Careless Consumer, Confusion from over choice consumer and Habitual and Brand Loyal consciousness. However, price value consciousness has been removed from the model and the study found that price conscious decision making style did not exist among the Sri Lankan millennial.

The main objective of research was focused on examining the impact of nostalgia and neophilia on consumer decision making styles. The results of this study indicate that Nostalgia and Neophilia has an impact on consumer decision making styles of Sri Lankan millennial. Betti & Jahandad (2016) found a positive connection between consumer decision making styles and nostalgia proneness in Generation Y consumers which is in good agreement with the results of the present study. Thus, this study fills the gap by playing a pioneering role in examining the decision making styles with neophilia, this research will serve as a base for future studies on neophilia and CDMS.

Study found that relationship between neophilia and Novelty Fashion Consciousness, Impulsive and Careless Consumer are comparatively higher than their relationship with nostalgia. This is consistent with the characteristics of millennial generation. Because millennial are labeled as early adopters, novelty seekers, innovators (Güven Ordun, 2015). Through novelty or other word through neophilia, marketers can influence millennial decisions in Sri

Lanka. Consumers who search carefully for the best quality in products, consumers who appear to like new and seeking novelty fashion, consumers who consider shopping as a pleasant activity and shops just for fun and consumers who tend to buy impulsively can be highly influenced through neophilia.

On the other hand, Habitual & Brand Loyal Conscious, Brand Consciousness and being Confused by over choice decision making style have high relationship with nostalgia. Brand conscious consumers always prefer well-known brands and brands which have a great legacy (Sharma & Aich, 2012). Hence, this finding is consistent with the profile of an individual prone to nostalgia, who has a prominent desire for the past (Sierra & Mcquitty, 2014). Nostalgia has been used by the most successful modern companies as a key value in their loyalty programs (Miller, 2020), which practically show the correlation between the brand loyal conscious consumers and nostalgia. The above finding is consistent with the study by Toledo and Lopes (2016), examined effect of Nostalgia on Customer Loyalty. Retro branding strategies can be used to attract these kinds of consumers. With all the previously discussed results at hand, we can state that the current findings substantially add together with nostalgia and neophilia to our understanding of Sri Lankan millennial decision - making styles. This research will also serve as a basis for future studies in the context of Sri Lanka on nostalgia and neophilia.

**VI. IMPLICATIONS**

It noted that among the previous nostalgia studies reported in the open literature, the researchers in the

past have not paid much attention to the impact of nostalgia on consumer decision making. Further, no research on the impact of neophilia on consumer decision - making styles has been carried out to the best of the researchers' knowledge. Added to this, most open literature studies did not simultaneously investigate the effect of nostalgia and neophilia on the consumer decision making styles. Furthermore, no research was found to investigate the impact of nostalgia and neophilia on millennial decision making styles with reference to the context of Sri Lanka. Through this study, all above mentioned knowledge gaps were filled.

This study's practical contribution focused primarily on marketing managers. Findings of this study help marketers to understand the Sri Lankan millennials decision making styles which help to successfully face challenges in targeting millennials. The CSI validated by a researcher is an appropriate tool for analyzing millennial consumers' behavior in Sri Lanka. In addition, having a reliable and valid tool helps creating consumer profile to guide marketing strategy.

Further, they can utilize the findings of the research to segmentation, targeting and positioning. Third, Study revealed nostalgia has an impact on Sri Lankan millennial decision making styles thus, marketers can use retro branding, strategies or retro communication strategies and attract consumers who are Habitual & Brand Loyal Conscious, Brand Consciousness and Confused by choice.

Forth, study stressed that Neophilia also influential factor in decision making styles of Sri Lankan Millennial. It is therefore better to incorporate novelty or newness into their product and services. Marketers should update the product and services using new technology. Further, they should try to give new experience to millennial consumers in order to influence their decisions specially consumers who appear to like new and seeking novelty fashion, consumers who consider shopping as a pleasant activity and shops just for fun and consumers who tend to buy impulsively

Finally, the results of the study offer aforementioned practical implications to the marketers in the Sri Lanka to rethink about their current marketing strategies.

## VII. LIMITATIONS AND FURTHER RESEARCH

The study had several limitations that should be taken into account when assessing the findings and implications of the study. First, the study was restricted to the millennial consumers in Sri Lanka. Consequently, different results may be obtained if the study is conducted in other generations. Future

studies may consider including a more heterogeneous group of respondents with different generations, helping to draw stronger and more generalized conclusions. Study was a quantitative study that could have limited our capacity to understand the underpinning complexities and processes involved in nostalgic and neophilic interaction and consumer decision making styles. Further nostalgia and neophilia is highly associated with consumer psychology. In order to better understand these concepts qualitative studies needs to be done.

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