

Investigating the Relationship between Nostalgic Advertisement, Brand Heritage, and Automobile Purchase Intention (Applying on Mercedes – Benz Egypt)

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Abstract

The study aimed to examine the relationship between nostalgic adverts, brand heritage, and consumer purchase intention. The research applied to the automobile industry in Egypt. Mercedes – Benz Egypt was used as the brand investigated due to their use of nostalgic adverts in their social media marketing strategy. A mixed-method research approach of exploratory and descriptive research. The exploratory study used semi-structured interviews with 20 Egyptian Mercedes owners. To generalize results a questionnaire was used to collect data from 200 Mercedes customers. The research proves the success of retro marketing strategies as they can generate higher Return on Investment (ROI) if applied on social media. Brand heritage and nostalgic adverts combo influence consumer behaviour and the purchase intention of automobiles positively.

Keywords

Consumer behaviour; Retro-marketing; Nostalgic advertisement; Brand heritage; Purchase intention; Automobile industry; Mercedes-Benz.

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Introduction

Retro marketing has become an international phenomenon either through the marketing mix or full marketing strategies (Kessous and Roux 2010). Nostalgia as a retro marketing tool (especially when used in advertising) can be a vital element in segmentation and positioning (Kessous, Roux 2008; Kessous, Roux, 2010; Cattaneo, Guerini, 2012), building positive consumer-brand relationship (Holbrook, Schindler, 2003; Kessous 2010; Hunt, Johns, 2013), affects consumers' attitude and purchase intention (Bambauer-Sachse, Gierl, 2009; Chou and Lien, 2010; Kessous and Roux 2010) and further consumers respond to nostalgic triggers differently depending on their gender (Holbrook and Schindler, 2003; Marchegiani and Phau 2011; Meyers, 2009).

Automobile companies are one of the best practices of nostalgic advertising for many reasons. First, car consumption is partially based on the emotional sense of driving a specific type of car which can be influenced by a parent or a grandparent. Second, most of the automobile manufacturers have been in the market for ages and they are renovating their victorious products over again, for example, fiat 500 which is known for its historical existence and reliability (Kessous and Roux, 2010). Third, advertising has been proved efficient considering its impact on repetitive car purchase behavior (Kim and Kim, 2014).

Although the use of nostalgia in marketing activities has been widely discussed since the 1980s in the USA and Europe, minimal research has been conducted in the Egyptian context regarding this subject. So, this research was conducted to "Investigate the connection between nostalgic advertising and automobile purchase intention in case of brand heritage existence in the Egyptian context". For the study purpose, Mercedes was used because it is of the eldest, most reliable, and selling luxury cars for more than 70 years.

First, we present the theoretical framework and the hypotheses to be tested. Second, we focus on methodology for data collection and analysis. Third, we report the results of the study. Finally, we conclude by focusing on the contribution, limitation, and future research.

Theoretical Framework and Research Hypotheses

The purpose of this research is to examine the effect of nostalgic adverts, and brand heritage over consumer purchase intention of automobiles. Thus, it is crucial to address the psychological effect of nostalgia over humans, the use of nostalgia in marketing, nostalgic brands, brand heritage, and their use in retro marketing, before justifying the variables used in the research.

Nostalgia and Psychology:

Nostalgia was first described by Johannes Hofer in 1688. The word nostalgia is resulting from two Greek roots: 'nostos' meaning to return to one's native land and 'algos' referring to 'pain', suffering, or grief (Daniels, 1985). It was not always

perceived as a good feeling as it was considered a psychological disorder. It had three main explanations of this feeling which were:

- A result of maladjustment to the environment of the individual.
- The feeling of insecurity of the nostalgic person.
- The person has no idea about what his future will be.

Afterwards, nostalgia was no longer treated as an illness but more perceived as a quest for lost times. Nostalgia expresses the persons' relation with time, which is an elementary system in the cultural, social, and personal life of a certain human being, so time symbolization varies according to the persons' cultural environment.

Holbrook and Schindler (1991, p. 330) define nostalgia as a preference (general liking, positive attitude, or favorable affect) toward objects (people, places, or things) that were more common (popular, fashionable, or widely circulated) when one was younger (in early adulthood, in adolescence, in childhood, or even before birth)'. Nostalgic experiences contain both pleasant and unpleasant emotional components (Holak and Havlena, 1992). It is usually described as a longing for the past condition, by which people are trying to recreate their past either by doing activities they used to do in the past or concentrating on acquiring properties that connect them to their past. Nostalgia affects people despite the consequences of age, gender, social class (Marchegiani and Phau, 2011).

It has been proven that each person experiences nostalgia up to three times a week regardless of their age (Sedikides, Routledge, and Arndt 2014). It functions to improve mood, enhance self – regards, increase social connections, much more it can be used as a treatment for overcoming anxiety, and major negative transition. Also, nostalgic sensitivity has been proven to increase with aging.

There are four main lifetime meaningful moments that are capable of creating a nostalgic feeling: Everyday past which represents the person or world history, uniqueness which means the special moments a person has experienced in the past (which is evoked if retro marketing were used), traditions or habits, and finally, transitional periods (Kessous and Roux 2008).

Nostalgia, Marketing Management, and Consumer Behaviour:

Nostalgic marketing became a phenomenon (Havlena and Holak 1991) and an essential marketing tool to position a brand, either to reproduce successful products or recreate a brand-related experience (including packaging, music) (Havlena and Holak, 1991; Meyers, 2009; Kessous and Roux, 2010). It is also used to expand the target market and generate connections between generations (Kessous et al., 2015). Furthermore, retro marketing is a base of many businesses such as mega-brand museums, retro restaurants, heritage centers, and vintage markets (Brown 1999; O'Brien 2018). Moreover, it represents a solid ground for small business start-up (Kessous et al., 2015; O'Brien, 2018)

Nostalgia can increase consumer-brand bond especially if the brand was used during their early adulthood (Holbrook and Schindler, 2003). The desire is to go to the

past can be fulfilled through the process of consuming products that connects a person to their own past (Ju et al., 2016). Furthermore, it delivers a picture that is genuine, resilient, an assurance of quality about products which affects intention to purchase (Kusumi, Matsuda, Sugimori, 2010). That makes it an important tool in branding and positioning products (Kessous and Roux, 2010). Further, Nostalgic feelings are used as a base for friendship bonding within the brands' communities (Kessous, Roux, 2008).

Nostalgia can be used in a retro marketing strategy to create a competitive advantage for a company, but this depends on how nostalgic a brand is, which is determined by five main factors the age of the brand, the brand name, and reputation, the generational of the brand (how many generations have witnessed this brand), the concept of family or gift purchasing (it must represent a share of a moment between family and friends), the gender effect (as nostalgia effect both genders) (Kessous and Roux, 2010). with its high potential for commercial usage marketers use many tools to evoke nostalgia (advertising, packaging, products, etc) (O'Brien 2018; Kessous, et al., 2015; Orth, Gal, 2013). In advertising, nostalgia is widely used in both durable and non-durable products and services (automobiles, furniture, food, beverage, fashion, tourism) (Sachse, Gierl, 2009). It is a powerful instrument of communication (Meyers, 2009; Hunt, Johns, 2013) that can change negative consumer feeling into positive brand evaluation (Nak Hwan Choi, 2014), it also can construct solid brand heritage awareness (Merchant, Rose, 2012) increase brand attractiveness (Hunt, Johns, 2013). Also, nostalgic products are much remembered when accompanied by nostalgic advertisements (Sugimori, et al., 2011).

Using nostalgic advertising is direct, persuasive, and has a direct impact on the perception of a consumer. Furthermore, both personal and historical nostalgia have an impact on the consumer, though personal nostalgia has a greater effect (Pascal, 2003). The results show that various perceptual, attitudinal and purchase intent responses considerably modify as a result of historical nostalgia strength levels (Marchegiani, Phau 2011).

Nostalgia and Brand Heritage in Automobile Industry:

While the nostalgic brand is more of a customer-related perspective the brand heritage is what links the past of the company to its present and future. It is the historical overview of a brand which represents its creditability and trust through the years. This history of the brand links it directly to consumer behavior and willingness to pay in the automotive industry (Wiedmann, et al., 2011). The brand heritage concept is a solid asset in retro marketing strategies (Hudson, Blamer, 2013; Brown, 1999; O'Brien 2018), it boosts the engagement of a customer with the history of the brand which creates and strengthens the consumer-brand bond (Wiedmann et al., 2011). It is also used to create brand communities (Kessous and Roux, 2008).

Nostalgia exposure positively impacts consumption preferences, especially in fashion and cars consumption. As a result, nostalgia has an impact on the perception of brand heritage (Merchant, Rose, 2013). Brands that evoke nostalgic memories rank higher in the brand power index. So, consumers tend to use nostalgic products to fulfill

their emotional needs (Hudson, Blamer, 2013; Merchant, Rose, 2013; Kessous, et al., 2015). Consumers link between the associations with the brand past and their perception with the brand present, which creates positive emotions, and enhance brand attachment, (Kessous, et al., 2014; Rose, et al., 2015). Companies can depend on nostalgia to build their brand heritage, either with personal or shared nostalgia that counts on historical events connected directly to the brand (Cattaneo and Guerini, 2012; Rose, et al., 2015; Dion, Mazzalovo, 2016).

Consumers tend to choose brands with solid heritage in the time of the economic recession due to their credibility and durability. So, brand heritage positively influences purchase intention. Further, heritage creates value and leverage for the brand especially in global markets (Wiedmann, et al., 2011). Therefore, using vicarious nostalgia in advertising increases the perception of brand heritage (Rose, et al., 2015). Moreover, the nostalgic brands in luxury cars lead to a greater consumer brand attachment, So, it is crucial to use nostalgia in luxury brand management (Kessous, et al., 2016).

Nostalgic Consumer Behavior and Automobile consumption:

Nostalgia is treated in the consumption experience as a preference for consuming certain types of goods or products. Nostalgic reactions depend on many variables such as the role of family and friends, age, while gender was not found significant in the early studies of the nostalgic effect on the consumers (Goulding, 2001; Kessous and Roux, 2008). Overall consumers use nostalgia to obtain the sense of authenticity through nostalgic objects experience, brands should use nostalgic cues to obtain persuasive mechanisms towards consumer behavior (Orth, Gal, 2004)

There are four-lifetime emotional moments that evoke nostalgia, these moments can motivate different consumer behaviour accordingly, which leads to four different nostalgia strategies according to product type (Kessous and Roux 2008) as follows:

- **Everyday past:** when a consumer wants to repeat some of the activities of their younger self, so nostalgia can be used to market food.
- **First-time nostalgia (uniqueness of a moment):** it represents the nostalgic attachment of a certain object that links the person to someone from the past (a father and son relationship), this type of nostalgia can be used to market products that could be inherited such as watches.
- **Tradition:** when a consumer tends to satisfy a need of past references that they lack in their modern life, so this type of nostalgia represents the Genuineness of a certain brand in the mind of the consumer, it also can be used to market food brands that want to emphasise their quality and trust.
- **Transitional periods:** it represents the feeling of the consumer's first sense of independence, and the beginning of their adulthood, so they are more attached to the function of the brand.

The consumers' past can be useful in nostalgic advertising. Marketers use past music, photos, ... etc to evoke positive emotions towards the advert and to the brand advertised and the purchase intention (Muehling and Sprött, 2004; Sachse and Gierl, 2009; Ju et al., 2016). Nostalgic advertising starts to affect the purchase intention of

consumers who are in their 30's or above if the advertising is triggering the consumers' memories in their bump years between 15-25 years old.

When purchasing a new automobile, the consumers consider rational elements (cost, safety, service, brand, fuel consumption, etc..) yet the purchasing behavior of it involves a great emotional aspect (Goyal and Sadasivam 2011). User imaginations of a brand is a strong purchase driver in automobiles because it is a matter of a lifestyle like clothes or a house. Psychologically, luxury car brands affect a consumer in two main ways: it has a symbolic meaning while communicating with other people, and it helps maintain their self-identity and extended self (Belk 1988; Anurit, 2002; Nam et al. 2016). "The automobile has become humanistic ..." (Ashley, 1999, cited in Anurit, 2002).

For automobiles, it has been found that consumer preferences are determined according to their first experience with automobiles styles during their youth (Rutherford, 2010). Much more, car clubs prove the love of historic automobiles among men who were found more nostalgic about automobiles from their youth, which help in automobile segmentation according to age and proves that nostalgia can sell automobiles new beetles, FIAT 500 are a good example (Brown 1999; Holbrook, Schindler, 2003; Castellano, et al., 2013; O'Brien 2018). So, nostalgia can be used to build the present and more to plan the future of automobile brands especially if they reproduce their old products to prove to their consumers that they have been the forerunner in this field and will always be (Kessous and Roux 2008).

Therefore, an emotional advertisement in the automobile industry increases consumer enthusiasm, intimacy, loyalty towards the brand (Pang, et al. 2007). This leads to H1:

H1: *There is a positive significant relationship between nostalgic advertisement and consumer purchase intention.*

Further, the power of brand heritage in marketing can be achieved using nostalgic advertising to influence consumer purchase intention (Papageorgiou, 2015). That leads to H2:

H2: *The relationship between nostalgic advertisement and purchase intention increases in the case of the existence of automobile brand heritage.*

Mercedes represents an ideal brand to conduct the research because it is counting on retro marketing through advertising and retro museum, heritage, and vintage cars (Brown, 1999). So, they are using a weave of retro marketing among other elements to be able to reach and interact with its customers.

Methodology for Data Collection and Processing

This study is a mixed method approach of descriptive and exploratory studies. The research was conducted in the Cairo governorate only because, according to the Egyptian central agency for public mobilization and statistics, there are 7.51 million vehicles in Egypt in June 2014. 3.96 million out of them are private passenger vehicles and 2.14 million (more than 28%) are concentrated in greater Cairo. Cairo also contains most of the elite consumers, mainly the high-class neighborhoods (Maadi, Zamalek, Garden City, Heliopolis, and Fifth Settlement) consumers can be reached in clubs, malls, and restaurants.

Exploratory research:

Due to the newness of the research topic in Egypt, the researchers used semi-structured interviews with Mercedes customers and the marketing manager to conduct the exploratory study. The results helped to formulate the questionnaire used to generalize the results of the research. Hereby the interview results are discussed:

Interview with Mercedes executive marketing manager:

An interview with Mercedes Benz Egypt's executive marketing officer has been conducted to discuss the consumer profiling of Mercedes consumers, and a review of Mercedes history in Egypt.

According to the source Mercedes basically served the elite consumers around the world and it was first used in Egypt by politicians and diplomats in the early '40s, so it was "the nobles' automobile". During the years, several wealthy uneducated people purchased a Mercedes to be identified as elite. Thus, Mercedes consumers in Egypt can be divided into 3 main categories:

- **High educated consumers:** they represent approximately 55 % of Mercedes consumers in Egypt and they embrace high income, well-educated people mostly businessmen, executives, doctors, architects, etc. most of them come from wealthy families.
- **Politicians and diplomats:** they represent 25% of Mercedes sedan consumers in Egypt, usually the automobile is bought by the ministry or the embassy but they prefer to purchase a Mercedes for their personal usage.
- **Low cultured consumers:** they represent approximately 20% of the total Mercedes sedan consumers, mostly they symbolize merchants' class in Egypt the majority of them are not originally wealthy but they desire to acquire Mercedes to verify their belongingness to the A-class consumer. Though prefer to purchase used Mercedes not new one like the other two categories, as they face difficulties dealing with new technology in smart cars.

This interview helped the researchers to select the segments of customers to interview which are the highly educated, diplomats and politicians. They represent 80% of the cliental base of the brand and will be able to express themselves more during the interviews.

In-depth interviews with Mercedes' consumers:

20 Mercedes owners have been interviewed in Cairo – mainly high-class neighborhoods. They were between the age of 27 and 65, 14 males and 6 females. They had these common characteristics:

- They all lived in high-class Neighborhood (Zamalek, Maadi, Heliopolis,...)
- They are all A and B+ consumers, and with a high level of income.
- Their families and parents have been classified as wealthy families.
- They are very well educated

Their comments were as follows:

They were asked to explain how they feel about their Mercedes and why they chose it. 18 consumers have indicated that the main reason for purchasing the car is that a family member used to have Mercedes in their youth and that they have personal memories with it. All consumers agreed on the history and the brand name as an element of choice, they are all also agreed that the automobile emotionally satisfies their self-image. Their brand attachment level reached 16 consumers who change their old Mercedes with a new one, they simply consider Mercedes is the definition of a car.

All consumers follow visit the brand website history department and their Facebook page. They value the car history one of them even described the Mercedes in Egypt as heritage and another said it is an investment. The consumer who watched an old Mercedes picture or were asked which old Mercedes do you like the most were very emotional when they described their feelings about these cars, they started telling stories about themselves with these cars.

An interview with a member of the Automobile and Touring Club of Egypt (ATCE), an expert of vintage automobiles, and a Mercedes owner, indicated that although Mercedes was not the first automobile to come to Egypt but yet it was the only car that stood for all these years while the other cars withdrew and definitely this history is one of the strongest reasons that make an Egyptian think it is the luxury car of all ages. A journalist who made a report about Mercedes history thought that the history of Mercedes as the Egyptian royal and nobles' automobile makes it by default the first luxury car to come to the mind of a consumer.

Descriptive Research:

The exploratory study supported the hypotheses of the study, so the next step was to generalize the results of the study, so a larger sample was needed. A questionnaire has been developed and combined from different previous literature. 200 responses came out of 400 used for data analysis. The scales used to build the questionnaire were as follows:

Nostalgic advertising and brand heritage scale:

This 1-5 Likert scale is adopted from A. Merchant, G. Rose, (2013), “, the scale tested ad-evoked vicarious nostalgia and brand heritage.

Item	Statement
Fantasies about past eras	<ul style="list-style-type: none"> • I fantasized about the past when watching the ad • I imagined I was living in the past period shown in the ad • The ad took me back in time • When I saw the ad, I became lost in the time period(s) shown • I imagined I was there in the simple and pure times shown in the ad • I fantasized I was wearing the clothes in the time periods shown in the ad • I imagined I was participating in the traditions and rituals of the past shown in the ad • The ad made me nostalgic for the time period shown • After seeing the ad, my imagination was like an avalanche, I thought of all different things about the past.
Emotions	<ul style="list-style-type: none"> • Happy • Inspired • Calm • Relaxed • Enthusiastic • Carefree • Curious
Brand Heritage	<ul style="list-style-type: none"> • A brand that has managed the tough times as well as the good times • A secure brand that won't disappear tomorrow • A stable brand • A respected brand • A reputable brand • A solid brand • A dependable brand • A brand with heritage • A trustworthy brand • The brand is an institution • A reliable brand • An authentic brand

Scale to measure nostalgic Ad. Effect:

This scale was adopted from (Bambauer-Sachse and Gierl, 2009),

Model variable	Statement
Attitude toward the ad (AAd)	<ul style="list-style-type: none"> • The ad is appealing. • I like this ad. • This ad is interesting.
Attitude toward the product (AP)	<ul style="list-style-type: none"> • This product is attractive. • This product is interesting. • This product is appealing
Emotions (E)	<ul style="list-style-type: none"> • I am fine • I feel happy.
Purchase intention (I)	I would like to buy this product.
Scale: 1 = totally disagree, ..., 5 = totally agree	

Data Collection and Analysis:

The questionnaire had to be distributed and filled out online due to time and cost efficiencies restrictions Google forms were used because it provides an easy way of creating online questionnaires. The online questionnaires were distributed to a random sample of respondents through social media pages of Mercedes owners in Egypt. The questionnaires were self-administered (i.e. completed by the respondents).

The first part of the questionnaire consists of demographic questions, whereas in the second part of the questionnaire the respondents were asked to answer the questions after seeing some nostalgic adverts already used by Mercedes.

The photos used to evoke nostalgia are actual adverts used by the Mercedes Egypt Facebook page the adverts tickle both nostalgia and brand heritage attributes in the mind of the customers.

Most of the questions used a Likert scale from 1-5. The responses to the online questionnaire were collected and analyzed using the Statistical Package for Social Sciences (SPSS), version 22. Finally, various statistical descriptive such as mean and standard deviation were used to perform the exploratory factor analysis.

Statistical Analysis

Data Handling and Treatment: statistical analysis and methods that used to answer the questions and hypotheses, of the research the following had been presented:

- 1- Reliability and Validity: To measure the consistency and Validity, of the respondents for elements of: "the effect of different types of adverts over the purchase intention of Mercedes automobiles in Egypt".
- 2- Pearson Correlation coefficient between "the effect of different types of adverts over the purchase intention of Mercedes automobiles in Egypt", and the set of independent variables.
- 3- Multiple Regression analysis to study the relationship between a dependent variable and a set of independent variables.
- 4- One-way ANOVA to Test the difference between more than two samples.
- 5- Path analysis to study the inter and intrarelated.

Independent variables: Nostalgic Advertisement X1, Brand Heritage X2

Dependent variable: Purchase Intention Y)

Reliability and Validity: To check the reliability the coefficient "Alpha Crombach", is used to measure the stability of the answer for the total **dimensions** of "**the effect of different types of adverts over the purchase intention of Mercedes automobiles in Egypt**", with stability coefficient for the total sample of (0.820), that indicates a high degree of validity for the study sample, which was reflected also by its square root coefficient that is equal (0.905).

For the independent variables (**Nostalgic advertising X1**) the reliability coefficient is (0.786), for the independent variables (**Brand Heritage X2**) the reliability coefficient is (0.770), for the dependent variables (**Purchase Intention Y**) the reliability coefficient is (0.810).

Table (1): Reliability and Validity for the dimensions of "the effect of different types of adverts over the purchase intention of Mercedes automobiles in Egypt" Cronbach alpha coefficient

variable	Dimensions	Reliability	Validity
Total X1	Nostalgic advertising	0.786	0.886
Total X2	Brand Heritage	0.770	0.877
Total Y	Purchase Intention	0.810	0.900
Total sample: "the effect of different types of adverts over the purchase intention of Mercedes automobiles in Egypt"		0.820	0.905

Interpreting results for H1& H2:

The statistical method used: Both correlation and regression were used to determine and describe the relationship between the independent variable and independent variable alone and in the case of the existence of brand heritage as a moderator variable. Furthermore, a path analysis has been conducted to test the causal relationship between Nostalgic adverts and consumer purchase intention is increased in case of the existence of brand heritage as a moderator factor.

The (correlation coefficient) of Pearson correlation is used to measure the direction and the strength of the relationship between independent and dependent variables, if the level of significance is less than (0.05) it indicates the presence of a significant relationship and if the significance level is greater than (0.05) this indicates that there is no statistically significant relationship.

Table (2): Correlation between: "nostalgic advertisement X1, Brand Heritage X2, and purchase intention Y" using Pearson correlation

Variables	purchase intention Y	nostalgic advertisement X1	Brand Heritage X2
nostalgic advertisement X1	0.435**	-	-
Brand Heritage X2	0.393**	0.264**	-

** Significant level 0.01

From table (2) it is clear that: There is a significant strong positive relationship between "**nostalgic advertisement X1 and purchase intention Y**", with a correlation coefficient (0.435) at a level of significance less than (0.01).

There is a significant strong positive relationship between "**Brand Heritage X2 and purchase intention Y**", with a correlation coefficient (0.393) at a level of significance less than (0.01).

Multiple regression:

Table (3): The relationship between the dimensions of nostalgic advertisement X1, Brand Heritage X2, and purchase intention Y using multiple Regression

Independent variables	β	t. test		F. test		R ²
		Value	Sig.	Value	Sig.	
Constant	-0.846	-1.40	0.163	35.79	0.001**	27.3%
nostalgic advertisement X1	0.423	5.56	0.001**			
Brand Heritage X2	0.614	4.68	0.001**			

** Significant level 0.01

From table (3) it is clear that:

1- Coefficient of determination (R²):

R² shows that the independent variable (nostalgic advertisement X1, Brand Heritage X2) explains (27.3%) of the total variation in the dependent variable (purchase intention Y) and the rest of the ratio, due to random error in the equation, or perhaps the lack of inclusion of others independent variables, that were supposed to be included within the form.

2- Test the significance of the independent variable:

The independent variable, (nostalgic advertisement X1), (Brand Heritage X2) has a significant effect on the dependent variable (purchase intention Y) as the value of "t" (5.56), (4.68), with a significant level less than (0.01).

3- Test total regression model (F. Test):

To test the quality of the model as a whole, (F-test), has a value (35.79), with a significant level less than (0.01), indicating goodness of fit of the model.

4- The relationship is represented by the following regression equation: by

$$Y = -0.846 + 0.423X1 + 0.614X2$$

Purchase intention Y = -0.846 + 0.423 X1 (nostalgic advertisement) + 0.614 X2 (Brand Heritage).

Path analysis:

a- Observed Endogenous Variables: Include, "Consumer purchase intention Y, and Brand Heritage M'.

b- Observed Exogenous Variables: include, "Nostalgic advertisement x1"

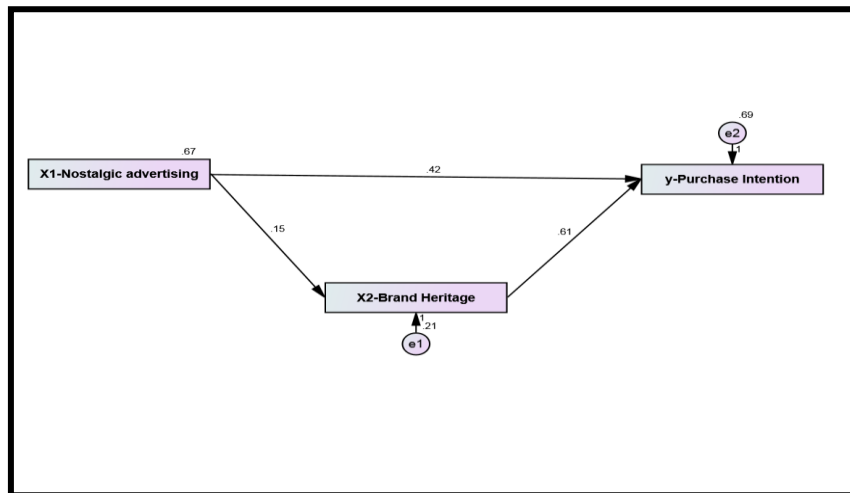


Table (4): Estimates of the coefficients of the structural model and its effect on "relation between Nostalgic adverts and consumer purchase intention is increased in case of the existence of brand heritage as a moderator factor"

Path		Estimate	S.E	C.R.	P-Value	Sig.
Consumer purchase intention Y	← Nostalgic advertisement x1	0.423	0.076	5.591	0.001**	Sig.
	← Brand heritage x2	0.614	0.131	4.703	0.001**	Sig.
Brand heritage x2	← Nostalgic advertisement x1	0.153	0.040	3.807	0.001**	Sig.

**Significant at the (0.01) level

*Significant at the (0.05) level

From Table (4) clear:

- Nostalgic advertisement **x1** has a significant effect on Consumer purchase intention **Y**, with a significant level less than (0.05), and the value of the critical path (C.R.), (5.591).
- Brand heritage **x2** has a significant effect on Consumer purchase intention **Y**, with a significant level less than (0.05), and the value of the critical path "C.R", (4.703).
- Nostalgic advertisement **x1** has a significant effect on Brand heritage **x2**, with a significant level less than (0.05), and the value of the critical path "C.R", (3.807),.

Table (5): Total, direct, and Indirect Effects of the structural model for interpreting relationships

Effects	Variables	Nostalgic advertisement x1	Brand heritage x2
Total Effects	Brand heritage x2	0.153	-
	Consumer purchase intention Y	0.517	0.614
Direct Effects	Brand heritage x2	0.153	-
	Consumer purchase intention Y	0.423	0.614
Indirect Effects	Brand heritage x2	-	-
	Consumer purchase intention Y	0.094	-

The data analysis shows that H1 and H2 are both accepted

Conclusion and Further Research

The study purpose was to investigate the relationship between nostalgic adverts, brand heritage, and the purchase intention of the current customers of Mercedes automobiles in Egypt. Literature addressed the following hypotheses to be tested:

H1: There is a positive significant relationship between nostalgic advertisement and consumer purchase intention.

H2: The relationship between nostalgic advertisement and consumer purchase intention increases in the case of the existence of automobile brand heritage.

A questionnaire has been developed to test the hypothesis. It was distributed to current Mercedes customers. 200 questionnaires were answered (67 males and 133 females), the questionnaire covered Greater Cairo and Alexandria. SPSS was used to analyze the data collected. H1 and H2 were accepted. Hereby a discussion of study findings, their managerial and theoretical implications, research limitation, and further research opportunities.

Demographic Characteristics of Mercedes customers:

The research data reveals that there are certain characteristics for Mercedes customers in the Egyptian market. First 42.4% of the sample are between the age of 36-45 and another 33.3% are between the age of 46-55. 60% of the sample have a monthly income of 20k to 50k EGP and 67.7% work in higher and intermediate managerial jobs. Moreover, 44.3% of the sample acquired a university degree, and 34% have acquired a master's degree. The traits of current Mercedes customers assure the success of a new company policy to address younger customers to buy Mercedes.

The effect of nostalgic adverts on Egyptian customers:

The results of the research verify the resilient effect of nostalgic advert on the Egyptian customers, around 70% of the sample agreed to the phrase "I fantasized about the past when I saw the ad." And 69% have agreed to the phrase "I imagined I was living in the past period shown in the ad.". Further, it affected their feelings after watching the advert to boost happiness and calm feelings as around 70% of the sample described their feeling after watching the advert by "I am happy" and "I am calm".

This implies that these adverts can be used as an effective tool if a company wants to adopt a retro marketing strategy.

Above all, nostalgic adverts can romanticize the past for whom experience it, as 61.8% of the sample agreed to the phrase “I imagined I was there in the simple and pure times shown in the ad” and 54.6% agreed to the phrase “I fantasized I was wearing the clothes in the time periods shown in the ad”. These responses show that over 50% of the sample developed the desire to live in the past when they saw the advert.

Relation between nostalgic adverts and purchase intention:

The data analysis showed a positive significant relationship between nostalgic adverts and purchase intention with a correlation coefficient of 0.435. The results indicate that the particular type of adverts can push the customers to repeat buying as long as they developed a relationship with the brand as it can explain 18.9% of the variation of the purchase intention. These results support the investment in such adverts to keep its relationship with its current and potential customers. Moreover, the results highlight that emotions can strongly affect Egyptian customers’ decisions to purchase a car.

The effect of brand heritage:

The second variable is brand heritage; it has a coefficient correlation with the purchase intention is 0.393, and along with the nostalgic advert, brand heritage can explain up to 27.3% of the purchase intention variation. Brand heritage is also an important element while following retro marketing strategy. Further, brand heritage increases the trust of the customers in the brand as 89.7% of the sample agreed that “the brand will not disappear tomorrow”.

Limitation of the study:

Though the study offers a new perspective to study the effect of certain nostalgic marketing tools on the Egyptian consumers’ behavior. Yet it did not expand the scoop to analyzing this behavior towards other nostalgic or retro marketing tools. The following lines explain the limitations of the current study.

Also, the sample of the study was limited geographically to Cairo and Alexandria, so the results of the study might slightly change due to geographical area changes.

Though nostalgia can be a marketing strategy, the study was limited to adverts only and could not cover other uses of nostalgia in such as packaging, decorations, or experiences. Also, the current study application was limited to the automobile industry, applying the study to other industries can lead to new results.

Furthermore, combining nostalgic adverts and brand heritage relations can be used to boost other elements rather than purchase intention which have not been covered in the current research. For example; the usage of such a combination as a way of rebranding a discontinued old product was never discussed.

Managerial implication:

The study has proven that nostalgic adverts are efficient in the automobile industry, as the nostalgic adverts with brand heritage can affect up to 27% of the purchase intention, this means that an investment in these adverts should pay off for the businesses. Also, the research proves the success of retro marketing strategies which means that the automobile industry can adopt these strategies to increase engagement levels with their current customers, which will lead to increase customers' repurchase intention of the product.

Still, retro marketing strategies can be applicable to many businesses in Egypt due to their long history and continued relations with their customers. For example, tourism (old hotels and entities), restaurants, the food industry can use nostalgia as a base for their businesses to grow and to acquire more customers.

Also, Brand heritage represents a strong tool to use while adopting retro marketing strategies and can be used in many ways such as the Mercedes Museum.

Theoretical contribution

This study contributes to the science of marketing on many levels. First, it is one of few studies that examine the use of nostalgic Marketing in Egypt. Moreover, the study examines the effect of the psychological status of the customers over their behavior towards certain products. Further, it examines the relation of 2 different elements used in retro marketing strategies (nostalgic adverts and brand heritage) so it offers an analysis of these strategies and their effectiveness to enhance the brand-consumer relationship.

Furthermore, as nostalgia has proven to enhance the well-being of humans, the study can introduce the combination of psychology and marketing as a new area of study in the Egyptian context.

Possible areas for further research

The current research has created the potential for further research in different areas. Such as the use of psychological studies in marketing management and how human psychology affects consumer behavior. A study of how nostalgia affects the extended self of the customers will offer a great understanding of the consumer persona.

A comparative study between different retro marketing strategies adopted by different automobile brands in Egypt is a rich area of investigation.

Also, further studies to investigate the retro marketing strategies and techniques are needed to identify its effect on the consumer behavior, and customer-brand relationship, attracting new customers, and its ROI for other industries such as tourism or leisure, i.e. hotels, restaurants.

As nostalgia has multiple uses in marketing, more research is needed on the application of nostalgic adverts in many fields rather than the automobile industry.

Also, nostalgic packaging or decoration will offer a rich area of research, especially in Egypt.

The study of brand heritage as a tool to boost the retro marketing strategy is also an untapped area of research. Also, the brand heritage concept reflects the sustainability of a brand and can positively affect customer loyalty which demonstrates the urge to test the implications of using brand heritage in the marketing strategy. Further, story-telling relation to brand heritage and nostalgic marketing can be a reach area of research as well.

Finally, though retro marketing gives the impression to follow traditional marketing activities, most of companies use social media platforms to reach their customers with their retro activities. So, a study of the use of current technologies and Artificial Intelligence (AI) in relation to retro marketing can be a rich area of research.

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