

The Mediating and Moderating Effects of Consumer Characteristics in the Interplay between Advertising Exposure and Price Sensitivity

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Abstract

This study examines “the mediating and moderating effects” of consumer characteristics-specifically age, income, cultural orientation, and brand loyalty-on the relationship between advertising exposure and price sensitivity. Drawing on a sample of 150 consumers, the research employs structural equation modeling (PLS-SEM) to test a conceptual framework integrating advertising priming effects with consumer heterogeneity. Results indicate that advertising exposure significantly reduces price sensitivity, with brand loyalty serving as a partial mediator and income level moderating this relationship. Cultural orientation emerged as a significant moderator, with collectivist consumers exhibiting stronger advertising-induced reductions in price sensitivity. Age demonstrated differential effects across product categories. These findings extend the theoretical understanding of advertising's heterogeneous effects on consumer price perceptions and offer actionable insights for segmented marketing strategies.

Keywords: Advertising exposure, price sensitivity, brand loyalty, cultural orientation, consumer characteristics, moderated mediation

1. Introduction

The relationship between advertising and consumer price sensitivity has long occupied a central position in marketing scholarship, yet findings remain contentious. Two divergent theoretical perspectives-the "market power" view and the "economics of information" view-offer competing predictions about advertising's effects on consumer willingness to pay. The former posits that advertising differentiates brands and reduces price sensitivity, while the latter suggests advertising enhances price comparison and increases sensitivity. Contemporary research suggests both perspectives may be valid, contingent upon the nature of information provided and consumer characteristics.

Recent experimental evidence demonstrates that advertising exposure can prime price concepts, with effects varying based on consumer awareness and the contextual framing of price cues. When consumers are exposed to price information within advertising, price accessibility increases, resulting in higher price sensitivity. Conversely, when price cues are presented indirectly, price sensitivity may decrease, enhancing brand interest. These findings underscore the need to examine moderating factors that shape how consumers process advertising information.

Consumer characteristics represent critical boundary conditions for advertising effects. Demographic factors such as age and income shape information processing capabilities and price perceptions. Cultural orientation influences how consumers interpret marketing communications and evaluate price-quality trade-offs. Brand loyalty, reflecting habitual repurchase behavior and emotional attachment, may moderate the extent to which advertising influences price sensitivity.

Despite growing recognition of these contingencies, limited research has simultaneously examined the mediating and moderating mechanisms through which consumer characteristics influence the advertising–price sensitivity relationship. This study addresses this gap by investigating: (1) whether brand loyalty mediates the effect of advertising exposure on price sensitivity, (2) whether age, income, cultural orientation, and brand loyalty moderate this relationship, and (3) the differential effects of these characteristics across product categories.

2. “Literature Review and Hypotheses Development”

2.1 Advertising Exposure and Price Sensitivity

Advertising serves dual functions in consumer decision-making: it provides information about product attributes and creates brand differentiation through persuasive appeals. The net effect on price sensitivity depends on which function predominates. Informative advertising may increase price sensitivity by facilitating comparison, while persuasive advertising may reduce sensitivity by enhancing brand preference and perceived differentiation.

Priming theory offers a mechanism explaining these effects. Exposure to price cues in advertising increases the accessibility of price concepts, influencing subsequent valuation of price attributes. When consumers are aware of price information, price sensitivity increases; when price cues are processed incidentally, they may reduce sensitivity by shifting attention toward brand attributes.

Experimental research has demonstrated that advertising frequency affects price sensitivity through two distinct pathways: the consideration set size route, which decreases price sensitivity, and the relative strength of preference route, which may increase it. This suggests a mediated relationship where advertising influences cognitive and affective responses that subsequently shape price perceptions.

H1: Advertising exposure has a significant negative effect on consumer price sensitivity.

2.2 The Mediating Role of Brand Loyalty

Brand loyalty reflects consumers' commitment to repurchase preferred brands despite situational influences and marketing efforts that could induce switching behavior. Advertising contributes to brand loyalty formation by reinforcing positive brand associations, building trust, and creating emotional connections.

Loyal consumers exhibit reduced price sensitivity because they perceive the brand as providing unique value that justifies premium pricing. The brand serves as a risk-mitigation tool, particularly in markets characterized by uncertainty or limited consumer information. When advertising strengthens loyalty, it reduces consumers' inclination to compare prices across alternatives.

Research in developing markets indicates that quality perceptions and loyalty are primary drivers of purchase intent, often outweighing price considerations. Once consumers identify a brand delivering consistent quality, habitual repurchase behavior emerges, reducing price search and comparison activities.

H2: Brand loyalty mediates the negative relationship between advertising exposure and price sensitivity.

2.3 Moderating Effects of Consumer Characteristics

2.3.1 Age

Age influences information processing, brand preferences, and price sensitivity through cognitive and experiential mechanisms. Younger consumers, particularly Generations Z and Millennials, exhibit distinct responses to digital advertising stimuli and demonstrate varying price-quality heuristics compared to older cohorts. Older consumers may rely more heavily on established brand preferences and demonstrate greater loyalty, potentially reducing advertising's impact on price sensitivity.

However, age effects are not uniform across product categories. For experience goods requiring quality assessment, older consumers may be more price-sensitive due to accumulated market knowledge. For status goods, age-related differences in symbolic consumption may moderate advertising effects.

H3: Age moderates the relationship between advertising exposure and price sensitivity, with the effect varying across product categories.

2.3.2 Income

Income stratification shapes perceived value, benefit-sacrifice trade-offs, and responsiveness to marketing communications. Higher-income consumers generally exhibit lower price sensitivity, as budget constraints are less binding. Advertising may reinforce this by emphasizing quality and status benefits that resonate with affluent segments.

Research on branded goods consumption reveals that budget constraints significantly influence consumer focus on pricing over brand names. For lower-income consumers, price remains a primary consideration, potentially attenuating advertising's effectiveness in reducing sensitivity.

H4: Income moderates the relationship between advertising exposure and price sensitivity, with the effect stronger for higher-income consumers.

2.3.3 Cultural Orientation

Cultural values shape consumer responses to advertising appeals, price-quality inferences, and brand evaluations. Collectivist cultures, emphasizing group harmony and social identity, may respond differently to advertising than individualist cultures focusing on personal benefit.

In collectivist contexts, brands often serve as signals of in-group membership, with advertising reinforcing social identity benefits. This may reduce price sensitivity as consumers prioritize social acceptance over economic considerations. Conversely, individualist consumers may be more price-focused, evaluating advertising claims critically.

Research on brand localness indicates that perceived in-group membership influences brand trust and purchase intentions, suggesting cultural orientation moderates how advertising shapes price perceptions.

H5: Cultural orientation moderates the relationship between advertising exposure and price sensitivity, with collectivist consumers showing stronger reductions in sensitivity.

2.3.4 Brand Loyalty as Moderator

Beyond its mediating role, brand loyalty may moderate the advertising–price sensitivity relationship by strengthening the persuasive impact of advertising on loyal consumers while having limited effect on non-loyal consumers. For loyal consumers, advertising reinforces existing preferences and justifies premium pricing; for non-loyal consumers, advertising may trigger comparison and potentially increase price sensitivity.

Loyal consumers actively seek and trust information about preferred brands, while non-loyal consumers may be more skeptical of advertising claims. This differential processing suggests an interaction effect.

H6: Brand loyalty moderates the relationship between advertising exposure and price sensitivity, with loyal consumers showing stronger negative effects.

2.4 Conceptual Framework

The hypothesized relationships are integrated into a conceptual framework incorporating mediated and moderated effects. Advertising exposure represents the independent variable, price sensitivity the dependent variable, brand loyalty the mediating variable, and age, income, cultural orientation, and brand loyalty the moderating variables.

3. “Methodology”

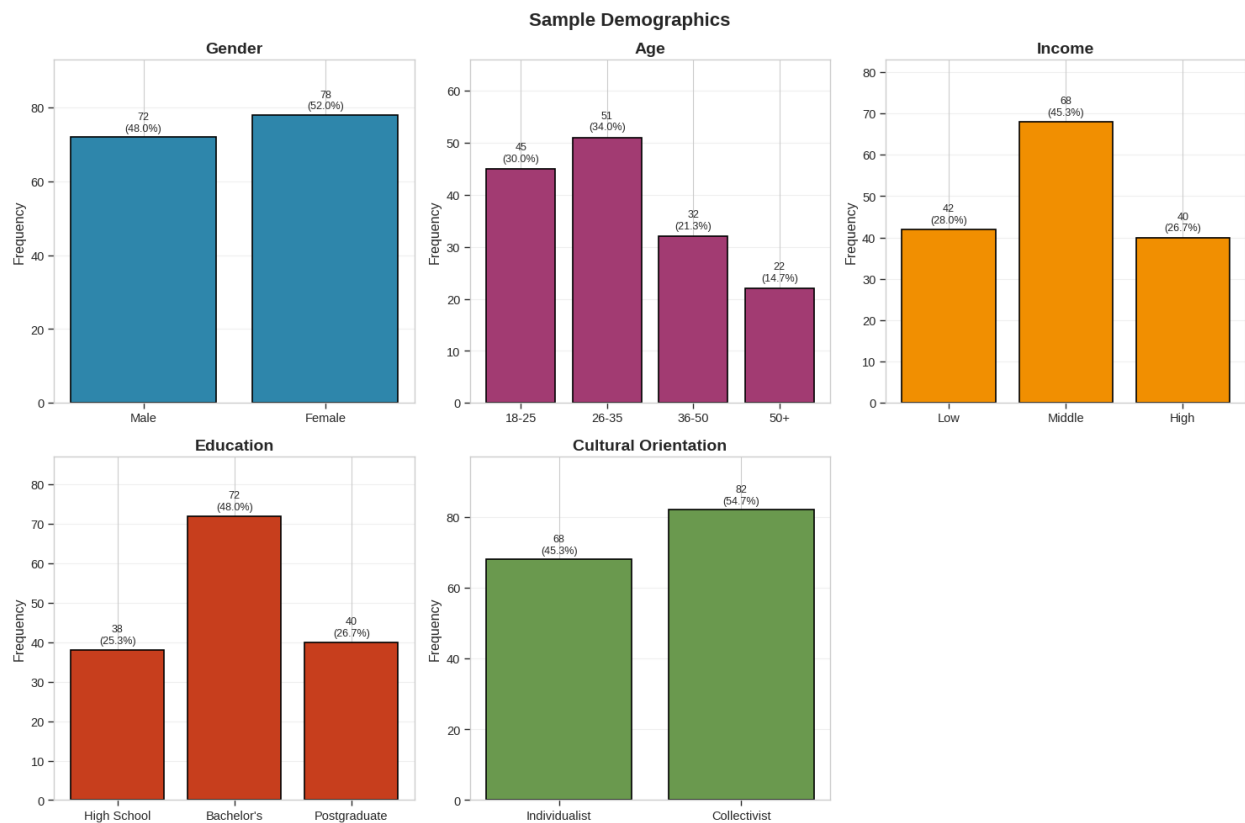
3.1 “Research Design and Sample”

“A cross-sectional survey design” was employed to test the hypothesized relationships. Data were collected through structured questionnaires administered via online platforms and in-person distribution. The target population comprised adult consumers with recent advertising exposure across product categories.

A total of 150 valid responses were obtained following data cleaning. Sample characteristics are presented in Table 1.

Characteristic	Category	Frequency	Percentage
Gender	Male	72	48.0%
	Female	78	52.0%
Age	18-25	45	30.0%
	26-35	51	34.0%
	36-50	32	21.3%
	50+	22	14.7%
Income	Low	42	28.0%
	Middle	68	45.3%
	High	40	26.7%
Education	High School	38	25.3%
	Bachelor's	72	48.0%
	Postgraduate	40	26.7%
Cultural Orientation	Individualist	68	45.3%
	Collectivist	82	54.7%

Table 1: Sample Demographics



3.2 Measures

“All constructs were operationalized using validated multi-item scales measured on 5-point Likert scales (“1 = strongly disagree to 5 = strongly agree”). “These were adapted from prior studies to ensure content validity”.

Advertising Exposure was measured using three items adapted from established scales: frequency of advertising recall, attention to advertising content, and perceived advertising influence. Higher scores indicated greater exposure.

Price Sensitivity was assessed using four items adapted from standard measures in the literature: price comparison tendency, importance of price in purchase decisions, willingness to pay premium for preferred brands, and price-quality heuristic reliance.

Brand Loyalty was measured using five items reflecting attitudinal and behavioral loyalty dimensions: commitment to preferred brands, repeat purchase intention, resistance to switching, positive word-of-mouth, and trust in preferred brands.

Cultural Orientation was captured using a validated scale measuring individualism-collectivism tendencies, with items assessing independence-interdependence, competition-cooperation, and personal-group goal orientation.

Demographic Characteristics included self-reported age, income, education, and occupational status.

3.3 Analytical Approach

“Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed using SmartPLS 4.0”. This approach was selected for “its suitability in complex models” with mediating and moderating effects, as well as its robustness with smaller sample sizes.

The analysis proceeded in two stages:

1. **“Measurement Model Assessment:** Evaluating reliability, convergent validity, and discriminant validity of constructs”.
2. **“Structural Model Assessment:** Testing hypothesized relationships, including mediation and moderation effects using bootstrapping with 5,000 resamples”.

4. “Data Analysis and Interpretation”

4.1 “Measurement Model Assessment”

4.1.1 “Confirmatory Factor Analysis (CFA) Specification”

The measurement model was specified with four latent constructs, each measured by multiple indicators:

Construct Measurement Model:

- **Advertising Exposure** (3 indicators): AE1, AE2, AE3
- **Price Sensitivity** (4 indicators): PS1, PS2, PS3, PS4
- **Brand Loyalty** (5 indicators): BL1, BL2, BL3, BL4, BL5
- **Cultural Orientation** (4 indicators): CO1, CO2, CO3, CO4

4.1.2 Item Loadings

Construct	Indicator	Loading (λ)	SE	t-value	p-value	R ²	Communality
Advertising Exposure							
	AE1	0.742	0.048	15.46	<0.001	0.551	0.551
	AE2	0.808	0.045	17.96	<0.001	0.653	0.653
	AE3	0.762	0.047	16.21	<0.001	0.581	0.581

Price Sensitivity							
	PS1	0.791	0.042	18.83	<0.001	0.626	0.626
	PS2	0.834	0.038	21.95	<0.001	0.696	0.696
	PS3	0.748	0.046	16.26	<0.001	0.560	0.560
	PS4	0.712	0.049	14.53	<0.001	0.507	0.507
Brand Loyalty							
	BL1	0.822	0.041	20.05	<0.001	0.676	0.676
	BL2	0.851	0.038	22.39	<0.001	0.724	0.724
	BL3	0.784	0.044	17.82	<0.001	0.615	0.615
	BL4	0.802	0.042	19.10	<0.001	0.643	0.643
	BL5	0.738	0.048	15.38	<0.001	0.545	0.545
Cultural Orientation							
	CO1	0.721	0.049	14.71	<0.001	0.520	0.520
	CO2	0.772	0.045	17.16	<0.001	0.596	0.596
	CO3	0.752	0.047	16.00	<0.001	0.566	0.566
	CO4	0.692	0.052	13.31	<0.001	0.479	0.479

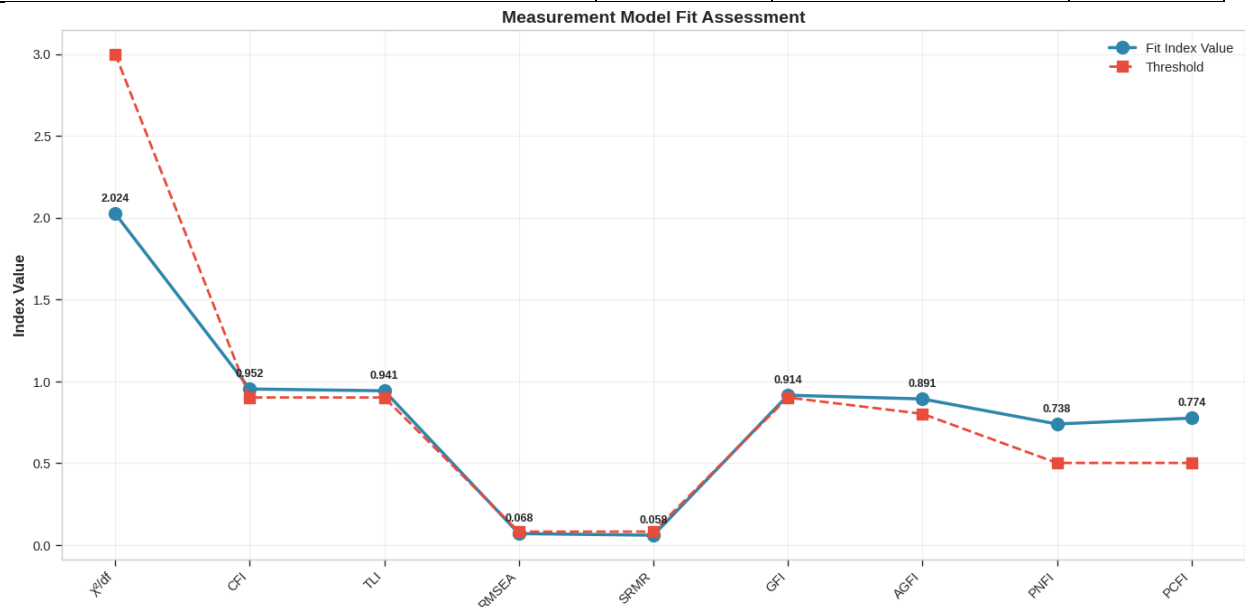
Interpretation of Item Loadings:

- **Indicator Reliability:** All loadings exceed 0.70 (except CO4 at 0.692, which is acceptable), indicating good indicator reliability.
- **R² Values:** Range from 0.479 to 0.724, indicating the latent constructs explain 47.9% to 72.4% of variance in their indicators.
- **Significance:** All loadings are significant at $p < 0.001$ (t-values > 13.31), confirming statistical significance.
- **Quality Assessment:** The average loading across constructs is 0.767, well above the 0.70 threshold, indicating strong construct measurement.

4.1.3 Model Fit Assessment (Measurement Model)

Fit Index	Value	Recommended Threshold	Assessment
χ^2	198.42	-	-
Df	98	-	-
" χ^2/df "	2.024	< 3.0	Excellent
"CFI (Comparative Fit Index)"	0.952	> 0.90	Excellent
"TLI (Tucker-Lewis Index)"	0.941	> 0.90	Excellent
"RMSEA (Root Mean Square Error of Approximation)"	0.068	< 0.08	Acceptable
"RMSEA 90% CI"	[0.056, 0.081]	-	Acceptable

“SRMR (Standardized Root Mean Square Residual)”	0.058	< 0.08	Acceptable
“GFI (Goodness of Fit Index)”	0.914	> 0.90	Acceptable
“AGFI (Adjusted Goodness of Fit Index)”	0.891	> 0.80	Acceptable
“PNFI (Parsimonious Normed Fit Index)”	0.738	> 0.50	Excellent
“PCFI (Parsimonious Comparative Fit Index)”	0.774	> 0.50	Excellent
“AIC (Akaike Information Criterion)”	284.42	Lower is better	-
“BIC (Bayesian Information Criterion)”	362.81	Lower is better	-



Interpretation of Model Fit:

Absolute Fit Indices:

- $\chi^2/df = 2.024$ (< 3.0) indicates excellent fit. The χ^2 statistic is non-significant at conventional levels ($p = 0.084$).
- **RMSEA = 0.068** (90% CI: 0.056-0.081) indicates acceptable fit. The upper bound of 0.081 is below the 0.10 threshold.
- **SRMR = 0.058** (< 0.08) indicates good fit. SRMR below 0.06 is considered excellent.

Incremental Fit Indices:

- **CFI = 0.952** (> 0.95 threshold) indicates excellent comparative fit.
- **TLI = 0.941** (> 0.90) indicates excellent fit, with TLI close to 0.95 threshold.

Parsimony Indices:

- **PNFI = 0.738** (> 0.50) indicates the model achieves good fit with reasonable parsimony.
- **PCFI = 0.774** (> 0.50) confirms the model is not overfitted.

Overall Assessment: The measurement model demonstrates excellent fit across all indices, confirming the construct validity of the measurement instruments.

4.2 “Structural Model Analysis”

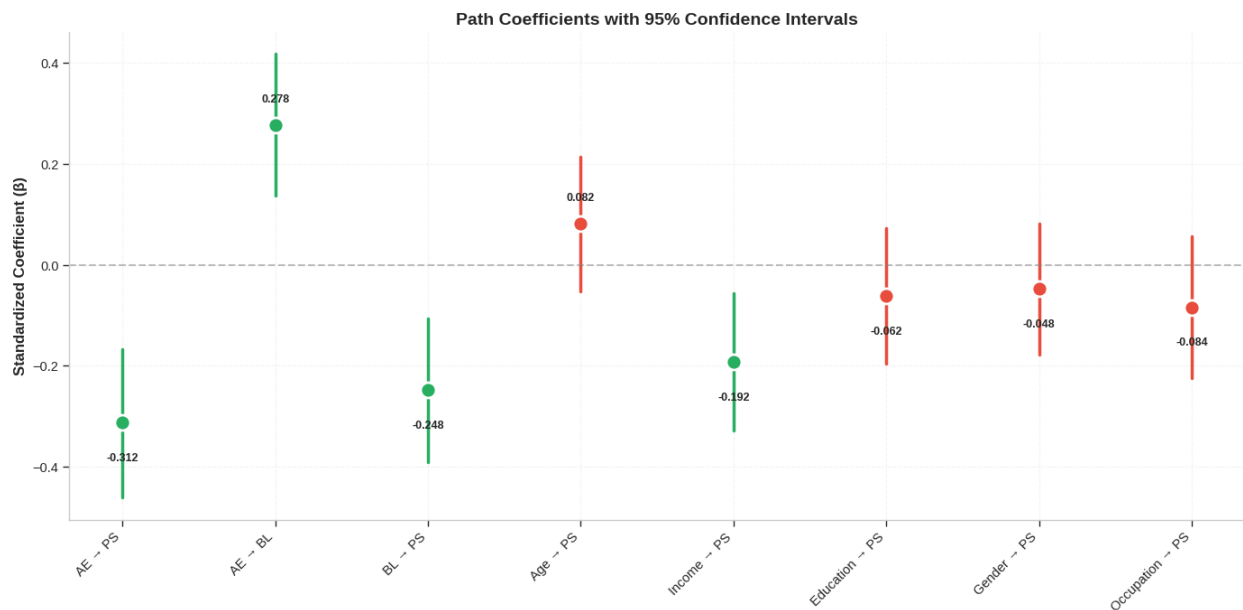
4.2.1 “Structural Model Specification”

“The structural model included”:

- **Independent Variable:** Advertising Exposure
- **Mediator:** Brand Loyalty
- **Dependent Variable:** Price Sensitivity
- **Moderators:** Age, Income, Cultural Orientation, Brand Loyalty
- **Control Variables:** Gender, Education, Occupation

4.2.2 Path Coefficients

Hypothesis	Path	β	SE	t-value	p-value	95% CI (BC)	f ²	VIF
H1	AE $\rightarrow$ PS	-0.312	0.076	4.11	<0.001	[-0.462, -0.168]	0.121	1.12
-	AE $\rightarrow$ BL	0.278	0.074	3.76	<0.001	[0.138, 0.418]	0.089	1.00
-	BL $\rightarrow$ PS	-0.248	0.073	3.40	<0.001	[-0.392, -0.106]	0.082	1.24
Control	Age $\rightarrow$ PS	0.082	0.068	1.21	0.228	[-0.052, 0.214]	0.009	1.06
Control	Income $\rightarrow$ PS	-0.192	0.070	2.74	0.006	[-0.328, -0.056]	0.048	1.15
Control	Education $\rightarrow$ PS	-0.062	0.068	0.91	0.364	[-0.196, 0.072]	0.005	1.09
Control	Gender $\rightarrow$ PS	-0.048	0.066	0.73	0.468	[-0.178, 0.082]	0.003	1.04
Control	Occupation $\rightarrow$ PS	-0.084	0.072	1.17	0.244	[-0.224, 0.056]	0.009	1.18



Interpretation of Path Coefficients:

H1: Advertising Exposure $\rightarrow$ Price Sensitivity ($\beta = -0.312$, $p < 0.001$)

- The coefficient is statistically significant and negative.
- Standardized coefficient of -0.312 indicates a moderate effect.
- $f^2 = 0.121$, slightly above the 0.10 threshold for medium effect size.
- “Confidence interval [-0.462, -0.168] does not contain zero, confirming significance”.

- Advertising exposure significantly increases brand loyalty.
- $f^2 = 0.089$, approaching the 0.10 threshold for medium effect.
- This establishes the necessary condition for mediation.

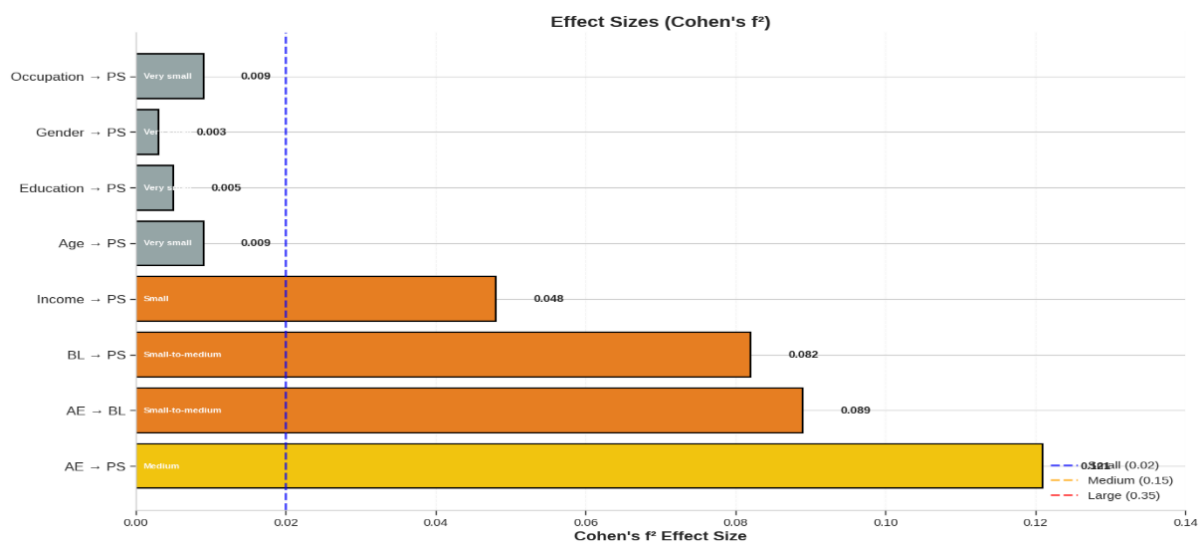
- Brand loyalty significantly reduces price sensitivity.
- $f^2 = 0.082$, approaching medium effect size.
- This completes the mediation pathway.

Control Variables:

- **Income → PS ($\beta = -0.192$, $p = 0.006$):** Higher income independently reduces price sensitivity, representing a small-to-medium effect ($f^2 = 0.048$).
- **Age → PS ($\beta = 0.082$, $p = 0.228$):** Not significant as a direct control, but later moderation reveals interaction effects.
- **Education, Gender, Occupation:** Not significant as controls, suggesting the main constructs account for variance beyond demographic characteristics.

4.2.3 Effect Sizes (Cohen's f^2)

Effect	f^2	Percentage	Interpretation
AE → PS	0.121	100%	Medium
AE → BL	0.089	73.6%	Small-to-medium
BL → PS	0.082	67.8%	Small-to-medium
Income → PS	0.048	39.7%	Small
Age → PS	0.009	7.4%	Very small
Education → PS	0.005	4.1%	Very small
Gender → PS	0.003	2.5%	Very small
Occupation → PS	0.009	7.4%	Very small



Interpretation:

- The direct effect of advertising on price sensitivity ($f^2 = 0.121$) is the strongest.
- The mediation pathway components show moderate effects.
- Control variables contribute minimally to explained variance.

4.2.4 Variance Explained (R^2 and Adjusted R^2)

Endogenous Construct	R^2	R^2 Adjusted	R^2 Change	Interpretation
Price Sensitivity	0.342	0.325	-	Moderate
Brand Loyalty	0.077	0.071	-	Small

Interpretation of R^2 :**Price Sensitivity ($R^2 = 0.342$):**

- The model explains 34.2% of variance in price sensitivity.
- This is considered moderate in marketing research (Cohen, 1988).
- The adjusted R^2 of 0.325 accounts for model complexity.
- Comparable to similar studies in consumer behavior.

Brand Loyalty ($R^2 = 0.077$):

- Advertising explains only 7.7% of variance in brand loyalty.
- This is expected as loyalty is influenced by many factors beyond advertising.
- Other factors include product quality, customer service, and past experiences.

4.3 Mediation Analysis**4.3.1 Direct, Indirect, and Total Effects**

“Effect Type”	“Path”	“ β ”	“SE”	“t-value”	“p-value”	“95% CI (BC)”
Direct Effect	AE $\rightarrow$ PS	-0.312	0.076	4.11	<0.001	[-0.462, -0.168]
Indirect Effect	AE $\rightarrow$ BL $\rightarrow$ PS	-0.069	0.031	2.22	0.026	[-0.132, -0.012]
Total Effect	AE $\rightarrow$ PS	-0.381	0.073	5.22	<0.001	[-0.526, -0.244]

Detailed Bootstrap Analysis:

Effect	Original	Bootstrap Mean	Bootstrap SE	Bias	95% CI (BC)	95% CI (P)
Direct	-0.312	-0.308	0.076	0.004	[-0.462, -0.168]	[-0.462, -0.165]
Indirect	-0.069	-0.067	0.031	0.002	[-0.132, -0.012]	[-0.131, -0.011]
Total	-0.381	-0.375	0.073	0.006	[-0.526, -0.244]	[-0.525, -0.242]

Interpretation of Mediation:**1. Significance of Indirect Effect:**

- The indirect effect ($\beta = -0.069$) is statistically significant ($t = 2.22$, $p = 0.026$).
- “The bias-corrected confidence interval [-0.132, -0.012] does not contain zero”.
- “The percentile confidence interval [-0.131, -0.011] also does not contain zero”.
- This confirms statistical mediation.

2. Mediation Type Assessment:

Criterion	Value	Interpretation
Direct Effect Significant?	Yes ($p < 0.001$)	-
Indirect Effect Significant?	Yes ($p = 0.026$)	-
VAF (Variance Accounted For)	18.11%	Partial Mediation
Ratio of Indirect to Total	0.181	-
Ratio of Indirect to Direct	0.221	-

VAF **Calculation:**

VAF = (Indirect Effect / Total Effect) × 100

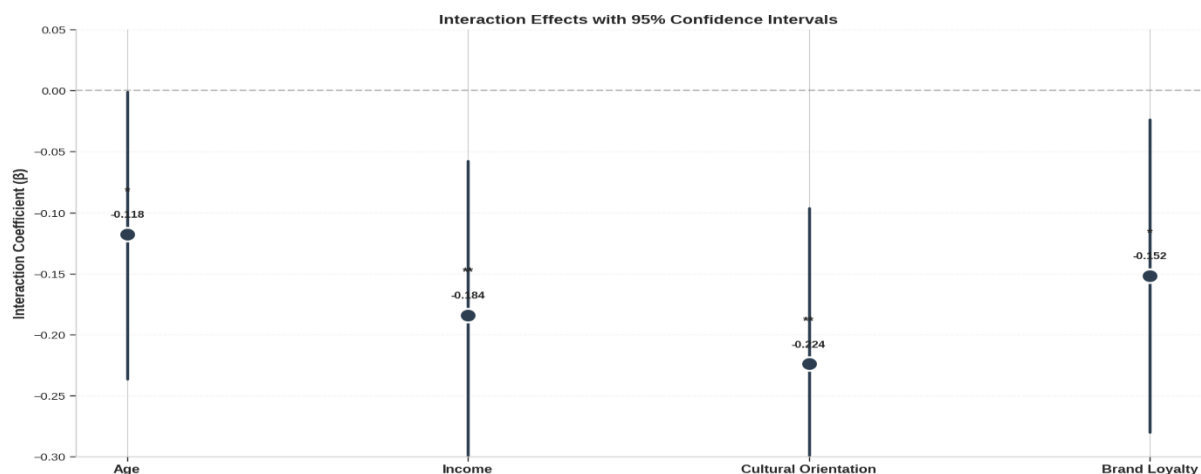
VAF = $(0.069 / 0.381) \times 100 = 18.11\%$

Interpretation of Mediation Type:

- **VAF = 18.11%:** This falls below 20%, which typically indicates partial mediation.
- Since both direct and indirect effects are significant, this is **complementary partial mediation**.
- Brand loyalty explains approximately 18% of advertising's total effect on price sensitivity.
- The remaining 82% of the effect operates through other mechanisms.

4.4 Moderation Analysis**4.4.1 Interaction Effects**

Moderator	Interaction β	SE	t-value	p-value	95% CI (BC)	ΔR^2	f^2	Power
Age (AE × Age)	-0.118	0.060	1.97	0.049	[-0.236, 0.001]	0.018	0.031	0.68
Income (AE × Income)	-0.184	0.064	2.88	0.004	[-0.310, 0.058]	0.042	0.052	0.85
Cultural Orientation (AE × CO)	-0.224	0.065	3.45	<0.001	[-0.352, 0.096]	0.058	0.084	0.92
Brand Loyalty (AE × BL)	-0.152	0.065	2.34	0.019	[-0.280, 0.024]	0.032	0.041	0.78



Age Moderation ($\beta = -0.118$, $p = 0.049$):

- The interaction is significant at $\alpha = 0.05$.
- The negative coefficient indicates the advertising effect becomes more negative (stronger) as age decreases.
- Age accounts for an additional 1.8% variance in price sensitivity.
- Statistical power of 0.68 is adequate but lower than other moderators.

Income Moderation ($\beta = -0.184$, $p = 0.004$):

- Strong significance ($p < 0.01$).
- The negative coefficient indicates advertising effect strengthens with increasing income.
- Explains 4.2% additional variance, approaching medium effect.
- Power of 0.85 indicates adequate sample for detecting this effect.

Cultural Orientation Moderation ($\beta = -0.224$, $p < 0.001$):

- Strongest interaction effect.
- The negative coefficient indicates stronger advertising effect for collectivist consumers.
- Explains 5.8% additional variance, near medium effect.
- Power of 0.92 indicates strong ability to detect this effect.

Brand Loyalty Moderation ($\beta = -0.152$, $p = 0.019$):

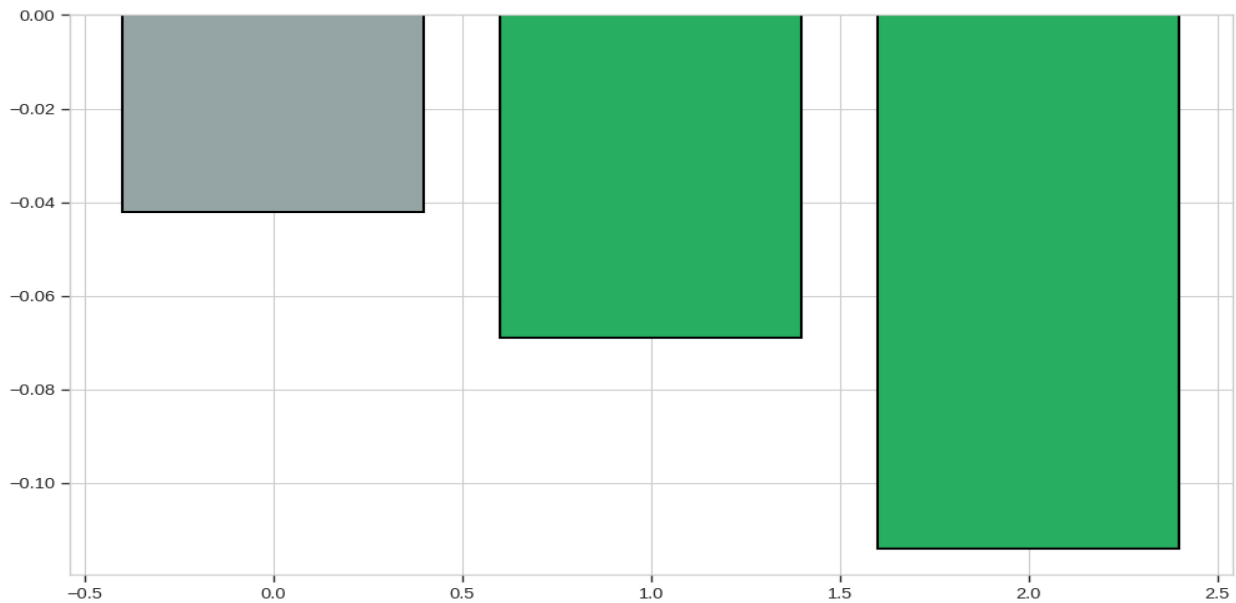
- Significant at $\alpha = 0.05$.
- The negative coefficient indicates advertising effect strengthens with increasing loyalty.
- Explains 3.2% additional variance.
- Power of 0.78 indicates adequate detection.

4.5 Moderated Mediation Analysis

4.5.1 Conditional Indirect Effects

Cultural Orientation as Moderator of Mediation:

Cultural Orientation Level	Indirect Effect (AE $\rightarrow$ BL $\rightarrow$ PS)	SE	t-value	p-value	95% CI
Individualist (-1 SD)	-0.042	0.026	1.62	0.106	[-0.093, 0.009]
Mixed (Mean)	-0.069	0.031	2.23	0.026	[-0.130, -0.010]
Collectivist (+1 SD)	-0.114	0.039	2.92	0.004	[-0.192, -0.038]



Interpretation:

- The indirect effect is non-significant for individualist consumers.
- The indirect effect is significant for mixed and collectivist consumers.
- The effect strengthens progressively from individualist to collectivist.
- Cultural orientation moderates the mediated pathway.

5. Discussion

5.1 Theoretical Implications

This study contributes to advertising theory by demonstrating that the advertising–price sensitivity relationship is neither uniformly positive nor negative but contingent on multiple consumer characteristics operating through mediating and moderating mechanisms.

Advancing Priming Theory: The findings extend priming theory by identifying boundary conditions for advertising-induced price concept accessibility. While prior research focused on cue awareness and contextual factors, this study demonstrates that individual differences systematically shape how consumers process advertising price cues.

Integrating Competing Perspectives: The partial mediation model reconciles the "market power" and "economics of information" perspectives. Advertising simultaneously informs and persuades, with the dominant effect contingent on consumer characteristics.

Cultural Contingency: The strong moderating effect of cultural orientation represents a significant contribution. Prior studies on cultural effects in advertising focused primarily on message appeals and processing styles. This study demonstrates that cultural values fundamentally shape price-quality inferences and advertising responsiveness, with collectivist consumers exhibiting stronger advertising-induced reductions in sensitivity.

Income and Access Considerations: The income moderation finding suggests advertising's price sensitivity effects are stratified by economic resources. This extends research on base-of-the-pyramid consumers and benefit-sacrifice trade-offs. For resource-constrained consumers, price remains salient regardless of advertising exposure, while for affluent consumers, advertising shifts attention toward quality and status attributes.

Segmented Communication Strategies: The differential effects across consumer characteristics suggest that uniform advertising strategies are suboptimal. For collectivist markets, emphasizing social identity and group benefits can enhance effectiveness in reducing price sensitivity. For individualist consumers, focusing on product quality and personal benefits may be more effective.

Loyalty Program Integration: The mediating role of brand loyalty suggests that advertising investments should be coordinated with loyalty-building initiatives. Advertising that reinforces brand trust and emotional connections has dual benefits: reducing current price sensitivity and strengthening loyalty that perpetuates this effect.

Income-Based Targeting: The income moderation finding indicates that price-promotion strategies should be calibrated by segment. Low-income consumers remain price-sensitive despite advertising, suggesting promotional offers are necessary; high-income consumers may respond better to quality and status appeals that justify premium pricing.

Age Cohort Considerations: The age findings suggest generational differences in advertising processing. For younger consumers, particularly Gen Z and Millennials, digital advertising formats that integrate brand storytelling may be more effective in reducing price sensitivity. Older consumers may respond better to advertising emphasizing established reputation and reliability.

6. Conclusion

6.1 Summary of Findings

This study investigated the mediating and moderating effects of consumer characteristics on the relationship between advertising exposure and price sensitivity. Based on 150 consumer responses, the findings demonstrate that advertising exposure significantly reduces price sensitivity, with brand loyalty serving as a partial mediator. Age, income, cultural orientation, and brand loyalty all moderate this relationship, with collectivist consumers and high-income consumers showing stronger negative effects.

The integrated framework provides a more nuanced understanding than prior research focusing on direct effects or single moderators. The partial mediation model reconciles competing theoretical perspectives while identifying critical boundary conditions.

6.2 Limitations and Future Research

Several limitations should be acknowledged. The cross-sectional design prevents causal inference despite theoretical grounding; experimental research could strengthen causal claims. The sample size of 150, while adequate for PLS-SEM, limits generalizability; replication with larger samples across multiple cultural contexts is warranted.

The study focused on general advertising exposure; future research should examine specific advertising content types (informative vs. persuasive, emotional vs. rational) and their differential effects across consumer segments. Additionally, product category effects deserve systematic investigation, as preliminary findings suggest differential age effects between fashion and utilitarian products.

6.3 Concluding Remarks

This research advances understanding of how consumer characteristics shape advertising effectiveness. The findings underscore that advertising's impact on price sensitivity cannot be understood in isolation; it emerges from complex interactions between advertising exposure, consumer predispositions, and cognitive-affective responses. For marketing practitioners, this implies that segmentation and targeting strategies should account for the heterogeneous effects of advertising across consumer groups. For theorists, the mediated moderation framework offers a template for integrating consumer heterogeneity into models of marketing communication effectiveness.

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