



Comparative advertising in markets where brands and comparative advertising are novel

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Abstract

Several recent studies have investigated international differences in advertising practices. Most of these address advertising in general, leaving the transferability of comparative advertising practices largely unexplored. Based on a theoretical framework of consumer skepticism toward novel information, we conducted a cross-national study to examine the effectiveness of comparative ad format and message content advertising executions under conditions of market and sponsor brand novelty, and loyalty toward the comparison brand. Analyses of responses from participants in France, the Netherlands, and the United States indicate that novelty of the brand and novelty of the practice of comparative advertising interact with various ad elements to produce both desirable and undesirable outcomes.

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INTRODUCTION

As competition in world markets intensifies, an increased use of comparative advertising, where permitted, appears inevitable. In contrast to times prior, the 1997 EU Directive covering comparative advertising now permits indirect comparisons that do not name competitors, and also allows (under tight controls) direct comparisons between named products (European Parliament, 1997). At the same time, the expanded use of international media is helping to bypass national and regional restrictions. These developments highlight the importance of examining whether accumulated empirical insights into the functioning of comparative advertising apply to national markets where such ads can be used, yet are novel. If one accepts the premise that the novelty of comparative ads leads to their effectiveness (Goodwin & Etgar, 1980), understanding how varied execution styles influence the persuasiveness of these ads in countries where they have not been widely used becomes a critical issue.

Several recent studies have examined comparative advertising in a cross-cultural context, and are starting to inform better an issue that heretofore has mostly been neglected. Donthu's (1998) exploratory study, of cross-country differences in recall of and attitude toward comparative advertising yielded several insights. First, comparative advertisements were recalled more than non-comparative advertisements. Second, the respondent's nation-

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ality did not seem to affect the recall of comparative advertising. Third, all respondents tended to have a more negative attitude toward comparative advertisements than toward non-comparative advertisements. Fourth, attitudes toward comparative ads were especially negative for respondents in countries where comparative ads have not been widely used. These findings suggest that careful use and execution of comparative ads is needed in international markets, especially those in which the practice is novel.

Shao, Bao, and Gray (2004) investigated the effects of direct vs indirect comparative formats in low- and high-context cultures (where context refers to the degree to which direct, explicit, vs indirect, implicit information is used to draw meaning from communications; Hall, 1976). These researchers found that comparative advertising is more effective in low- than in high-context cultures, and that the direct-comparison format was more effective (compared with the indirect format) in low-context cultures. Somewhat curiously, the differential effects were obtained only on a measure of the persuasive effect of the experimental advertisement, but not on a measure of attitude toward the ad.

Research by Choi and Miracle (2004) and Jeon and Beatty (2002) explored whether Korean consumers would respond differently to direct and indirect comparative messages than US consumers on various evaluative judgments related to the advertised brand. Results from Choi and Miracle (2004) revealed that study participants from the US had, as predicted, more favorable attitudes, faced with direct and indirect comparative ad messages, toward the ad and toward the advertised brand compared with comparable attitudes of Korean participants. Jeon and Beatty's (2002) findings showed that US consumers have more positive attitudes toward indirect than toward direct comparative messages, whereas Korean consumers have more positive attitudes toward direct than toward indirect messages. These researchers conjecture that Korean consumers' attitudes differ from those in the US, largely because of their unfamiliarity with comparative advertisements.

The present research builds on our understanding of comparative advertising format effectiveness in cross-national settings in two important ways. First, we expand on the critical issue of the lack of consumer familiarity with comparative advertising by developing a theoretical framework based on consumer skepticism toward novel information. We examine two types of novelty: novelty of the

practice of comparative advertising, and novelty of the brand. We investigate consumer response to ads in countries where comparative advertising has just recently been allowed compared with those where it is a long-standing practice, and for brands that are new compared with ones that are well established. Second, in addition to comparing direct and indirect message formats, we also compare factual and evaluative message content (Grewal, Kavanoor, Fern, Costley, & Barnes, 1997). Thus we investigate the extent to which comparative ad format and message content interact with market and brand novelty in affecting consumer attitudes. In addition, we explore the moderating effects of brand loyalty toward the comparison brand on the relationship between comparative ad content and attitude. We report the results of a three-country study that examines the interactions between novelty and ad execution on consumer attitudes.

GUIDING PREMISES AND THEORETICAL FRAMING

A fundamental premise underlying our cross-cultural research is that the effectiveness of the comparison advertising format will vary as a function of consumers' experience with this format, and will depend in large measure on both the market position of the advertised brand and the type of comparison information that is presented. This premise is buttressed by several more specific presuppositions. Figure 1 presents a consumer-level process model to guide this discussion.

First, we assume that consumers are somewhat skeptical of advertising claims in general (Calfee & Ringold, 1994; Obermiller & Spangenberg, 1998; Obermiller, Spangenberg, & MacLachlan, 2005),

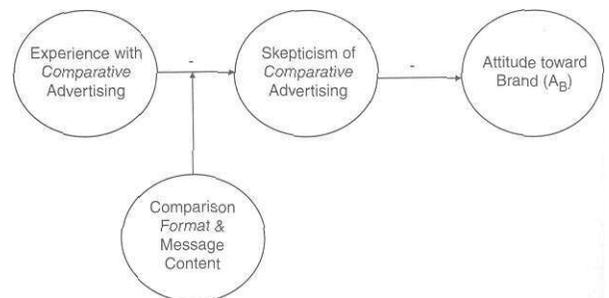


Figure 1 Consumer-level process model. The negative signs over the top two paths indicate that: (1) skepticism declines with greater experience; and (2) attitude is attenuated with greater skepticism.

MANIPULATED CONSTRUCTS AND HYPOTHESES

and that consumers are inclined to question advertisers' motives (Jain & Posavac, 2004). A second premise, which extends from attribution theory (e.g., Koikes, 1988), is that comparative advertising is likely to: (1) evoke counter-argumentation; (2) be perceived as less credible than non-comparative advertising; and (3) be discounted by consumers as being less than entirely truthful (Corn & Weinberg, 1984; Swinyard, 1981). A third premise is that consumers are particularly skeptical of advertising claims made in context of formats for which they are unfamiliar, and that the more familiar consumers become with a certain advertising format, the less skeptical they are of claims made within context of that format. This assumption extends from the notion that consumers' persuasion knowledge is developmentally contingent. That is, as people learn more about persuasion agents and their persuasion tactics, the effects of certain actions by persuasion agents (e.g., advertisers using comparative advertising) on consumers' attitudes and behaviors will change (Friestad & Wright, 1994). This is to say that consumers who vary in their knowledge about a particular persuasion tactic (e.g., consumers who have experienced comparative advertising for a number of years, in contrast to those for whom the practice is novel and unfamiliar) may interpret the same persuasion attempt differently and therefore respond to it differently (Friestad & Wright, 1994).

Implicit in these premises is the idea that skepticism toward advertising claims will mediate the effectiveness of comparative advertising across countries that varied in their experience with this form of advertising. More specifically, we assume that the degree of skepticism aroused by a comparative advertisement is mitigated when:

- (1) consumers are experienced (*vs* inexperienced) with the practice of this advertising format;
- (2) the advertised brand is established (*vs* new);
- (3) the comparison with another brand is direct (*vs* indirect); and
- (4) the content of a comparative advertisement is factual (*vs* evaluative).

In turn, attitude toward the brand sponsoring the comparative advertisement is assumed to be more positive the less the ad arouses skepticism. These ideas are fleshed out in the following discussion, which defines constructs and presents hypotheses.

In this section we present the specific constructs that are relevant to our research, and, in the next, hypothesize anticipated effects. It must be useful to survey the manipulations that are entailed in our experimental study. We subsequently develop each construct, and offer rationales for our hypotheses.

Our controlled experiment manipulated three aspects of comparative advertisements:

- (1) whether the advertisement featured a new or established brand (termed "brand novelty");
- (2) whether the comparison ad employed a direct or an indirect comparison between the advertised brand and the comparison brand (termed "comparison format"); and
- (3) whether the content of the comparison ad utilized factual or evaluative information (termed "message content").

In addition to these manipulated variables, we classified participants as being experienced or inexperienced with the practice of comparative advertising, based on whether comparative advertising was a novel or a non-novel practice in their home country. Because this manipulation represents a country-level surrogate for consumers' individual experiences, we term it "market novelty of comparative advertising" or, for brevity of expression, "market novelty".

Market Novelty and Brand Novelty

Novelty is often theorized as a moderator for comparative advertising effectiveness (Goodwin & Etgar, 1980). There is a wealth of research documenting the impact that novel stimuli have on a variety of cognitive processes. Specifically, when individuals are first exposed to novel stimuli, the novelty leads to uncertainty and tension, which the individual is then motivated to reduce (Sawyer, 1981). A consistent finding in the psychology and consumer behavior literatures is that the heightened involvement generated by novel stimuli results in those stimuli being more likely to gain attention, to be processed more extensively, and to be more easily recalled (Lynch & Srull, 1982).

Market novelty. Market novelty refers to the extent to which comparative advertising is a new rather than a long-standing advertising practice in a national market. Extending from Friestad and Wright's (1994) persuasion knowledge model, it is our expectation, as hypothesized below, that

consumers who are unacquainted with comparative advertising will respond differently to certain comparative ad formats and message content than will consumers living in markets where this form of advertising is an established practice.

Brand novelty. Brand novelty reflects the extent to which consumers have experience with a brand (Alba & Hutchinson, 1987). Given that consumers already have knowledge of familiar brands, ads for these may be seen as less interesting than ads for novel brands. Knowledge differences are likely to lead to different processing goals for consumers exposed to ads sponsored by familiar brands compared with novel brands. People attempt to learn about and evaluate the novel stimuli in order to form an accurate impression of the brand (e.g., Sujana, 1985). Therefore ads for unfamiliar brands, which may appear more novel and interesting, are likely to elicit more extensive processing. By contrast, consumers are likely to engage in relatively less extensive processing and more confirmation-based processing when exposed to ads for familiar brands.

New brands may benefit considerably from comparative advertising, especially when they are compared with brands with strong or leading market positions. Iyer (1988) submits that comparing a new brand with an established brand such as the market leader may be considered novel, receive more attention, and be perceived as more informative. The result is a greater impact on consumers' attitudes. Comparing low- with high-share brands draws interest to the advertisement, because the latter have personal relevance to many more consumers (Pechmann & Stewart, 1990). Further, comparing a low-share brand with one with high share elevates the image of the brand with the lower share. Grewal *et al.*'s (1997) meta-analysis supports these findings, and determines that when the sponsored brand's market share is less than the comparison brand's, comparative ads result in significantly greater intention to purchase the sponsored brand than do non-comparative ads.

Comparative Advertising Format

Advertisers employ either direct or indirect formats to deliver comparative claims. Direct-comparison ads compare the sponsoring brand against a named competitor, or comparison brand. Such ads are likely to lead to the use of a relative encoding frame during ad processing, whereby the comparison brand is employed as a reference point (Miniard,

Rose, Barone, & Manning, 1993; Rose, Miniard, Barone, Manning, & Till, 1993). The reference point then becomes an integral part of the encoding process, as information about the advertised brand is likely to be encoded relative to that regarding the comparison brand. In contrast, indirect-comparison ads lack explicit reference points, in that they do not explicitly identify the comparison brand. Instead, they commonly compare the sponsoring brand with a "leading" or "other" brand. It follows that these ads are likely to activate a non-relative encoding frame, and that the post-message impressions stored in memory are also likely to be non-relative.

Although consumers may be motivated to generate their own reference points during the processing of indirect ads, these reference points will be idiosyncratic. Even if the same brand is employed as a reference point during the encoding of direct- and indirect-comparative ads, it is unlikely that consumers processing the indirect format will have accessible memory of attribute-specific information about the relative performance between the sponsoring and comparison brands similar to that presented in the direct-comparative ad (Barone & Miniard, 1999). Thus consumers processing direct- and indirect-comparative ads will probably form dissimilar perceptions, even if they employ the same reference point during ad processing.

There is considerable uncertainty concerning the efficacy of indirect- vs direct-comparative advertisements. Direct ads do provide more information to consumers, which was the intended goal of the original Federal Trade Commission ruling permitting direct formats. However, the extent to which the explicit mention of a competitive brand reinforces that brand in the mind of the consumer, to the detriment of the sponsored brand, is as yet unresolved. Prasad (1976) discovered that direct comparative ads compared with indirect comparisons (also known as Brand x comparisons) improved message and claim recall but not brand recall. Moreover, he found that the direct comparisons resulted in lower perceived credibility of the advertisements. On the other hand, research also has shown that direct comparisons are superior to Brand x comparisons in generating positive affective responses to an advertisement, whereas Brand x comparisons improve cognitive, affective and conative effects toward the sponsored brand (Goodwin & Etgar, 1980). It also has been found that direct comparative ads can enhance perceptions of the sponsoring brand by associating it with

the comparison brand, but the benefit is contingent upon the typicality of the featured attribute and upon consumer familiarity with the sponsoring brand (Pechmann & Ratneshwar, 1991).

Not previously investigated is the extent to which ad format is moderated by novelty of comparative advertising. While consumer traits such as innovativeness and risk avoidance are unique to the individual, and vary within national markets, in general consumers tend to be wary and often skeptical of new concepts. When faced with a novel practice such as comparative advertising, it is our expectation that consumer skepticism will be assuaged when the comparison is made with an identified leading brand, as opposed to a vague and ambiguous unnamed "leading brand". Thus we expect that, in markets where comparative advertising is novel, the direct format will be more effective than the indirect. In markets where the practice is not novel, it is less clear which format will be more effective, in view of inconsistent research evidence: we thus refrain from proffering the general superiority of one format over the other without making an allowance for moderating factors. Our first hypothesis, that comparison advertising format will moderate the effect of market novelty on attitude toward the advertised brand, is stated formally as follows:

Hypothesis 1: The direct (*vs* indirect) format will generate more positive attitudes in markets where comparative advertising is novel, regardless of whether the sponsoring brand is new or established. However, in markets where comparative advertising is non-novel, the effect of format is further moderated by brand novelty (see Hypothesis 2).

Figure 2 presents a graphic representation of this first hypothesis and all remaining hypotheses that we tested. It is noteworthy that skepticism is not explicitly incorporated into our testable model (Figure 2). We did not measure skepticism, insofar as that measurement would have activated hypothesis guessing and potentially created a demand artifact. Hence the postulated interaction effects via skepticism mediation are assumed to work directly on attitude toward the brand (A_b).

Prior research has not investigated whether the effectiveness of the comparative advertising format is moderated by whether the sponsoring brand is an established or a new brand. For new brands - by definition, brands having no or a low share - past

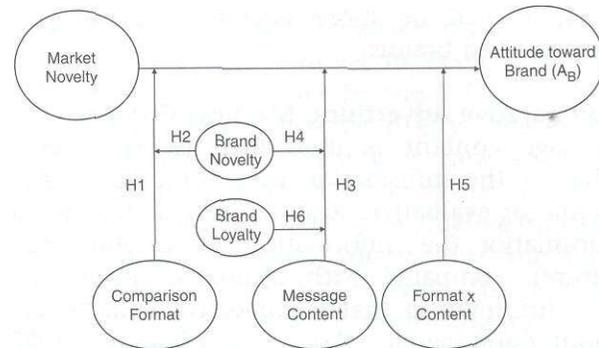


Figure 2 Market-level testable model.

research indicates that direct comparisons with market leaders can be effective (Grewal *et al.*, 1997). For established brands with moderate market positions, however, the impact of format is likely to depend on consumers' experience with the comparative advertising format. As posited in Hypothesis 1, direct formats are expected to be more effective than indirect formats in markets where comparative advertising is novel. By contrast, for established brands in markets with long traditions of comparative advertising, we expect indirect formats to be particularly effective. This is because the indirect format does not restrict the comparison to any single brand, but rather permits broader comparisons and thus a higher probability of personal relevance (insofar as each ad recipient can apply a comparison claim to whatever brands are most relevant to him or her).

Whereas we expect direct formats to be more effective in markets where comparative advertising is a novel practice, regardless of whether the sponsoring brand is established or new (i.e., Hypothesis 1), in markets where comparative advertising is not novel, indirect formats should prevail, but for established brands only. The reason is that a new, unestablished brand lacks the stature and credibility to make the type of far-reaching superiority claim that an established brand is capable of pulling off. Hypothesis 2, which predicts a three-way interaction, is formally framed as follows:

Hypothesis 2: The direct comparative advertising format will generate more positive brand attitudes than the indirect format in markets where comparative advertising is novel, regardless of whether the sponsoring brand is new or established. However, in markets where comparative advertising is an established practice, the indirect

format will be more effective, but only for established brands.

Comparative Advertising Message Content

Message content is used here in reference to whether the information in a comparative ad is factual or evaluative. Research reveals that factual information (i.e., information that is objective in nature), compared with evaluative information (i.e., information that is subjective), elicits fewer counter-arguments (Edell & Staelin, 1983); encourages more support arguments (Edell & Staelin, 1983); elevates advertising credibility, boosts brand beliefs and increases attitudes and purchases intentions (Darley & Smith, 1993); and enhances the visual-imaging abilities of consumers (Iyer, 1988; Paivio, 1969). The factual character of the information may result in its being perceived as more informative. As a result, consumers are less likely to discredit the source of the message and argue against the comparative claim (Iyer, 1988).

However, in spite of some evidence to the contrary, factual information does not necessarily influence consumers' attitudes more than evaluative information. In actuality, comparative ads using evaluative messages have been shown to affect brand attitudes more positively than factual ads (Grewal *et al.*, 1997). It appears that the issue then is whether there are certain contexts, such as market and/or brand novelty, that make one form of message content more effective than another.

We expect that the Grewal *et al.* (1997) findings will apply primarily to countries, perhaps particularly the US, where comparative advertising is a common practice. That is, evaluative message content will generate no less favorable and possibly even more favorable attitudes than factual content in markets where comparative advertising is an established (non-novel) practice, and where consumers are not skeptical of evaluative claims. In markets where comparative advertising is novel, and consumers are therefore skeptical of this practice, informative (factual) messages that stimulate fewer counter-arguments will be more effective than ambiguous (evaluative) ads. Furthermore, we expect that these differences in market novelty and message content will be prominent for established brands but inconsequential for new brands, in that consumers' attempts to learn about and evaluate novel brands will be heightened, regardless of the comparative advertising message content. Hypotheses 3 (a two-way interaction) and 4 (three-way) capture these predictions.

Hypothesis 3: Factual comparative advertising message content will generate more positive attitudes in markets than evaluative content where comparative advertising is novel, whereas evaluative content will boost attitudes better in non-novel markets where this form of advertising is a well-established practice.

Hypothesis 4: The interaction between message content (factual vs evaluative) and market novelty (novel vs established) is expected only for established brands but not new brands.

We also expect that the combination of direct format and factual message content will be particularly effective in markets where comparative advertising is a novel practice, whereas the combination of indirect format and evaluative content combination will work well in markets where comparative advertising is an established (non-novel) practice. The latter prediction mirrors the findings of previous research conducted in the United States, and extends the notion that consumers' persuasion knowledge is developmentally contingent and changes with growing experience with marketers' persuasion practices (Friestad & Wright, 1994). However, in countries where consumers are unfamiliar with the comparative advertising format, respondents will have a heightened level of processing resulting from exposure to the novel stimuli. Under these conditions, the more informative direct, factual claims are expected to generate fewer counter-arguments and be more persuasive. We state this formally as Hypothesis 5 and anticipate detecting a three-way interaction.

Hypothesis 5: The direct comparative advertising format combined with factual message content will generate more positive brand attitudes than other format/content combinations in markets where comparative advertising is novel. However, in markets where comparative advertising is non-novel (an established practice), the indirect format combined with evaluative content will generate more positive attitudes than other format/content combinations.

Message Content and Brand Loyalty

Inasmuch as comparative ads make a claim of superiority to a comparison brand, the degree to which a consumer is committed to or loyal to a brand other than the sponsoring brand may affect whether the claim is effective. It has been shown,

for example, that individuals highly committed to a comparison brand are resistant to change, and tend to reject communications attacking their preferred brand (Gill, Grossbart, & Laczniak, 1988). For those with low brand commitment, that is, brand switchers, their prior attitudes are not as strongly held, making them more open to change. It is noteworthy here that in an established product category where current category users are targeted, all consumers have some level of commitment to specific brands; the issue is the degree to which they are loyal to or switch among existing brands.

Building on arguments presented elsewhere (e.g., Ahluwalia, Burnkrant, & Unnava, 2000; Crosby & Taylor, 1983; Gill *et al.*, 1988), we contend that committed consumers may accept counter-attitudinal information (i.e., claims that a brand other than one they are committed to is superior) if the arguments are strong and objective, thereby minimizing counter-argumentation. Furthermore, more committed receivers will be receptive to claims that contain subjective as well as objective information insofar as the addition of subjective information enhances interest in the advertising claims. However, low-commitment consumers (i.e., brand switchers) are less discriminating and less likely to make use of subjective information. Consumers who are brand switchers will therefore respond better to comparative ads that contain factual, objective information than to ads that contain evaluative content. Those who are brand loyal will not be influenced more by either factual or evaluative content, as both types of information will be valued. Hypothesis 6 captures this prediction, relating brand loyalty's moderating effect on message content and attitude toward the advertised brand.

Hypothesis 6: When brand loyalty is low, factual content will generate more positive attitudes than evaluative content, whereas no difference in content effectiveness is expected when consumers are loyal to one brand in the product category.

METHODS

Study Design

Data were collected via controlled experimentation conducted in France, the Netherlands, and the United States. The study employed a 2 x 2 x 2 x 2 between-subjects factorial design. The treatment conditions consisted of a measured market novelty

variable, where comparative advertising is a novel or non-novel practice (novel in France and the Netherlands vs non-novel in the US) and three manipulated factors: brand novelty (the brand using comparative advertising is new vs established); comparison format (direct vs indirect); and message content (factual vs evaluative information). A single category, yogurt, was the focal product in all three national markets. The sponsoring brand using comparative advertising was either a fictitious new brand or the established number-three-share brand in each country. The names of the fictitious brands were chosen based on pretests in each country. The comparison brands were the market leaders in each country.

Participants were students recruited from universities in France ($n = 245$), the Netherlands ($n = 210$), and the US ($n = 250$). By limiting participation to university students, the respondents in the three countries were loosely matched on the basis of age, education, professional aspiration, and intellectual wherewithal.

Brand loyalty was a measured variable. Study participants indicated the percentage of their yogurt purchases during the past year that they allocated to the top three yogurt brands in each local market and to a fourth unnamed "other" brand. (Hence each of the four brands received a score ranging from 0 to 100 percentage points.) Based on a median split of the responses, respondents were categorized as loyal if 67% or more of their purchases in the past year were of any one brand, and as a brand switcher if 66% or less of their purchases were of any one brand. The distribution of brand loyalists and switchers was virtually the same in each of the three national markets (on average, 55% loyal and 45% switcher).

Product Category and Ad Stimuli

Yogurt was chosen as the focal product class because of its high purchase frequency and widespread usage. In fact, the French and the Dutch have the highest per capita consumption rates of all European countries. In addition, there are many brands on the market, with identifiable market leaders. Further, ads with direct/indirect comparative formats and factual/evaluative content are possible and logical in this product class.

Comparative advertising format was manipulated by altering one key sentence in the experimental ad stimuli. In the indirect format condition, the ad referred only to "the leading brand," whereas in the direct format condition the ad explicitly mentioned

the market-leading comparison brand by name. In addition, the direct ad featured both the sponsor's and the comparison brand's brand marks. The indirect ad featured the sponsor's brand mark only.

Message content was manipulated to reflect factual and evaluative content in the comparative ads. Following ter Hofstede, Steenkamp, and Wedel's (1999) study on the same product category, the factual ad was composed to reflect the organic ingredients and fruit content, and read as follows: "(Sponsor Brand) contains more organic fruit and more active yogurt cultures than (Comparison Brand)." The evaluative ad copy did not elaborate on ingredients; it focused only on the subjective aspects of health and taste, and read: "(Sponsor Brand) tastes better and is better for you than (Comparison Brand)." A manipulation check showed that participants having viewed the factual ad rated the yogurt as more likely to have organic fruit content and active yogurt cultures than those who viewed the evaluative ad ($p < 0.001$).

Procedure

In the first stage of the experiment, participants received the treatment ads, which were placed in a series of short articles on hi-tech gadgets and stapled in a booklet labeled "magazine mockup". A respondent could receive any one of eight different advertising copies in the factorial design (two levels each of advertising format, message content, and sponsor brand novelty). For added realism, one other advertisement was embedded in the surrounding content. Participants were instructed to read the magazine mockup as if they were reading an actual magazine. They were not told the objective of the research. In addition to the magazine mockup, participants were given, in stage two, a booklet containing the questionnaire with the dependent measures. All materials were translated into the native language of the participants using a forward/back-translation procedure. Participants were then instructed to complete the questionnaire found in the booklet without referring back to the magazine mockup. Honest responses were encouraged by stressing to participants that there were no right or wrong answers. This procedure typifies the methods employed in this research area (e.g., Droge & Darmon, 1987; Iyer, 1988).

Further, to assess the equivalence of reading behaviors across the three countries, participants were asked whether they had attempted to memorize, read, or glanced at/ignored the article and the

advertisements. Overall, across countries, as many participants attempted to memorize the articles as attempted to memorize the ads, and most participants reported that they glanced at or ignored the ads. This indicates that there were differences across respondents in how they read the magazine mockup, which mirrors processing of advertising content under "natural ad-processing conditions". Lastly, respondents were debriefed and thanked for their time and effort.

RESULTS

Attitude toward the brand (A_b) was the sole dependent variable. A six-item, seven-point scale was used containing the following anchors: bad/good, unpleasant/pleasant, disagreeable/agreeable, unsatisfactory/satisfactory, foolish/wise, and harmful/beneficial. Principal components analysis showed that all six items loaded onto one component (eigenvalue = 3.61; all other components had eigenvalues < 1.0), and the six items had loadings between 0.63 and 0.84, indicating good scale reliability. Principal components analyses carried out for each country sample demonstrated the same single component loadings and reliability. Moreover, the alpha coefficients on a country-by-country basis were 0.85 (France), 0.80 (Holland), and 0.91 (US), all indicative of good scale reliability.

Prior to running an ANOVA model, all data were mean-centered within country to control for across-country differences in scale usage. The ANOVA results are shown in Table 1, and centered mean values for the three-way interactions are displayed in Figures 3-6. Although no main effects were hypothesized, brand novelty's effect on A_b was significant in that, as expected, A_b was much higher for known, established brands than for fictitious new brands. This finding is not of much theoretical or practical import. The real story is revealed in the interaction effects.

Hypothesis 1 stated that the direct format would generate more positive attitudes than the indirect format in markets where comparative advertising is novel, but that no difference in format effectiveness was expected in markets where the practice of comparative advertising is established. The data did not support this hypothesis ($F_{(1,704)} = 2.092$, $p > 0.15$). Hypothesis 2 qualified Hypothesis 1 by proposing that the results depend on whether the brand sponsoring a comparative ad is established or new. This hypothesis received marginal support ($F_{(1,704)} = 2.903$, $p < 0.09$). As shown in Figure 3, indirect formats for established brands in the US

Table 1 ANOVA results

		F
Intercept		0.215
<i>Main effects</i>		
Market		0.022
Format		4.393**
Content		0.460
Brand novelty		154.846***
Comparison brand loyalty		0.464
<i>Hypothesized interaction effects</i>		
Market × format	Hypothesis 1	2.092
Market × format × brand novelty	Hypothesis 2	2.903*
Market × content	Hypothesis 3	6.757***
Market × content × brand novelty	Hypothesis 4	9.267***
Market × format × content	Hypothesis 5	9.544***
Content × comp. brand loyalty	Hypothesis 6	7.234***
<i>Other significant interaction effects</i>		
Content × brand novelty		3.974**
Market × content × comp. brand loyalty		10.505***
Overall model		7.842***

N=705.
 ***p<0.01; **p<0.05; *p<0.10.

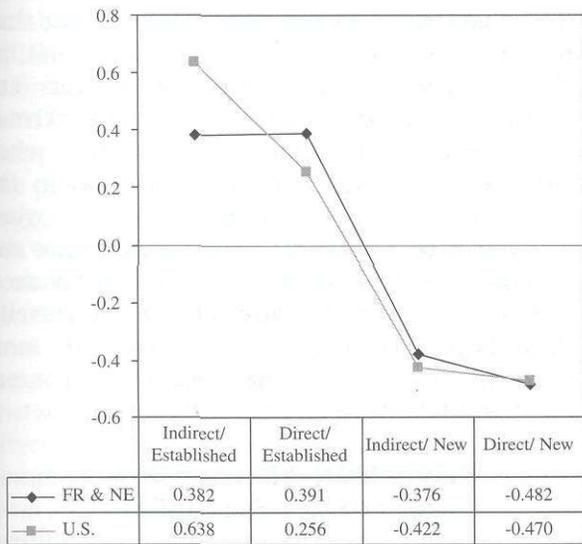


Figure 3 Market × format × brand novelty effects on A_b (centered means).

($M=0.638$) were associated with higher A_b than direct formats ($M=0.256$) for established brands ($F(i,128)=2.68, p<0.10$). However, format did not affect attitudes for established brands in the combined countries (France and the Netherlands)

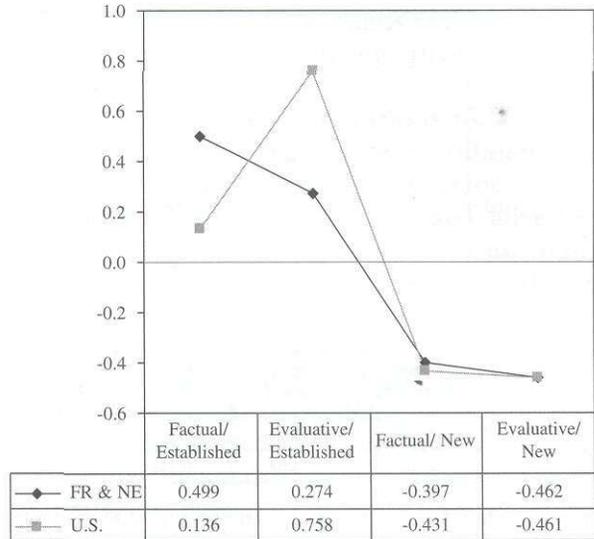


Figure 4 Market × content × brand novelty effects on A_b (centered means).

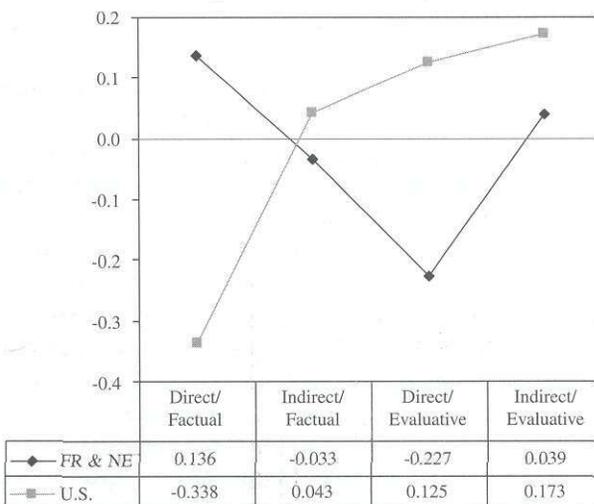


Figure 5 Market × format × content effects on A_b (centered means).

where comparative advertising was novel ($M_{indirect}=0.382, M_{direct}=0.391; p>0.88$). Moreover, for new brands, Figure 3 reveals no significant difference between indirect and direct comparative formats.

Hypothesis 3 stated that factual (evaluative) message content would generate more positive attitudes in markets where comparative advertising is novel (established). This hypothesis was supported ($F(i,704)=6.757, p<0.01$), as factual content is associated with higher A_b in markets where comparative advertising is novel (i.e., France and

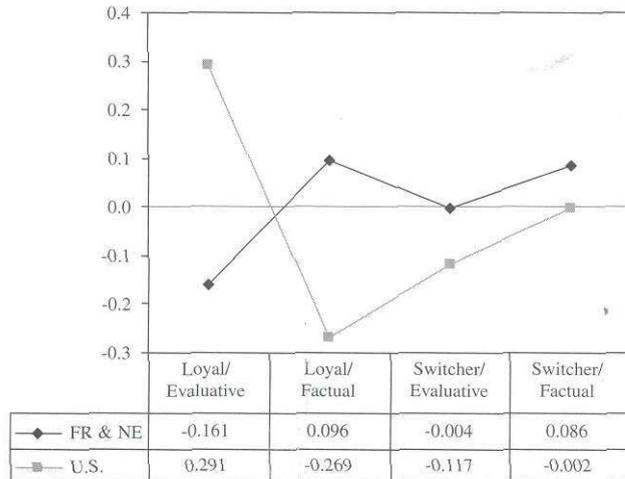


Figure 6 Market \times content \times comparison brand loyalty effects on A_b (centered means).

Holland), whereas evaluative content is associated with higher A_b in the US, where comparative advertising is an established practice.

Hypothesis 4 qualified Hypothesis 3 by implicating an additional role for brand novelty. In particular, it was expected that the interaction effect between market novelty and message content would apply only for established brands, not for new brands. This hypothesis was supported ($f(1,704) = 9.267, p < 0.01$). As shown in Figure 4, in the markets where comparative advertising is novel, factual content was associated with higher A_b for established brands ($M = 0.499$) than evaluative content ($M = 0.274; F_{a/2, 7} = 4.639, p < 0.03$). In the US, where comparative advertising is an established practice, evaluative content was associated with higher A_b for established brands ($M = 0.758$) than factual content ($M = 0.136; F(1,28) = 8.399, p < 0.01$). However, for new brands, Figure 4 reveals no significant differences whatsoever as a function of factual vs evaluative content.

Hypothesis 5 posited that combining direct (indirect) formats and factual (evaluative) content would generate more positive attitudes in markets where comparative advertising is novel (established). This hypothesis was supported ($F(1,704) = 9.544, p < 0.01$). The mean scores in Figure 5 reveal that combining the direct format and factual content worked better in novel markets ($M = 0.136$) than in the US ($M = -0.338; F(1,179) = 10.077, p < 0.01$), whereas combining direct formats and evaluative content in the US was associated with higher A_b ($M = 0.125$) than in the novel markets

($M = -0.227; F_{(U75)} = 8.884, p < 0.01$). No significant market differences were found when indirect format and evaluative content or indirect format and factual content were combined.

Hypothesis 6 stated that factual (evaluative) message content would generate more positive attitudes for consumers who are brand switchers. This hypothesis was supported ($F(1,704) = 7.234, p < 0.01$), as factual content was associated with higher A_b than evaluative content for brand switchers. As expected, A_b was not affected by message content for brand-loyal consumers.

While not hypothesized, we found an interesting three-way interaction between ad content, brand loyalty, and market novelty ($F(1,704) = 10.505, p < 0.01$). As depicted in Figure 6, brand-loyal consumers differ in the extent to which ad content affects brand attitude depending on whether comparative advertising is novel in their national market. In the US, where comparative advertising is an established practice, attitudes are higher for evaluative ($M = 0.291$) than factual content ($M = -0.269$) for loyal consumers ($F_{ai38} = 8.417, p < 0.01$). By contrast, loyal consumers living in markets where comparative advertising is novel (France and Holland) have more favorable attitudes toward the comparatively advertised yogurt brand when ad content is factual ($M = 0.096$) rather than evaluative ($M = -0.161; F_{a,24i} = 5.667, p < 0.02$). These results imply that committed receivers (i.e., those who are brand loyal) will be more receptive to claims that contain subjective information when comparative advertising is established (as in the US), but more receptive to factual content when this advertising practice is novel (as in France and the Netherlands). As further revealed in Figure 6, brand switchers are not affected by the novelty, in that factual content is associated with more positive brand attitudes than evaluative content when brand loyalty is low, regardless of market.

DISCUSSION, LIMITATIONS, AND FUTURE RESEARCH

The theoretical framework underlying our study is that the more skeptical consumers are of comparative advertising claims because of unfamiliarity with this practice, the less likely they are to respond positively to them (cf., Friestad & Wright, 1994; Obermiller *et al.*, 2005; Swinyard, 1981). Our results confirm that whereas consumer attitudes are likely to be lower when comparative advertising is used in novel markets and for novel brands, such skepticism can be moderated through effective ad

execution. Strategically utilizing direct vs indirect comparative ad formats, and factual vs evaluative message content, consumer skepticism can be ameliorated and more positive attitudes toward comparative advertising achieved.

Four of the five hypotheses examining the interaction effects of novelty and ad executions for comparative advertising were supported, as well as one additional non-hypothesized interaction. Marketers need to take into consideration the novelty of comparative advertising in international markets, as well as the status of their brands in those markets (i.e., whether new or established), when developing marketing communications strategies. Our sole non-significant hypothesis, that direct formats would generate more positive attitudes in markets where comparative advertising is novel, mirrors the results found by Choi and Miracle (2004), but differs from those reported by Jeon and Beatty (2002). The inconclusiveness of the relationship between format and market novelty speaks to the importance of the other relationships captured in our study.

In markets where comparative advertising is novel, the direct format appears to be a better fit than the indirect format, especially when combined with factual message content. This particular combination was associated with the highest brand attitudes compared with other format and content alternatives. By contrast, direct formats combined with factual content were the least effective type of comparative advertising in the US, a country where the practice is well established. Instead, our results suggest that American marketers benefit more from ads with indirect formats and evaluative message content. Furthermore, market novelty must also be considered when targeting consumers who are loyal to the brand against which the sponsor brand is compared. When targeted customers are loyal to the comparison brand, factual content is more effective than evaluative content in markets where comparative advertising is novel, whereas the reverse is true in markets where the practice is well established.

The above findings are borne out for brands that are established in the marketplace. When introducing new brands, comparative advertising is not a particularly effective strategy. It should be noted, however, that no other brand awareness initiatives preceded our participants' exposure to the comparative ad, so the conditions in our experiment were as stringent as possible. In circumstances where marketers generate prior brand awareness

and knowledge, low-share brands may benefit more from comparative advertising than our "zero-share" brands.

These findings have implications for marketing brands worldwide. For example, differences in the use of advertising practices across markets may inhibit the use of standardized advertising programs. As our results indicate, an indirect comparison ad with evaluative content that has been effective in the US is likely to yield sub-optimal results in France or the Netherlands, where comparative advertising is much less common. Similarly, an effective comparative ad campaign for an established brand in one market will probably be ineffective in another market where the brand is new or not well known. Novelty differences across countries thus carry important implications for the viability and execution of comparative advertising campaigns.

This leads to one limitation of our study and a possible direction for future research - comparing established sponsor brands that are low share with those that are moderate share. Also, our comparison brand was always the market leader. Future studies might compare the effects on the sponsor brand of comparisons with leading vs moderate share competitors, for which consumer loyalty and commitment may be lower. We examined novelty at both the market and brand levels. Individual consumer traits such as innovativeness and need for cognition (cf. Priester, Godek, Nayakankuppum, & Park, 2004) may be included in future research to determine whether ad execution strategies can be generalized to national markets, or whether they should be tailored more specifically to psychographic-based consumer segments.

Recent studies have begun to explore the extent to which cultural dimensions such as cultural context might influence the effectiveness of comparative advertising (e.g., Shao *et al.*, 2004). Interestingly, we conducted *post hoc* analyses but found very few differences in brand novelty and ad execution effects between France and the Netherlands, although these countries differ in terms of overall uncertainty avoidance (Hofstede, 1980). Rather, the lack of an established history of utilizing comparative advertising in these two countries appeared to generate similar results in attitudes towards the sponsor of comparative ads. One explanation for the lack of an effect due to cultural uncertainty avoidance may be that our sample of college students is likely to exhibit greater cross-national homogeneity than the

broader population. Future studies that account for additional individual differences (e.g., Choi and Miracle's (2004) analysis of mediating effects of self-construal on comparative ad format) may therefore be a fruitful avenue for research.

A final study limitation, as well as an opportunity for future research, relates to the role of advertising skepticism. Although our theoretical framework posits that skepticism plays a central role in mediating the effects of our manipulated variables on attitudes toward the brand sponsoring a comparative ad, we did not include a measure of skepticism that would enable us to test formally

for mediated effects. Future research should pursue this opportunity to measure and test whether skepticism indeed plays the core role suggested by our framework.

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