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Comparative Advertising - a deadly marketing tactic in the competition

Case study: Advertising war between Nestle Milo versus Ovaltine Vietnam

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Thesis abstract

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The thesis aims to study comparative advertising in a brand war. For further investigation, the dissertation addresses two prime questions. The first one is about the impacts of comparative advertising on brand and consumers. Based on the first question, the second one is the explanation of why it is called “a deadly marketing weapon in the competition”.

The theoretical framework begins with the definition and the historical background of comparative advertising. Then, the legal system used to manage the use of it are presented. The pros and cons of comparative advertising are also listed in this part. The Hierarchy of Effect Models in advertising is described in the next chapter. It is the frame of reference used to measure the influences of comparative advertising on consumer attitudes and behaviours.

The empirical part comprises the survey as well as the Milo and Ovaltine case study. Data collated from these sources provide the practical knowledge which is compatible with the theories above.

In conclusion, all questions are answered transparently. Comparative advertising is more impactful than non-comparative advertising on affecting consumers and brands. It could be an ideal strategy to promote product and brand images if companies implement it correctly by keeping it lawful, giving accurate information and using a positive voice tone.

Keywords: advertising, marketing, comparative advertising, marketing war, consumers perception, Milo, Ovaltine, Vietnam

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Terms and Abbreviations

A_(br)	Attitude towards brand
A_(ad)	Attitude towards ad
Ad(s) or advert(s)	Advertisement(s)
Boomerang effect	Briefly explained in Oxford Reference web page: “Boomerang” effect is <i>“A strong counter-reaction when there is a deliberate attempt to change an attitude (resulting in a strengthening or adoption of the attitude that the marketer was attempting to change) or, when a product is marketed very hard, it can sometimes alienate the consumer so much that it results in them deliberately purchasing an alternative or rival product”</i> .
CA	Comparative Advertising
FTC	Federal Trade Commission
KOL	Key Opinion Leader
MCA	Misleading and Comparative Advertising Directive
TVC	TV Commercial

Special Symbols

/	or
%	percentage

1 INTRODUCTION

1.1 Background

Advertising in general and comparative advertising, in particular, are the concepts of communicating with customers via a vast array of media arsenal: print ads, TVC, online, or outdoor campaigns, etc. The goals of launching an advertisement are to promote products or services, increase sales volumes, raise brand awareness and to impart the positive message to consumers. More specifically, comparison advertisement works like a lever that enables firms to greatly highlight their products/ services unique features.

Comparative advertising started to go mainstream when the Federal Trade Commission (hereinafter FTC) in the US approved the use of it during the 1970s (Ash & Wee, 1983), and has become more powerful up to now. It is advocated as an effective marketing practice for companies to advertise new products or services (Gotlieb & Sarel 1991, 38) directly against their competitors. As can be seen, throughout the history of marketing, advertising wars between reputable brands such as Microsoft Bing vs. Google or Audi vs. BMW or Domino vs. Subway, etc sometimes break out. In fact, during the last two decades, comparative advertising wars have been more likely to occur in developed countries. Yet, nowadays, brands in emerging Asian markets including China, India, and Vietnam, etc are increasing interest in using this method of promoting (Kalro, Sivakumaran & Marathe 2017, 100).

The topic is current, owing to the fact that, comparative advertising has been existing for decades within marketing and advertising industry, and it shows no sign of stopping. In addition, the controversy caused by comparative advertising could be harmful to brands. Thus, it is important for brands to fully understand how this tactical marketing weapon works in order to use it wisely.

1.2 Research Objectives

“The use of comparative advertising is not a new phenomenon” (Kalro et al. 2017, 100). Many practitioners execute this marketing strategy, though it can result in public controversy. As can be observed, the more people keep discussing the marketing campaign, the more viral it goes. By doing theoretical research, conducting a survey and investigating the case study, this dissertation aims to point out comparative advertising effects on consumer responses and brands. The ultimate purpose of the thesis is to propose pieces of evidence that it is a deadly tactic in a marketing war.

For the reasons above, there are two questions that the thesis addressed:

First question: How does comparative advertising impacts on consumer responses (including consumer perception, purchase intention and brand preference) and brands?

Second question: Why stated that comparative advertising a deadly weapon in advertising war?

1.3 Thesis Structure

As illustrated in Figure 1 below, the thesis consists of two primary sections: theoretical and empirical. The sub-parts are designed to support the main subjects and to solve the research problems.

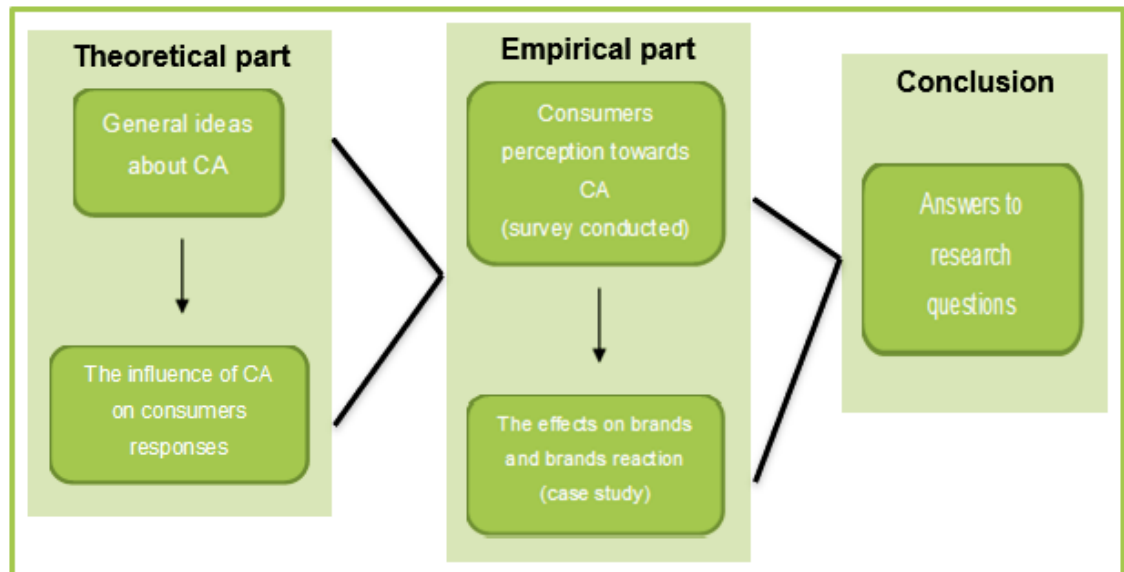


Figure 1. Structure of the thesis

The theoretical part is to give a general idea of comparative advertising. The historical background and some typical examples will be presented in this part also. The thesis compiled the advantages and disadvantages of this marketing technique in the theoretical framework. Since comparative advertising might hurt brands in some particular ways, the legal issues will be mentioned as well. Next, the writer uses the Hierarchy of Effect Models in advertising to illustrate how comparative advertising involves the way consumers behave.

The hypotheses play the role of a frame of reference, which helps collate the output gathered from the empirical section. The study focuses on both consumers and organisations. Having collected data from the questionnaire and the case study, the thesis evaluates the impacts of comparative advertising on brands and consumer's perceptual experience, and then, figure out how brands deal with the controversy to cause the least damage to its images.

Research Methodology section which links the theoretical and empirical parts is arranged in between. It specifies the research methodologies used by the writer and why they are the best applicable.

In the conclusion part, the writer discusses the findings, after that sums up all main points, answers to the research questions and finally give some advice.

2 THEORETICAL FRAMEWORK

Today's fast-paced global economic growth contributes to the rising pressure for economic efficiency. In terms of marketing and advertising, due to the competitive pressure, traders are looking for methods to communicate better their messages with consumers. Schwaiger, Rennhak, Taylor & Cannon once claimed that "What better way to give consumers decision-relevant information than directly comparing the products among which they have to choose?" (Schwaiger et al. 2007, 2). Comparative advertising is a good case in point to be consistent with that logic.

2.1 Definition of comparative advertising

Definitionally, this is a promotional technique in which a company's product or service is asserted its superiority over the competitors' by directly or indirectly making comparisons. Advertisers are able to identify competitive brands explicitly or implicitly in comparative advertisements.

Wilkie & Farris (1975, 7) described comparative advertising as the advertising that:

- “1. Compares two or more specifically named or recognizably presented brands of the same generic product or service class, and*
- 2. Makes such a comparison in terms of one or more specific product or service attributes”.*

Over the years, other researchers have approved this statement as a standard definition of comparative advertising. However, under Wilkie & Farris's perspectives, the definition is restrictive in respect of which the advertisers must expressly name the compared brands. Moreover, Wilkie & Farris only focused on product-based concept. The advertised brands can just make comparisons among particular products attributes of them against those of the rivals. Meanwhile, McDougall (1977) perceived comparative advertising on a broader scale. He suggested integrating all of the advertising forms which imply competing superiority related to other aspects of products. Hence, an advertisement will always be well qualified McDougall's definition as long as a direct or indirect comparison involves in.

2.2 Historical background of comparative advertising

2.2.1 History of comparative advertising

According to some research (Swayne & Stevenson, 1987), comparative advertising was undertaken as early as the eighteenth century in the United Kingdom. Nevertheless, the execution of comparative advertising was recognised more properly in the early twentieth century. Most of the ads during this period negatively depicted the opponents' images, instead of making comparisons. One of the first comparative advertising campaigns is deemed to be published in the early 1930s in the US. The ad aimed to encourage potential consumers to "Look at All Three" (name of the campaign) before deciding to purchase a car (Harris, 1967). Specifically, the print-ad was done by J. Stirling Getchell (Appendix 1). He took a photo of the CEO with his car (personification technique), and in the copy, he pointed out the outstanding functions of the Plymouth. Also, without mentioned any brands, Getchell still cleverly referred to Ford and Chevrolet, but after that acknowledged Plymouth is the best of all.

Prior to 1960s, names of competitive brands were labelled "Brand X", "leading brands", "ordinary brands" or "other general brands" (Barry 1993, 19 & Beard 2013b). Not until FTC regulated the use of comparative advertising during the 1970s, did comparisons to "brand X" dissipate. Under the policy and endorsement, advertisers were approved to freely implement various competitive tools to promote their products or services. This action corresponded to the goals of enhancing the useful and needed information for shareholders in the marketplace, especially for consumers (Wilkie & Farris et al. 1975, 8). Although at first, professionals had a bias against the execution of comparative advertising, by 1990s they eventually admitted it as an ordinary means of communication in marketing (Ronald & Moon 1995, 108). Comparison advertisements, especially explicit ads were widely accepted in national prints and other broadcast media from the 1990s to now, despite being seen as disparagement.

TIMELINE	EVENTS
<i>In the early 18th century</i>	Comparative advertising is supposed to be first used in England, by a blacksmith who made swords in the Roman Empire.
<i>In the early 20th century</i>	The first comparison ad founded in the USA (“Look at all three” by Stirling Getchell).
<i>The 1930s</i>	Industry-wide self-regulation concept rarely mentioned.
<i>Before the 1960s</i>	Competitive brands were introduced as “brand X”.
<i>Since the 1960s</i>	Comparisons to “brand X” almost disappeared.
<i>From 1971 – 1972</i>	FTC legalized the use of comparative advertising.
<i>1979</i>	FTC endorsed Statement of Policy regarding comparative advertising.
<i>By the 1990s</i>	The use of comparative advertising was accepted by professionals. It increasingly took place in Telecommunication, beverages and mobiles industry.
<i>From the 20th century to now</i>	Comparative advertising is often seen as disparagement.

Table 1. Historical timeline of comparative advertising.

2.2.2 Global practices

As can be seen, comparative advertising is a long-established creative approach in marketing. Likely other kinds of advertisement, comparison adverts are often founded in TVC, print ads, billboards, outdoor campaigns, websites, social media and direct emails, etc. Some examples of remarkable comparative advertisements below could demonstrate more clearly what it is and how brands employed it.

Hertz versus Avis – Sector: Car rental services

Hertz was the only car rental company in the United States in 1962. Avis is one of the brands in the same service sector. The slogan "More people by far... use Hertz Rent-A-Car" was first introduced in 1956. A few years later, Avis coming out the print

series called "We Try Harder" (Appendix 2). This campaign not only repositioned Hertz, but it also generated a credible strength for Avis. The market dominance of Hertz turned weaker, and from consumer perspectives, Avis became their better selection. The war between Hertz and Avis continues when Hertz responded to its rival: "For years Avis has been telling you Hertz is No.1. Now we're going to tell you why" (Appendix 2).

Even though there are new competitors has entered the marketplace, Avis and Hertz still remain the leader position in the industry. Obviously, the No.1 and No.2 dialogue keeps going on until now.

Complan versus Horlicks in Indian market – Sector: Healthy drink

The notable comparative adverts broadcasted on Indian television was between Horlicks and Complan in Healthy drinks sector. The ads compared all dimensions of products such as values, prices as well as the number of nutrients, etc.

Initially, in the commercial "I am a Complan Boy", Complan implicitly declared that it is a better option than brand 'H'. Replying to Complan's message, Horlicks saying that Complan just can make a boy taller, while, Horlicks makes him "Taller, Sharper and Smarter." However, these advertisements confused and irritated their audiences, so the firms determined to stop running such comparative campaigns.

Samsung versus Apple – Sector: Mobile/ Technology

The two giants in the technology industry, Samsung and Apple are famous for competing for dominance in the smartphone market.

In late 2011, Samsung conducted "The Next Big Thing" TVC to advertise their latest released smartphone, Galaxy S II. In the ad, a long line of Apple fans waiting for the next iPhone was checking out the Galaxy S II of bystanders. Not only did Samsung tease iPhone users by saying "Why don't you guy just get 4G phones?", but they also took the chance to highlight their larger screens (Appendix 3).

A couple of years later, Samsung once again lampooned Apple in the print ad "It doesn't take a genius" which was run in US newspaper. The copy demonstrated areas where of the Galaxy S III matches or surpasses the iPhone 5. For instance, it

has larger and higher resolution screen, longer battery life, or larger storage capacity. However, those ads could not prompt any reaction from Apple. It is seemingly because Samsung's strategy did not bother them at all (Appendix 3).

Another recent practice of comparative advertising is the brand war between Milo and Ovaltine Vietnam. It will be deeply analysed and discussed in chapter 5 of the thesis.

2.3 The legal issue

Those examples above are just a few of several comparative ads which have been launched throughout the years. Various research projects suggest differing figures related to the use of comparative advertising (in the US only). Mueh et al. (1990, 41) founded that approximately 35% - 40% of all advertisements are comparative. In a summary of varied data set, Pechmann and Stewart (1990, 180) presented that 60% of ads contain indirect comparisons; 20% contain direct comparisons, and the remaining of them are non-comparisons. Generally, comparative advertising is a strategic option within any possibilities of advertising. Nonetheless, it is considered an aggressive competitive tool. It is vital to distinguish comparative advertising from negative attacking (or misleading) advertising concept. Unlike comparative advertising, which is used to enhance consumers consciousness or identifies the competition by claiming its superiority, negative advertising fundamental goal is to impute inferiority of the competitor, and ruin the reputation of the competition (Merrit 1984; James and Hensel 1991).

In the worst-case scenarios, comparative advertising may be seen as disparagement or denigration, which causes harm to both companies and consumers. Consequently, to protect traders and buyers, government formulate policies with regard to the implementation of comparative advertising. In terms of legal issue, this thesis will concentrate on three different law systems: the EU regulations, the US regulations and the peculiar Vietnamese regulations.

2.3.1 The EU regulations

The issue of comparative advertising was authorised by Misleading and Comparative Advertising Directive 97/55/EC (hereinafter MCA Directive) (Oct 1997), then was codified in the Directive 2006/114/EC (Dec 2006). Though comparative advertising is helpful for consumers and firms, it shall be accepted only when it is truthful, non-deceptive and meet all conditions required in Article 4 of MCA Directive. Fundamentally, comparative advertising should *“compares goods or services meeting the same needs or intended for the same purpose; it objectively compares one or more material, relevant, verifiable and representative features of those goods and services, which may include price;”*.

Remarkably, one of these conditions refers to discrediting, which is a form of disparagement: *“It does not discredit or denigrate the trademarks, trade names, other distinguishing marks, goods, services, activities or circumstances of a competitor. For products with designation of origin, it relates in each case to products with the same designation”* (MCA Directive 2006, 23). Paradoxically, most of the well-known comparison ads contain discreditation of the rivals, or products/ services they offer. Therefore, the absolute proscription would prevent practitioners from accomplishing the intended liberalisation of comparative advertising. Thus, only inessential discreditation or denigration of the competitor’s products/ services, activities, trade name or trademark which appears in the advertisements, is counted as unlawful. In other words, advertisements which just highlight the pros of it, as well as fairly indicates the cons of the competitor’s goods or services, are all legitimate. On the other hand, advertisements which strive to imitate, mock or defame its competitors with an aggressive tone, are impermissible.

2.3.2 The US regulations

The US regulations regarding comparative advertising are similar to the EU counterpart, but more liberal. Comparative adverts which are done to discredit, ambush, or criticise its opponents or their products/ services are admissible. Nonetheless, there is no room for misguided discreditation. It means that no matter how true or false or ambiguous an advertisement is, if it in some sense, expresses deception on

the competitive brands or their products/ services, will be considered as illegal. Any individuals or organisations which run a commercial promotion that *“misrepresent the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities”* (15 U.S.C. § 1125), will compulsorily incur legal liability. This rule has been claimed in Section 43 (a) of the Lanham Act.

Even though, advertisers in America are given more freedom to carry comparative advertisements. In that case, criticism or disparagement must be highly scrutinised by the authority. As it is regulated in the National Advertising Division: *“expressly or implicitly disparage a competing product should be held to the highest level of scrutiny in order to ensure that they are truthful, accurate and narrowly drawn.”* (National Advertising Division, n.d).

2.3.3 The Vietnamese regulations

In matter of the Vietnamese law system, comparative advertising is covered by the three laws: Competition Law (2004), Commercial Law (2005) and Advertising Law (2012). Each of them interprets comparative advertising in varying ways, but they similarly identify this concept based on two rules:

“It must utilize the direction comparison methods; and,

It must compare goods or services (or the manufacture of goods or provision of services) of the advertiser with those of the same kind of a competitor (maybe another enterprise, business entity, organization or individual depending on each law).” (Tran, S.V & Nguyen, X.H, 2013).

Noticeably, it is written in the Advertising Law that superlative words or terms, for instance, *“best”, “first”, “only”* are strictly forbidden, unless appropriate and valid pieces of proof provided (documents, certificates or medals won in any competition, etc.). Moreover, any companies which believe they are victims in the brand war are able to bring the lawsuit against their competitors. If the advertisers are found breaking the law, they must discontinue promotional activities, publicly admit and correct the mistakes, or even compensate for the detriment.

Comparing to the European and the US legal framework, there are certain problems can be founded in the Vietnamese regulations. Firstly, though comparative advertising approach refers to the three law systems, but none of them reaches consensus about the resemble definition of comparative advertising. The meaning of direct comparative advertising or characteristics of direct comparison technique is not apparently explained. Hence, there is no clear guideline for marketers or advertising agencies for creating unambiguous and legitimate adverts. Secondly, owing to the closed-minded legislations, Vietnamese laws are supposed (Tran, S.V & Nguyen, X.H, 2013) to impede the fair comparison among businesses, plus, restrict rather than develop competition within the marketplace, because it absolutely prohibits comparison advertisement without considering its accuracy and honesty.

2.4 The pros and cons of comparative advertising for brands

Comparative advertising crucially targeted to make up consumers' mind about the sponsoring brand's image. Comparative adverts have been found to evoke better message involvement (content) and information processing intensity. Therefore, it is undeniable that comparative advertising becomes the often-used marketing approach. Yet, the matter of the implementation of comparative advertisements is to possibly cause highly controversial issues (disparagement). Hence, the list of detailed pros and cons of comparative advertising is listed below to account for the reasons why brands should use comparative advertising, and why they should not to. In addition, for critical evaluation, comparative advertising will be put in relation with non-comparative advertising.

2.4.1 The advantages of comparative advertising

In his research, Barry Thomas compiled the most common reasons for running comparison advertisements.

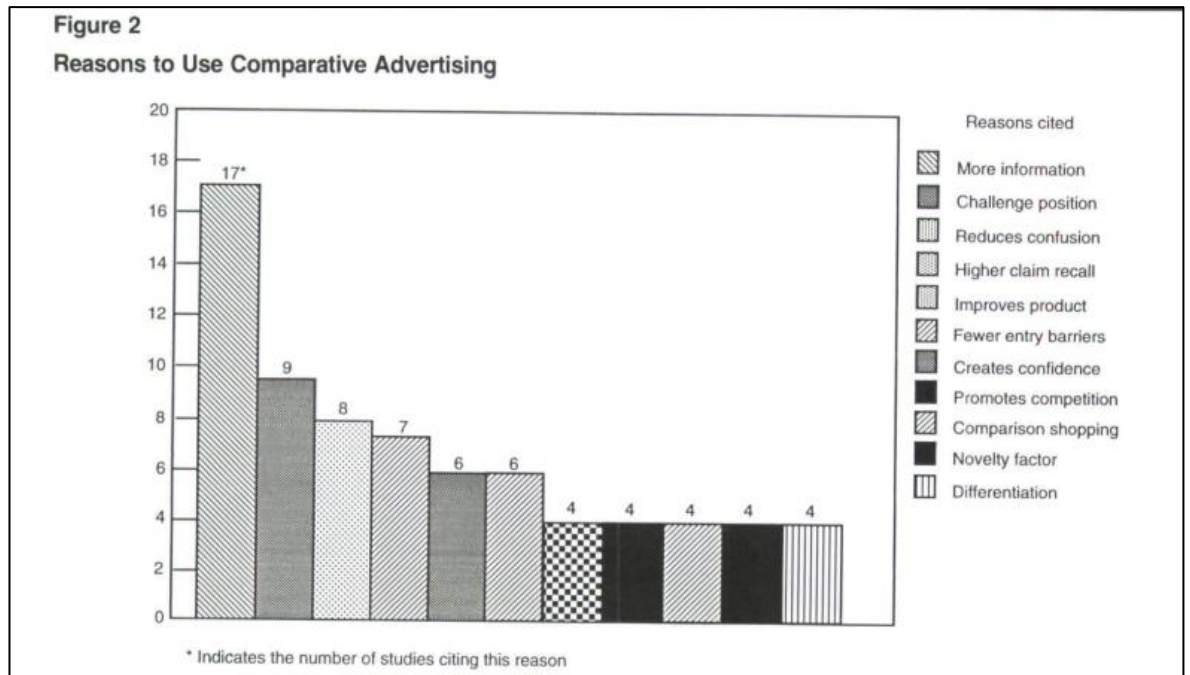


Figure 2. Reasons to Use Comparative Advertising (Barry, E.T 1993, 22)

As can be observed from Figure 2, the most overwhelming reason prompting marketers to use comparative advertising is a large amount of data it provides to the marketplace (cited in 17 reviews).

The second tempting advantage is that this promotional strategy helps unknown companies to “grab a niche” then get closer to become famous and respected brands (cited in 9 research papers).

Thirdly, eight different studies recommended that an effective comparative advert can make purchasers less confused about which attributes are significant. Moreover, comparison advertising is a feasible approach for underdogs and slow-growth industries. It pushes organisations to advance the quality of their products or services, as well as, lower barriers to entry.

Fourthly, by executing comparative ads, a firm is able to boost brand confidence, create favourable attitude towards sponsoring brand, trigger comparison shopping, make use of novelty factors in their first debut and differentiate their brand.

Finally, some more capabilities of comparative advertising come along with the hierarchy of effects model. They lead to wiser buying decision making and offer a modern mode of consumerism for advertising industry. The structure and functions of the Hierarchy of Effects Model will be discussed more detailed later in chapter 3.

Apart from Barry and Muehl's studies, some more pros of launching comparative ads were founded in other researcher's journals (Grewal, et al. 1997; Hill & King 2001; Barrio-Garcia & Luque-Martinez 2003; Anderson & Renault 2009; Myers, et al. 2010; Willams & Page 2013):

- Positioning products more effectively.
- Polarising audiences' attitudes and perception towards competitive brands.
- Provoke favourable attitudes on sponsoring brands.
- Raising brand awareness and affecting buying intentions.

2.4.2 The disadvantages of comparative advertising

Though comparative advertising has many positive impacts on both consumers and brands, there are some adverse influences that advertisers should take into account when conducting comparison campaigns.

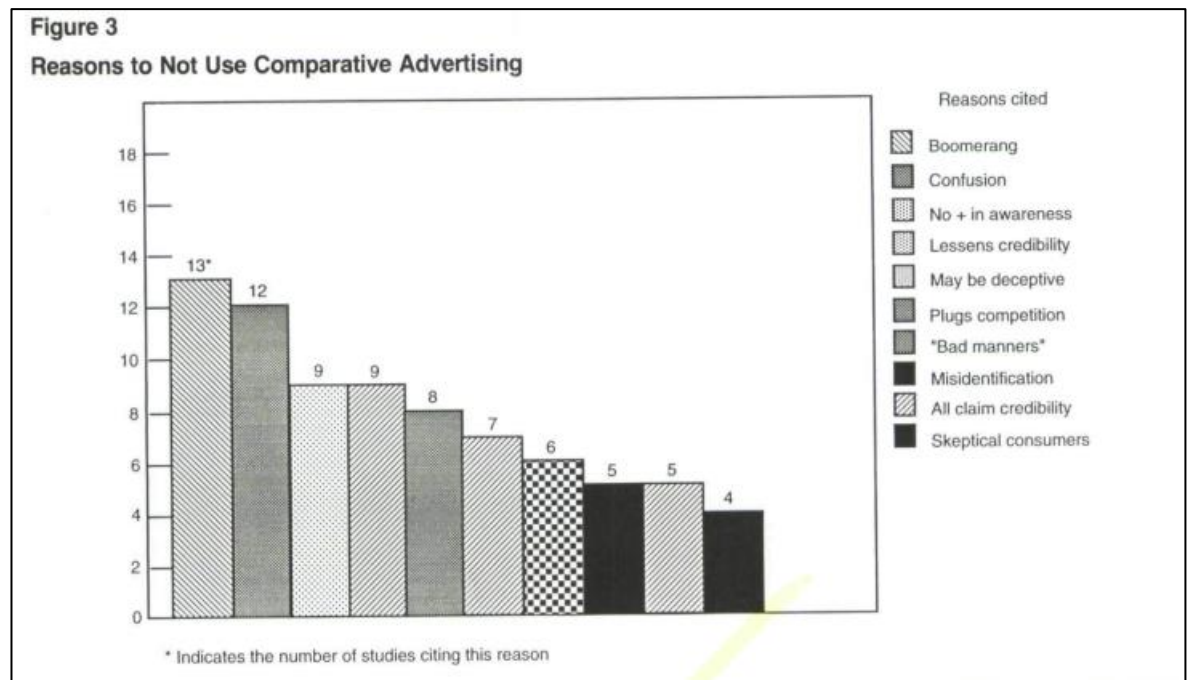


Figure 3. Reasons to Not Use Comparative Advertising (Barry, E.T 1993, 23)

The most common disadvantages of comparative advertising were recapped in the same research carried out by Thomas Barry (1993). Figure 3 shows that many people advocated that comparative advertising should not be used for it caused the “boomerang” effect. Open media warfare has witnessed this event during the long-running battle between Coca-Cola and Pepsi.

The second most – often cited reason is that comparative advertising may be counterproductive as it creates too much information. As a consequence, a group of the audience will be confused and find that information is irrelevant. Those two reasons are followed by credibility matter. Nine studies cited that comparative advertising may reduce rather than improve the believability for the sponsoring brand. The lack of credibility is responsible for the inconsistent convincing impacts of comparative advertising (Gotlieb & Sarel 2001, 38). Eight studies all agreed that owing to incomplete comparisons, comparative adverts may be deemed to be misleading. Under certain circumstances, consumers might misrecognize the sponsoring brand. They perhaps get angry and turn to be skeptical sometimes. It leads to the assumption that comparative advertising is bad – manner as well as takes responsibility for cut-throat competition.

Last but not least, the advantages accrue to less well-known companies, whereas big corporations may be suffering from the dramatical decrease of total surplus. The brand warfare may release price competition, yet later on, when product differentiation increases, prices tend to go up higher than before (Grewal, et al. 1997; Hill & King 2001; Barrio-Garcia & Luque-Martinez 2003; Anderson & Renault, 2009; Myers, et al., 2010; Willams & Page 2013).

3 THE INFLUENCE OF COMPARATIVE ADVERTISING ON CONSUMERS RESPONSE

Similar to the analysis of comparative advertising pros and cons, researchers compared it to the non-comparative counterpart for critically evaluating the effectiveness. The impacts of advertising are measured by the Hierarchy of Effect Models, which was popularly introduced by Lavidge and Steiner in 1961. To be associated with the six steps/ movements towards purchase decision (Appendix 4), Lavidge and Steiner (1961, 60) divided functions of advertising into three components: cognitive, affective and conative. They also suggested the ad formats which are the best application for each movement and function, comparative advertising is advised to execute in the second stages (liking and preference).

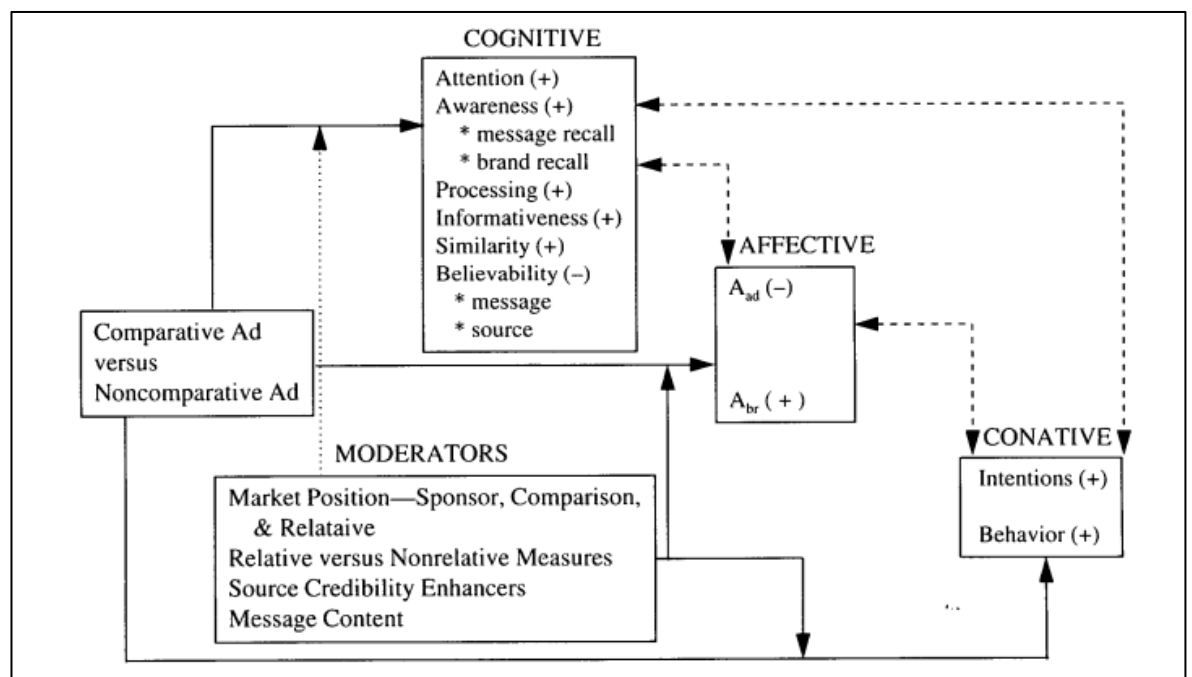


Figure 4. Hierarchy of Effect Models (Grewal et al. 1997, 2)

- Cognitive: It refers to *“the intellectual, mental, or “rational” state”*. The goal of this function is to raise the consciousness of audiences about the existence of sponsoring brands, goods or services, moreover, providing fundamental

information about them to consumers. Cognitive function consists of the influence of advertising on awareness (message and brand recall) and knowledge/ informativeness (message).

- Affective: It refers to *“the emotional” or “feeling” state*. This function aims to create more favourable attitudes and perceptions towards the sponsoring brand and the ads (*liking and preference*).
- Conative: It refers to *“the “striving” state, relating to tendency to treat objects as positive or negative goals”*. This is a decisive step which determines consumers belief, actions and choices. Conative component’s purpose is to convince and create consumers yearning for sponsoring brand or their products/ services.

3.1 Comparative advertising and Cognitive function

Briefly recap the definition above, cognitive function provides helpful facts to the targeted audiences, which moves them from unconsciousness to knowledgeable about the sponsoring brand. To measure the cognitive outcomes, dependent variables such as attention, awareness, information process, and credibility will be assessed.

3.1.1 Attention

Wilkie & Farris (1975, 11) suggested that the effectiveness of advertisement in boosting brand awareness is equivalent to its ability to get audience’s attention. Attention, according to Blackwell, Miniard and Engel (2006), is the *“allocation of cognitive capacity to the advertisements”*. More than just one audience find comparative ads more appealing than noncomparative ads, firstly due to its novelty (Wilkie & Farris 1975, 11; Pechmann & Stewart 1990, 181). Unfortunately, when many firms started employing this marketing practice, comparative advertising is no longer novel as it used to be. Pechmann & Stewart (1990, 181) anticipated that explicit comparison adverts would grab greater attention, if the sponsoring brand owns

lower market shares than its opponent. Secondly, the more in-depth knowledge of products that consumers get, the more attention they will pay to a message (Barrio-Garcia & Luque-Martinez 2003). In comparison ads, not only the advertised and the competing brand's names are identified, but the features of them are also illustrated. Thus, consumers perceive messages that comparative ads contain is more relevant and valuable than noncomparative ones. Because, when people are well-informed, they would spend less time and effort in reaching on products or services or brands. Decision – making process also becomes quicker and easier (Lynch & Srull 1982; Muehling et al. 1990). Thirdly, people are always looking for not only useful, but also new and tempting content among hundreds of ads they watch per day. The content must be informative enough that can help them differentiate brands. Direct comparison ads are supposed to qualify their needs, in contrast, consumers hardly ever find that unique information available in non-comparison ads.

3.1.2 Information process

Information process (message elaboration) is estimated by the number of messages connected with consumers thoughts that an advertisement can trigger. Wilkie & Faris (1975, 14) suggested that *“the same factors that would cause a consumer to pay more attention to the message can operate to increase his or her "involvement" with the message”*. A huge consumers engagement rate manifests a better cognitive elaboration (Muehling et al. 1990, 43).

Comparison ads which feature the point-by-point contrasts between advertised brands and comparing brands, generate greater mental activity and elaboration (Wilson & Muderrisoglu 1980) than traditional ads do. By making a comparison between the two brands, it provides encoding clues linking with the related memory nodes and networks. As a result of that, comparative advertisements contribute to a wider spreading activation in brain. Spreading activation can be interpreted as the stimulation of key elements within and between the network of relations in memory (Wickelgren 1981; Aderson 1983). Stimulation is, likewise, a reason that supports comparative ads to foster elaboration process. Comparative advertising is more stimulating than noncomparative ads. It urges people to argue, either advocating or

rejecting the core meaning in the message. Supporting ideas or counterarguments depend on prior experiences and familiarity of consumers with products and brands (Muehling et al. 1990, 43; Grewal et al. 1997, 3).

3.1.3 Awareness

Consumers are believed to be aware of advertised brands if they are capable of recognising the brand's name, and showing their comprehension of the meaning of delivered message in an advert. In comparison to traditional ads, the more attention comparative ads get, the more people can recall brands and messages (Wilkie & Farris, 1975). Also, in their research, Wilkie & Farris conjectured that comparative advertising only improves consumers awareness of competing brands, besides attracting their attention. Actually, attention is an essential condition to provoke consumers consciousness of brands and messages, but not sufficient, without the involvement of the retrieval process. This is one of the two elements in the model of recognition memory, which is the outcome of interevent integration (Horton & Mills 1984, 369). People find it easier to recapture their memories under the condition of greater spreading activation and relational processing (Muehling et al. 1990, 43). In contrast with Wilkie & Farris's opinion, by giving consumers a larger amount of information about the advertised brands than non-comparison ads do, comparison ads definitely increase consumers awareness of sponsoring brand and message. Because, the extra information may yield numerous retrieval hints and strengthen their memory performances (Grewal et al. 1997, 3).

3.1.4 Credibility

Credibility refers to user perception of the accuracy and truthfulness of the advertisement, or the message it contains. Credibility consists of two components: source credibility and ad believability.

There are plenty of opposing opinions about the credibility of comparative advertising. Wilkie & Farris (1975) speculated that comparative ads had better be more credible than the traditional. A few years later, other researchers, however, disputed

Wilkie & Farris's opinions. From their perspectives, comparative ads generate lower believability than non-comparative ads (Prasad 1976; Levine 1976; Shimp and Dyer, 1978). Contrary to the notion above, Golden (1979, 526) indicated that there is no difference related to the credibility of claims between these two ad formats. As can be seen, in spite of the conflict over believability and credibility, the majority of studies support that comparative advertising is lack of credibility. The effects of comparative advertising are thought to be inconsistent and not persuasive enough, owing to the lower credibility of claims (Swinyard 1981; Belch 1981; Gotlieb & Sarel 1991, 40). Additionally, comparative advertising has been reported to induce more counterarguments than traditional advertising. For instance, consumers of the comparing brands, perhaps, grow antipathy towards sponsoring brand. Because the message that brand conveys might contradict their beliefs. Usually, they still remain their sceptical viewpoints, and respond to the comparison ads by raising counterarguments that disagree with the message claims, denigrating the source of message, or giving negative comments about the message (Wright 1973).

3.2 Comparative advertising and Affective function

Attitude is the outcome of the information processing procedure in the cognition step. Affective function is made of Attitude towards the ad (A_{ad}) and Attitude towards the brand (A_{br}).

3.2.1 Attitude towards the ads

Attitude towards the ads includes audience perspectives on the offensiveness/friendliness of the ad, as well as their overall feelings about the campaign. Lutz (1985) defined attitude towards the ad as "*predisposition to respond in a favorable or unfavorable manner to a particular advertising stimulus during a particular exposure occasion*".

It is suggested in several extant studies that comparative advertisements make a less favourable impression to recipients than non-comparative ones (Belch 1981;

Swinyard 1981). Similar to the reason why people discount the message in comparison ads due to inadequate believability, usually, consumers of comparing brands certainly find comparative marketing campaigns as attack advertisements. They insisted that comparison ad formats disparage and defame their choice of brand, as well as contributes to highly controversial debates over the origin and the content of message (Wilkie & Farris 1975; Belch 1981; Swinyard 1981; Grewal et al. 1997, 4). Another reason comes from the tone of voice. Dröge (1989) figured out that comparative ads are a bit belligerent, unpleasant, and less trustworthy, which makes users easily mistake it for negative attacking advertisements (explained the differences between them in section 2.3).

3.2.2 Attitude towards the brand

MacKenzie, Lutz & Belch (1986, 131) & Muehling (1987) all agreed that attitude towards the ad firmly affects the attitude towards the advertised brand. Furthermore, the association with comparing brand is another factor involving in the way viewers judge sponsoring brand. They tend to discern the similarity between the two brands in comparison ads. If they take the favourable attitude towards the comparing brands, especially when that brand is a leader in the marketplace, they may also have similar feelings about the advertised brand; vice versa. Reasonably, comparative advertising should gain more positive impacts on users' attitude towards sponsoring brand than non-comparative advertising (Levine 1976; Goodwin and Etgar 1980; Gorn & Weinberg 1984). This is because it offers consumers clearer and more focal consciousness (Wilkie & Farris, 1975), as well as lets them differentiate the brands by themselves (Dröge 1989).

3.3 Comparative advertising and Conative function

Conative function is the most crucial component since it demonstrates how comparative advertising influences consumers' intention on purchase (Pechman & Stewart 1990). Swinyard (1981) found no big differences between comparative advertising and traditional advertising in terms of inducing consumers purchase intention.

Whereas, Dröge (1989) posited that if comparative advertising favourably affects cognitive and affective functions, buying behaviour will be influenced (regarding cognitive function). Grewal et al. (1997) also believed that consumers' "purchase intention" or "actual purchase behaviour" seems to be more positive when it is comparison advertisement, rather than non-comparison one.

4 RESEARCH METHODOLOGY

Research is defined in The Advanced Learner's Dictionary of Current English (1952, 1069) as "a careful investigation or inquiry specially through search for new facts in any branch of knowledge". Research does not mean collecting data from books or transporting facts from one source to another, because there is no contribution to new knowledge created, as followed by Sachdeva (2008, 13). He evidently clarified that research is "systematic process of collecting and analyzing information (data) to increase our understanding of the phenomenon about which we are concerned". This academic activity, according to Clifford Woody is comprised of identifying the research problems, formulating a hypothesis, collating data or facts, testing conclusions carefully, and finally recommending solutions for the problems (Kothari 2004, 1). In short, research is can be understood as a voyage of discovering and fully comprehending new knowledge, with the help of study, observation, comparison as well as experiment.

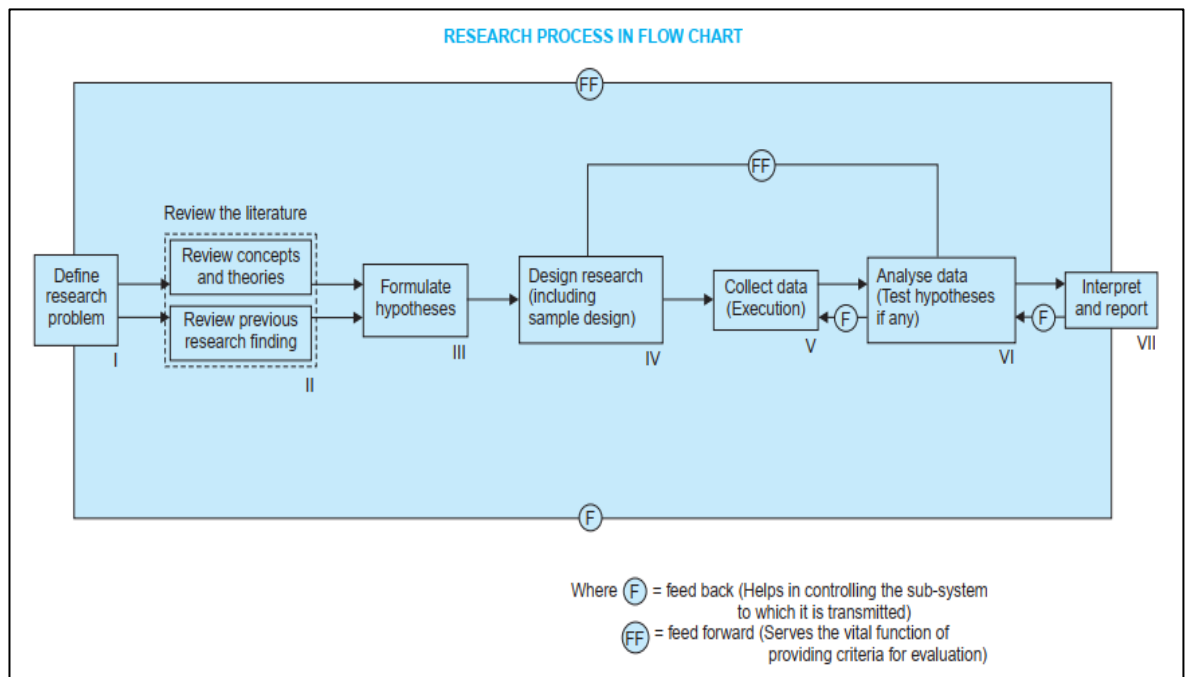


Figure 5. Research process in flow chart (Kothari 2004, 11)

There are 5 types of research methods suggested by Kothari (2004, 3 – 4):

- *Descriptive vs. Analytical: Descriptive research* uses different kinds of surveys and fact-finding questionnaires for describing the current phenomena. *Analytical research* analyzes available facts or information so as to critically evaluate the material.
- *Applied vs. Fundamental: Applied research* is used to figure out the solution for a problem which an organisation, an industry or a society is confronting. *Fundamental research*, on the other hand, concentrates on generalising as well as formulating a theory. Research can either be fundamental (to basic or pure) and applied (or action) research.
- *Quantitative vs. Qualitative: Quantitative research* is about quantitative phenomena which involve the measurement of amount or quantity. *Qualitative research* is about qualitative phenomena which are regarding quality or kind.
- *Conceptual vs. Empirical: Conceptual research* which is concerning the abstract theories or idea(s), is often used by philosophers to develop new concepts or to interpret the existing ones in a new way. Whereas, *empirical research* is data-based research, which leads to conclusions by verifying experience or observation.
- *Some other types of research:* Depending on many factors, such as the purpose, the time required, the research environment, etc, a lot of types of research could turn to the alternatives of one or more of research approaches above. They may turn to be *one-time research, longitudinal research, field-setting research, laboratory research, simulation research, clinical or diagnostic research, exploratory research or historical research.*

The topic of this thesis is “*Comparative advertising is a deadly tactic in competition*”, which tests the influence of comparative advertising. This thesis combines two research methodologies for solving the problems: quantitative research and case study. Quantitative data approach is chosen to investigate consumers responses to comparative advertising. Case study is selected to examine the effects of comparative advertising on brands, as well as their reactions to the public controversy.

4.1 Quantitative research method

The quantitative research is a broad realm of methodologies, which is used to collect, describe and measure numerical and statistical information from various reliable sources. Creswell (2003, 18) depicted quantitative research to *“employ strategies of inquiry such as experimental and surveys, and collect data on predetermined instruments that yield statistical data. The findings from quantitative research can be predictive, explanatory, and confirming. It involves the collection of data so that information can be quantified and subjected to statistical treatment in order to support or refute alternate knowledge claims”*. According to Leedy and Ormrod (2001), quantitative research method includes three prime categorizations: descriptive research, experimental research and causal comparative. Online survey collecting data method (descriptive research) is chosen for this thesis to examine consumers perception towards comparative advertisements. A survey will be sent to daily buyers concerned with a request to fill-in and return the survey on their own.

On one hand, quantitative research method is advantageous for gathering a large amount of data. Multiple data set can be evaluated accurately and simultaneously at a fast pace. The numerical outcomes are likely to be low-cost, objective, valid, reliable, comparable as well as generalisation to a broad population.

On the other hand, quantitative method allows analysts to answer the questions *“what”* and *“to what extent”*, but it is unable to answer *“why”* and *“how”* questions. Furthermore, respondents might not be familiar with ‘comparative advertising’ concept, which could be one of the reasons for low rate of return of the duly completed surveys generated.

4.2 Case study

There are numerous definition and comprehension of the term “case study” or “case review”. The investigation varies from an individual to organizations Bromley (1990, 302) laid down the meaning of a case study as a *“systematic inquiry into an event or a set of related events which aims to describe and explain the phenomenon of interest”*. Mitchell (1983, 192) defined it as *“a detailed examination of an event (or*

series of related events) which the analyst believes exhibits (or exhibit) the operation of some identified general theoretical principles". Most researchers believed that this is more than a research technique. Case study is a strategy (Yin 1994) which is used to do research on contextual conditions, and should not be confused with qualitative research.

The print-ad campaigns run by Ovaltine and Nestle Milo are picked as a case study for this thesis. Firstly, these advertisements immediately caused confrontation right after their launches. Analysing this case could help students, marketers, consumers and other parties understand why the comparative advertisements went viral offline and online throughout the duration it happens. Secondly, during this brand battle, Nestle Milo claimed itself as a victim. This case study will be reviewed to interpret how brand reacted to comparative advertisements.

This is the best-suited methodology to assess current or contemporary events. Opposed to experimental research, case study method examines detailed and relevant information in real life rather than in artificial settings (Gomm, Hammersley & Foster 2000). It combines and manages so well multiple types of data collection approaches, for instance, documents, interview, questionnaires and observation, etc. (Eisenhardt 1989). In addition, while quantitative research is not able to answer "*how*" and "*why*" questions, a case study will do. Case study is also helpful for creating hypotheses for further study regarding the relationship between comparative advertising and brands.

Nonetheless, the major drawback of case study method is its lack of generalisation. The scope and scale of research objects are narrow, which could not be applied to all others, or come to a scientific conclusion. Case study methodology, consequently, is assumed to have low external validity (Stake 1978).

5 SURVEY RESULTS AND FINDINGS FROM CASE STUDY

5.1 Survey results

The survey was shared widely in the community, 100 people taken it, and the completion rate is 100%. The outcomes are going to be analysed and presented in this passage. The empirical report is divided into two sections: the demographic and the main section which is about consumer perception towards comparison ad.

5.1.1 Demographic section

Gender

There are 74 women and 26 men participated in this survey. In other words, the gender distribution is 74% of female and 26% of male. It is obvious that the proportion of female respondents dominates the proportion of males. None of the respondents must take the survey under coercion and threat. Hence, the information provided by 100 participants is valid and reliable. It precisely reflects diverse perspectives of purchasers with respect to the investigation topic. This helps the author critically and equitably analyse the results

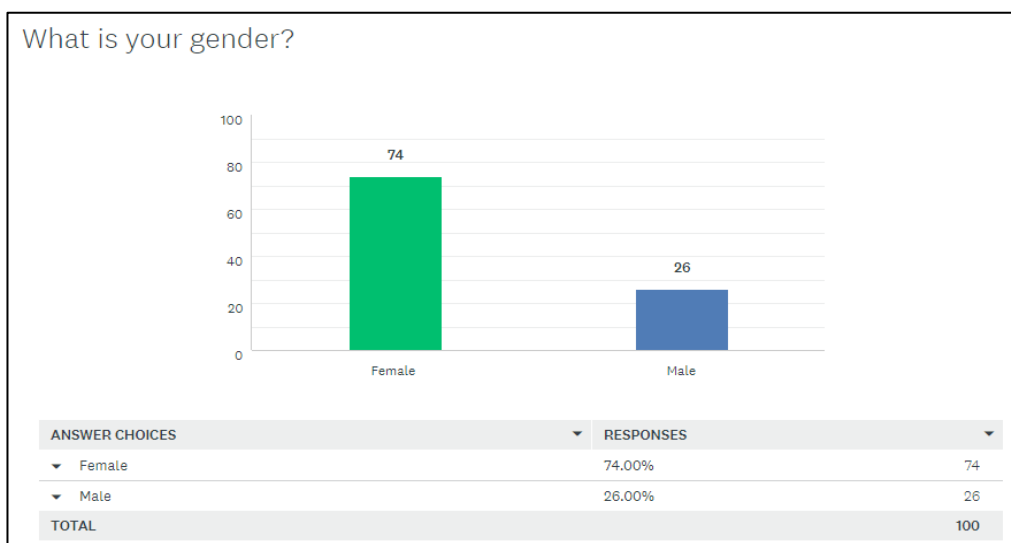


Figure 6. Respondents by Gender

Age

The range of age is divided into five groups. The respondents did not need to specify their ages. They were only asked to identify the group of age in which they belong to. Participants are around 15 – 24 years old making up the largest proportion (61%), followed by 26% of those in the age of 25 – 34. It is not possible to reach the population in the age of 35 to 65. Consequently, the percentage of attendees who are 55 – 65 is 5%. The rest of respondents who are 35 – 44 and 45 – 54 years of age both account for the smallest proportion of this chart (4%).

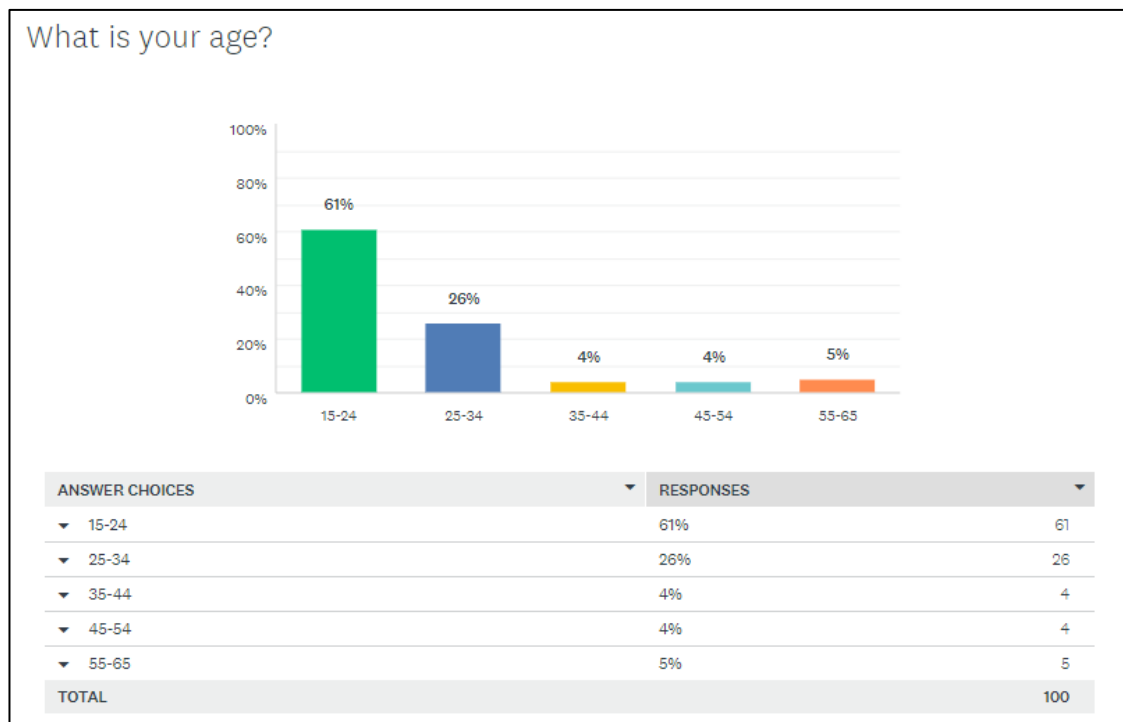


Figure 7. Respondents by Age

The number of daily ads watched by respondents

The respondents were asked how many advertisements they watch per day on average. 30% of them answered that they watch 0 – 5 ads every day. Meanwhile, 38% of participants reported that they usually watch 5 – 10 ads each day. The proportion of viewers watching 10 – 15 ads comprised 21%, and the remaining 11% of audiences think that they watch more than 15 ads per day. As can be seen from this chart, there is no significant gap between each sector. Additionally, advertisements are increasingly displayed on all social media platforms such as Facebook, Youtube

and Instagram, etc. It explains why a person often watches approximately 10 advertisements in all kind each day.

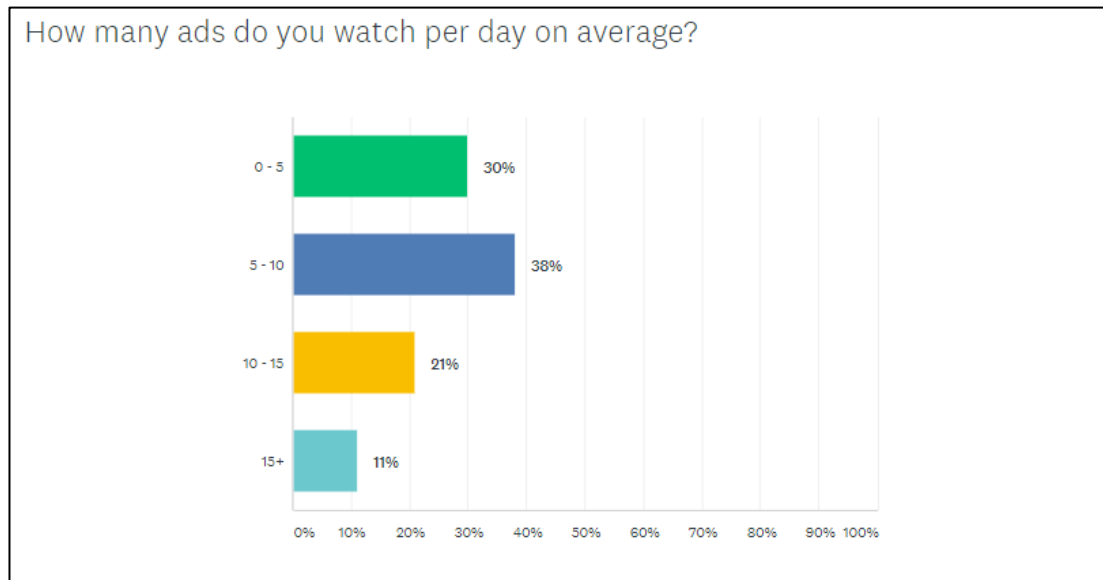


Figure 8. The number of daily ads watched by respondents

Purpose of watching ads

This survey requires respondents to indicate their prime purposes of watching ads/ finding ads to watch. In this question, participants are allowed to choose multiple options or giving their own answers. Five main purposes are written as a list including brand familiarity, pricing information, product information, humorous and discount/ promotion. The result shows that product information and discount/ promotion campaigns are the most important factors that people seek out in an ad. These sectors equally constitute 59% of choices. It is essential for purchasers to have proper ideas of products before drawing to the decision. In addition, customers are always fascinated by discounted goods. As a consequence of those reasons, it is understandable why these sectors stay in the highest top selection. The graph depicts that half of the total selections is for the brand that they are familiar with, followed by pricing information (48%). For decades, in advertising, humour is the trend which several advertisers take advantage of. Comedies are blended in advertisements to captivate audiences. However, it comes as a surprise that only 37 partici-

pants selected humour. This result might be compatible with the reality that audiences nowadays tend to be keen on watching touching and emotional content. Since 2017, funny ads have been less favourable than it used to be.

Other factors that people sort through an ad can also be visualisation, artistry, content delivery and underlying messages (8 selections).

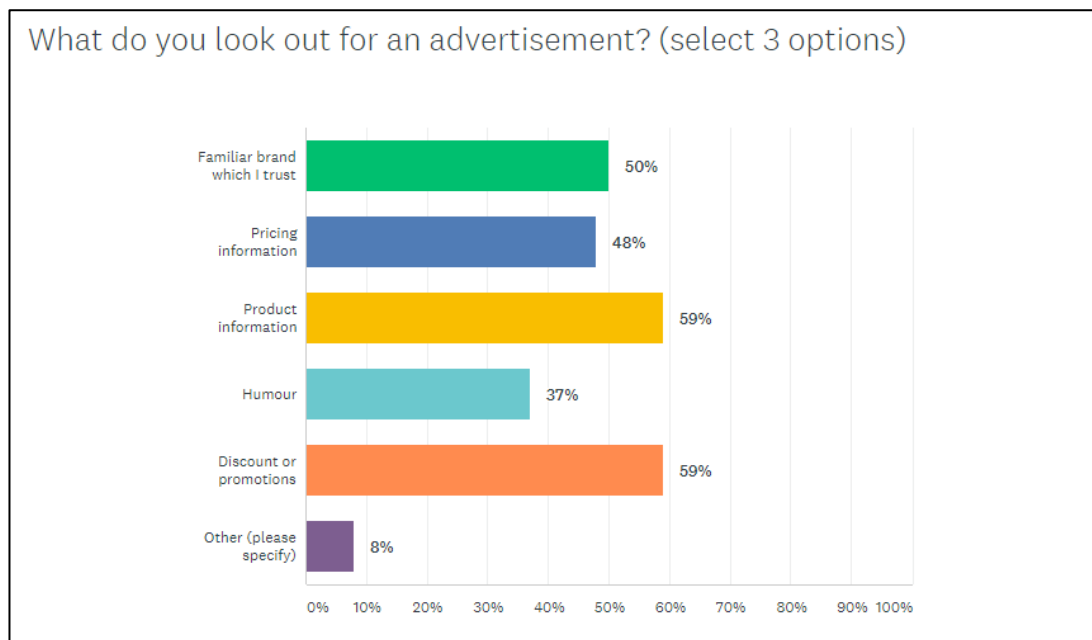


Figure 9. What do respondents seek out in an advert

5.1.2 Consumers attitude

In this section, the survey examines consumer opinions on the effectiveness of comparative advertising. Firstly, respondents were asked to express their agreement or disagreement to some statements concerning comparative advertising. Secondly, the rankings of comparative advertising's influence which is done by respondents are tested in question 6th and 7th. Finally, the last two questions are to see how they perceive comparative advertisements.

Level of agreement or disagreement questions

The question consists of nine statements. Participants were requested to scale their responses with the level of agreement or disagreement.

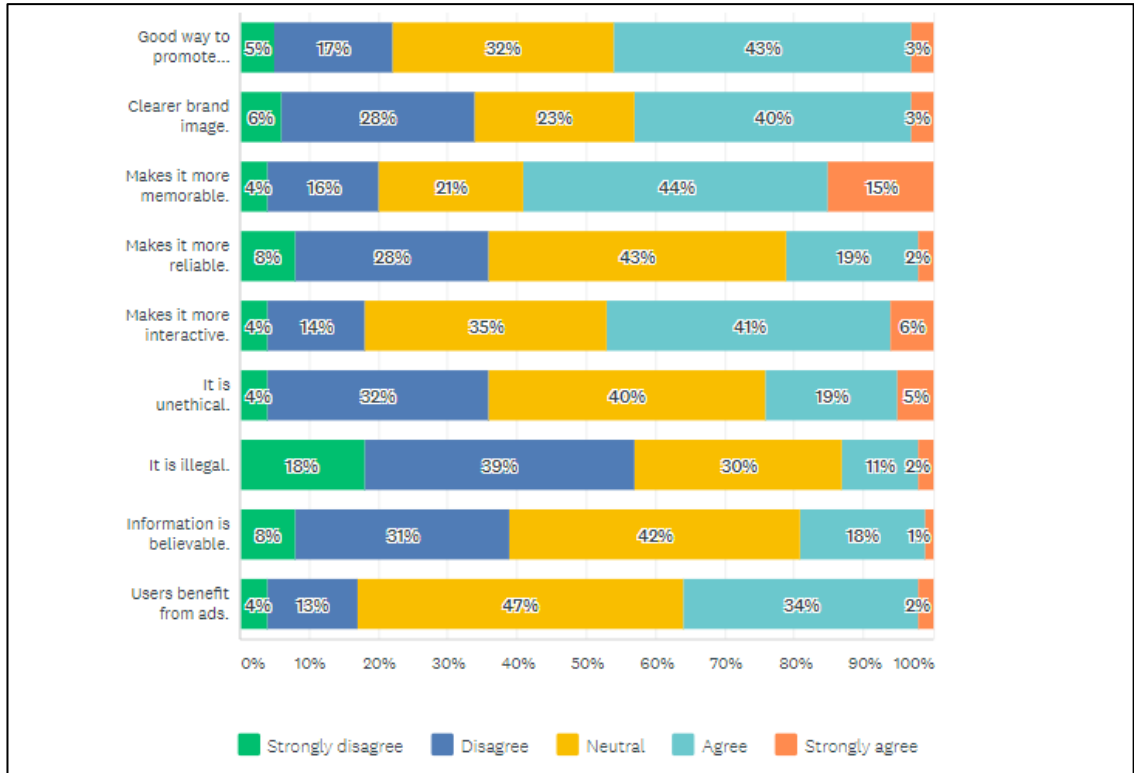


Figure 10. Consumers attitudes on comparative advertising scale

Statement 1: *“Comparative advertising is a good way for brands to publish and promote their products.”*

The majority of the respondents (43%) agreed with this statement. Whereas 17 respondents held differing opinions. The number of respondents who decided to stay neutral is 32. Overall, the general population approve the idea that comparative advertising is an effective marketing practice to introduce products or services.

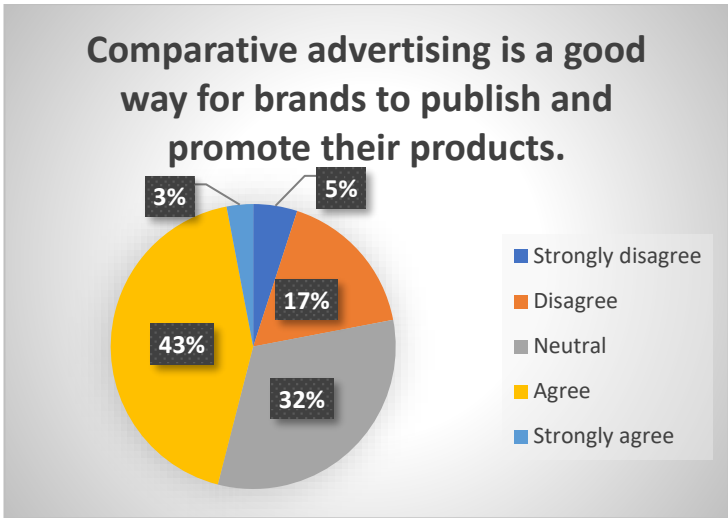


Figure 11. Comparative advertising is a good way for brands to publish and promote their products

Statement 2: *“Comparative advertising leads to “clearer brand image” than non-comparative advertising.”*

The pie chart above illustrates that almost half of participants (43%) agreed that comparative advertising provided consumers a clearer brand image than its non-comparative counterpart. However, more than 30% of them disagreed with this statement. The final result is unbiased because the percentage of advocates and the proponents are approximate.

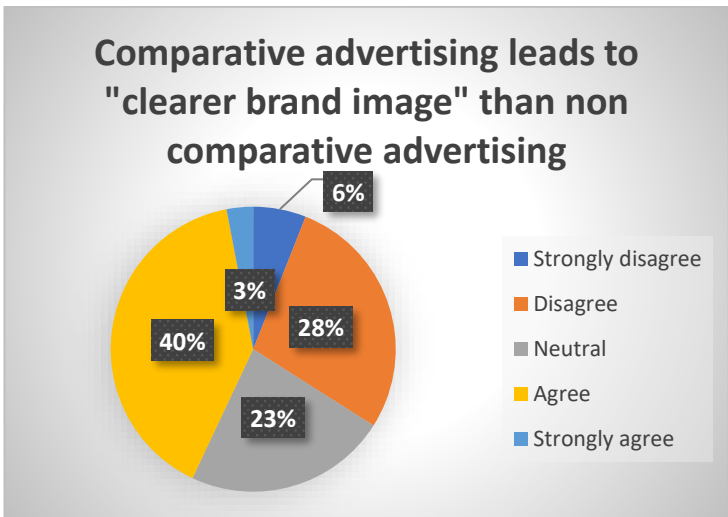


Figure 12. Comparative advertising leads to “clearer brand image” than non-comparative advertising

Statement 3: *“Comparative advertising makes brands more memorable than non-comparative advertising.”*

This graph experiences an over-representation of the level of agreement. Only 20 participants dissented with this statement. Around 59% of respondents agreed and strongly agreed that comparative advertising makes brands more memorable. As it is stated in the theoretical framework, this might result from the controversy which an ad creates.

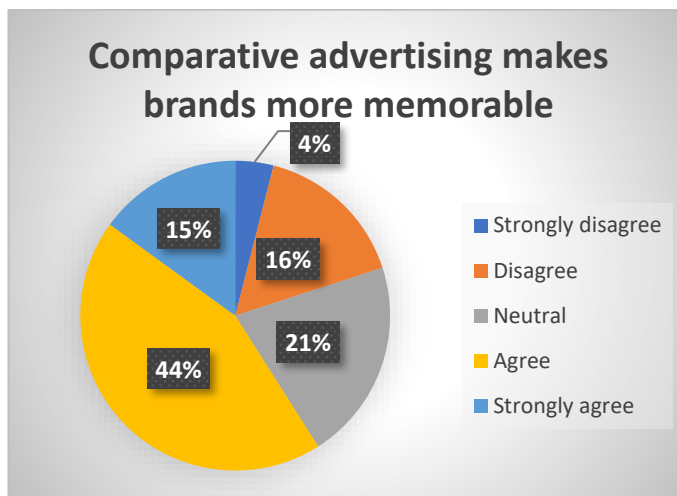


Figure 13. Comparative advertising makes brands more memorable than non-comparative advertising

Statement 4: *“Comparative advertising makes brands more reliable than non-comparative advertising.”*

Though comparative advertising is supposed to make brands more memorable, its reliability is not assured. According to the survey results, most of the respondents either disagreed with this statement (36%) or chose to stay neutral (43%).

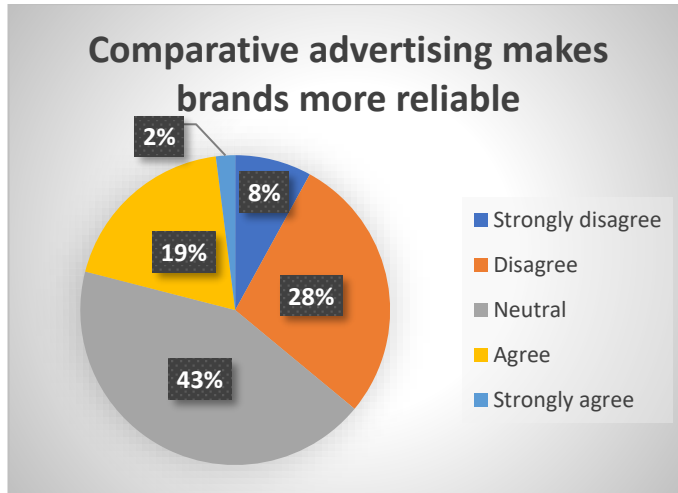


Figure 14. Comparative advertising makes brands more reliable than non-comparative advertising

Statement 5: *“Comparative advertising makes brands more interactive than non-comparative advertising.”*

Roughly 35% of respondents were unsure about this statement. Nearly half of respondents (47%) supported the idea that brands would be more interactive in comparison advertising rather than non comparison advertising. Some people opposed this statement, yet, the percentage of them is only 18% which is unremarkable.

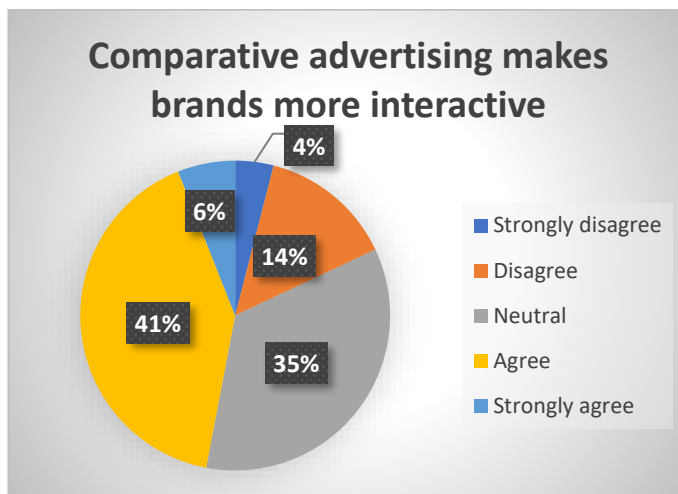


Figure 15. Comparative advertising makes brands more interactive than non-comparative advertising

Statement 6: *“Comparative advertising is unethical.”*

The percentage of respondents who disagreed with this statement outnumbers the percentage of advocates by 38 to 24. The rest of them (40%) determine neither agree nor disagree, which makes it a neutral statement.

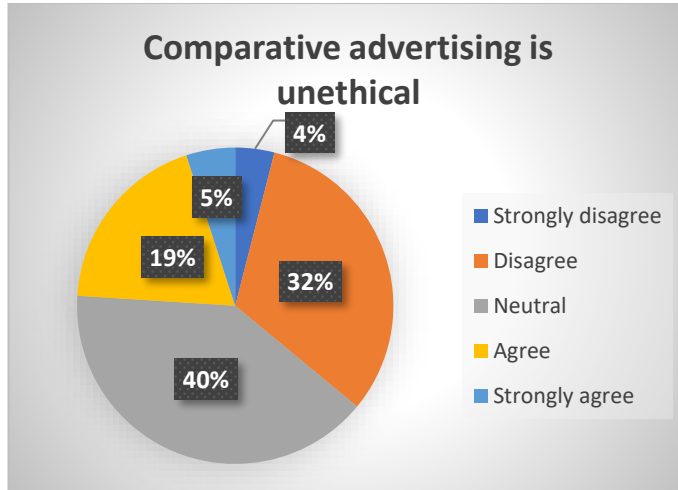


Figure 16. Comparative advertising is unethical

Statement 7: *“Comparative advertising is illegal.”*

It is no surprise this chart shows that 57% of respondents expressed their disagreement. In particular, 18 selections strongly disagreed with this statement. The outcome confirms that comparative advertising is accepted by most people. Additionally, 13 participants approved this statement, as well as 30% of them stayed neutral.

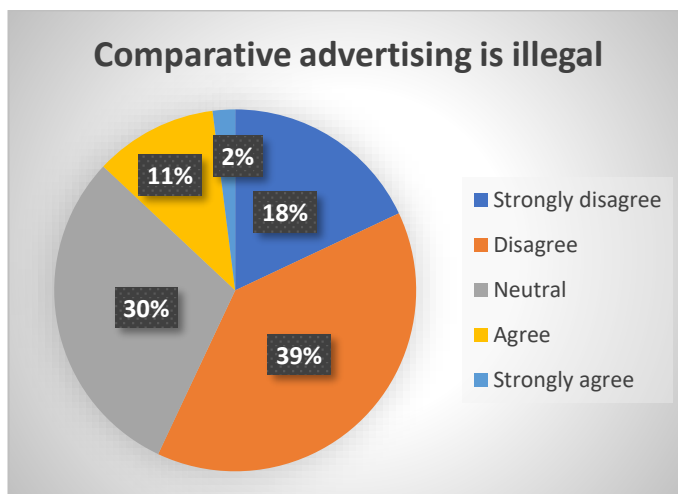


Figure 17. Comparative advertising is illegal

Statement 8: *“Information of products/ services given in comparison advertisement is believable.”*

The large number of participants was doubtful about comparative advertising’s credibility (Figure 14). Likewise, they showed their uncertainty towards the believability of the information provided in comparison ad by opposing this statement (39%) or remaining neutral (42%). Only a small number of respondents selected to agree with it which constitutes 19%.

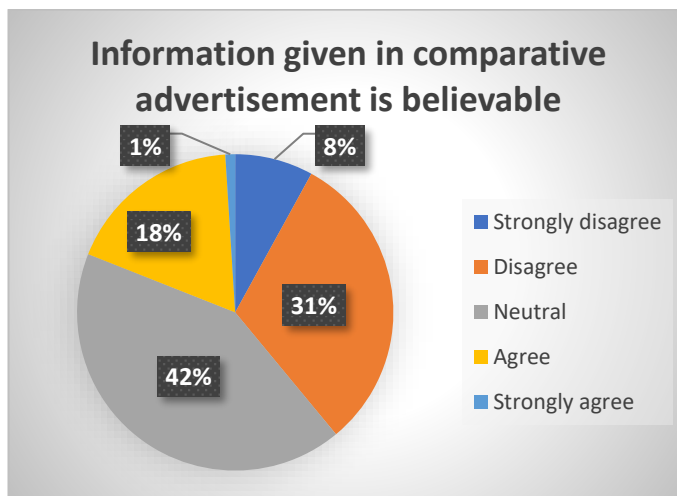


Figure 18. Information about products/ services given in comparison advertisement is believable

Statement 9: *“Consumers benefit from comparative advertising.”*

The diagram above demonstrates that several participants are unsure whether daily consumers benefit from comparison advertising or not. Therefore, the proportion of neutral respondents constitutes 47%. Nevertheless, the percentage of advocates still comprised 36% which dominates the opposing side (17%).

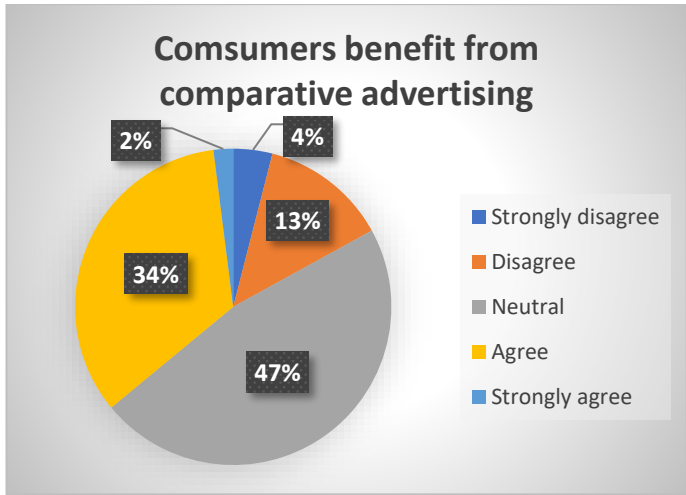


Figure 19. Consumers benefit from comparative advertising

The influence of comparative advertising

The next two questions will investigate how daily buyers assess the impacts of comparison advertising on consumer perception, purchase intention and brand preference. Over half of respondents surely assumed that comparison advertising affects these three factors. About 27% of them considered it probably does. Only 8 respondents did not buy into this idea.

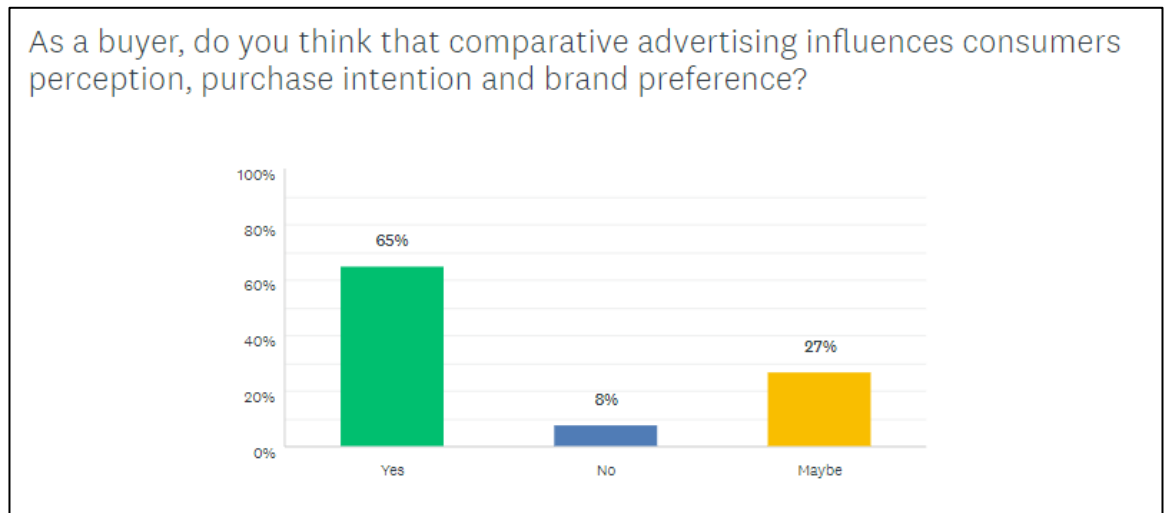


Figure 20. Respondents votes for the impacts of comparative advertising on consumers perception, purchase intention and brand preference

Then, participants were asked to assess the effectiveness of comparative advertising on the scale of 1 to 7. On the scale from 1 to 7: 1 stands for the lowest level; 3 – 4 stands for the medium level, 7 stands for the highest level.

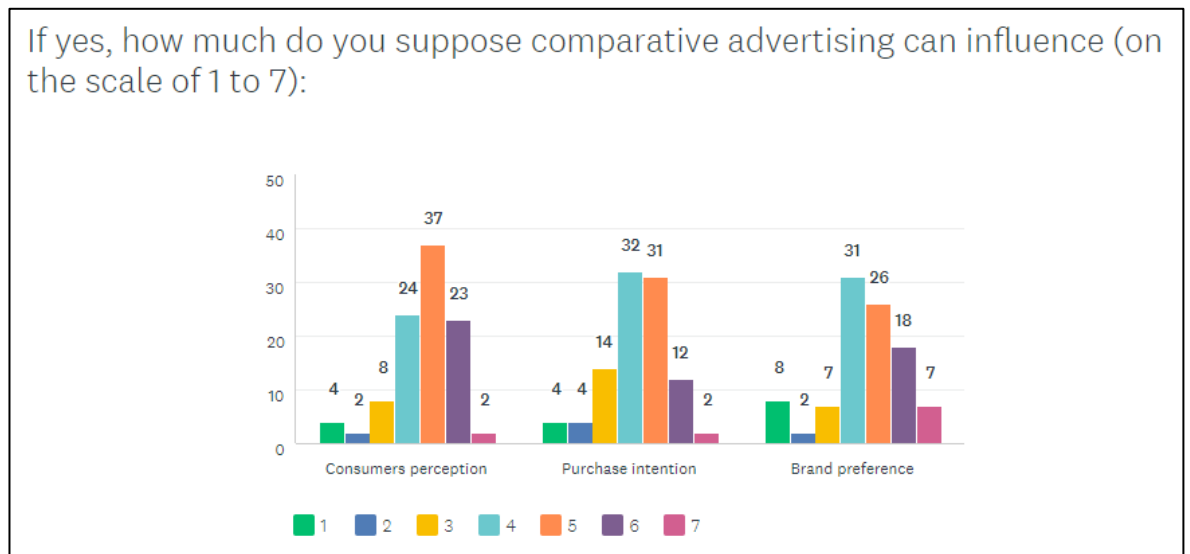


Figure 21. The effectiveness of comparative advertising on the scale of 1 to 7

Noticeably, as it is observed from consumer perception category on the horizontal axis, 37 participants rated it 5/7. There are 24 people rated it as 3, and 23 respondents ranked it 6/7. The outcome indicates that comparison advertising incredibly influences consumer perception.

In the 'purchase intention' category, the number of people who ranked it 4/7 and 5/7 are approximately the same, which constitutes respectively 32 and 31 responses. The number of respondents rated it 3/7 and 6/7 respectively are 14 and 12. Thus, it suggests that comparison advertising does not heavily influence daily buyers' purchase intention.

In the last category, the effectiveness of comparative advertising reached the peak at 31 votes for position number 4th, and steadily decreased on the 5th, 6th and 7th with respectively 26, 18, 7 votes. According to the statistics above, comparative advertising strongly affects brand preference.

Consumers interpretation on comparative advertising

Question 8 just aims to examine how respondents define comparative advertising. There is no right or wrong answer. The chart demonstrates that 42% of respondents considered this promotional practice as both comparison strategy and disparagement, which accounts for the biggest percentage. It is followed by 39% of participants who think that this phenomenon is a comparison strategy in marketing. By contrast, the small number of people believed comparative advertising is definitely disparagement is around 10%. Whereas, 9% of respondents classified it as neither derogation nor comparison marketing tool.

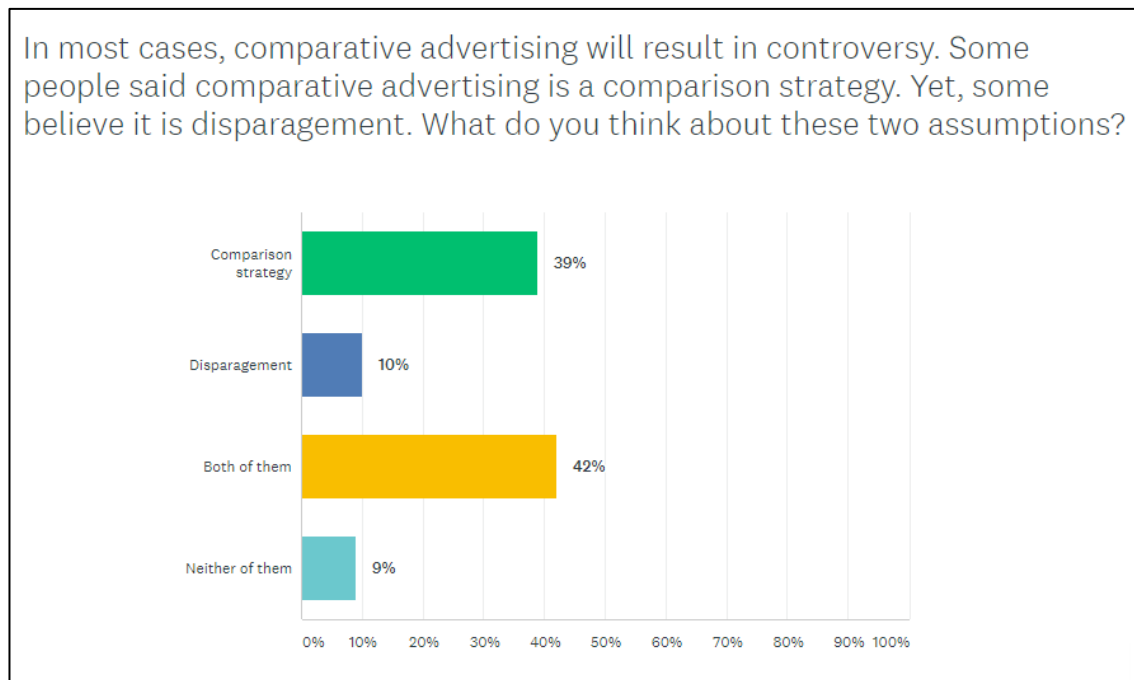


Figure 22. How consumers define comparative advertising

Since comparative advertising can contribute to confrontation, the last question asked respondents that should company continue to launch this tactic or avoid using it. Figure 23 describes that 32% of respondents said yes to it and 22% said no. The rest of them thought that firms may keep applying comparative advertising strategy (46%).

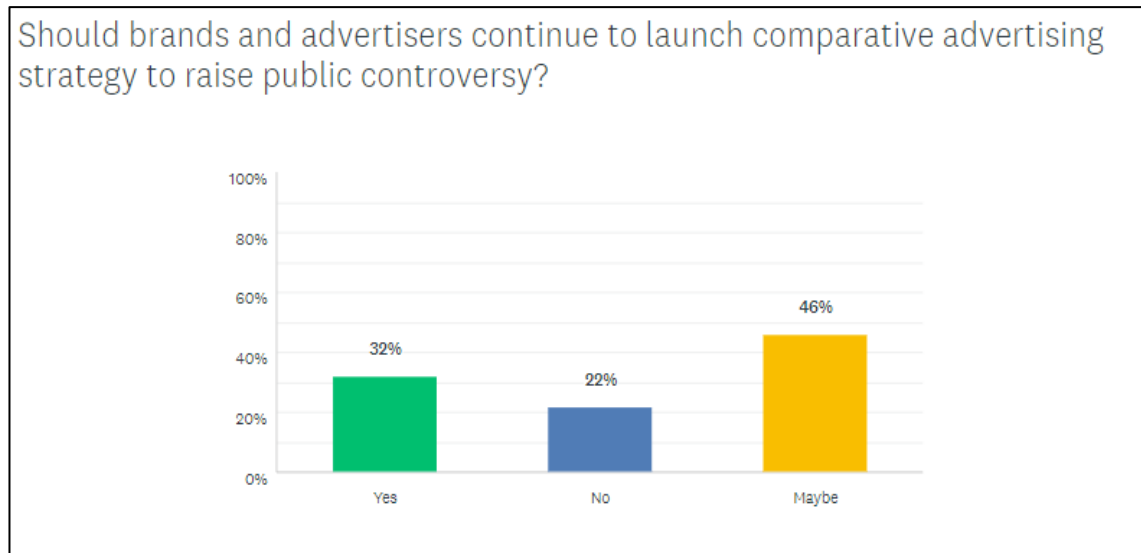


Figure 23. Consumers viewpoints on should comparative advertising be launched by firms

5.2 Findings from the case study

5.2.1 Case study description

Even though comparison advertisement is uncommonly used in Vietnamese market, last year, Ovaltine has conducted their advertising campaign applying comparative advertising tactic. Ovaltine is a chocolate milk brand whose advertisements allegedly targeted Nestle Milo - its biggest rival in Vietnamese market. In Ho Chi Minh City, Ovaltine arranged their own advertisement billboard, right across the street where exists Milo's one.

For years, Milo has delivered to their target audiences a message *"The champion made by Milo"*. Meanwhile, the message from Ovaltine was *"No need to be a champion as long as you enjoy the thing you do"*. Ovaltine was believed to wittily attack Milo. Because Milo's ad seems too focused on the accomplishment that a child should achieve. Most of Vietnamese parents always want their children to be excellent physically and mentally. But as it turns out, their expectation could be huge pressure on their children. By contrast, Ovaltine supports kids to chase their dreams

and do what they have passion for. They think this ought to be a better way to encourage children to be well-rounded. This notably marketing campaign quickly caused a buzz among Vietnamese online and offline community.



Picture 1. Milo vs Ovaltine advertisement billboards on the street in Ho Chi Minh City, Vietnam

Furthermore, taking advantage of the back-to-school season in Vietnam, Ovaltine continued attacking Milo by putting up a series of posters around secondary schools within Ho Chi Minh City area. Those posters are the images of young teenagers holding pictures of their peers who gained some kind of achievements. The message on the poster reads *“If I could not make you (it means parents) proud like that friend, would you stop loving me?”*. The images that are seen as the “ideal models” held by the kids on the posters had a green background. The audience would find it easily relatable to Milo, due to its iconic green theme colour. Again, Ovaltine’s message made a hit. Many KOLs and celebrities endorsed this campaign by sharing it on their Facebook sites. Ovaltine succeeded because it directly targeted consumers concerns and the problems of the Vietnamese education system. In fact, students are expected to get high marks in the exams or won honourable prizes in national (or international) contests. Parents will be upset or disappointed if their children cannot work it out. Vietnamese education would emphasize too much on the final results rather than teach and help students to obtain knowledge.



Picture 2. Ovaltine's marketing campaign utilising back-to-school season

The ultimate and undeniably the most impactful move from Ovaltine was the series of 10 photos posted on their official Facebook page. The colours of these photos are green, which may represent Milo and red, representing Ovaltine. As can be seen, the children on the left side look tired and stressed out from the pressure of winning the first prizes, ranks or trophies. On the contrary, those who on the right side look cheerful, energetic, and truly enjoy the activities. The message on the green background reads: *"I (mother) do not need you to worry over a champion cup every night"*. Oppositely, the message on the red background reads: *"I just want you to savour the joy in every dream"*.



Picture 3. Ovaltine Facebook campaign – *"I do not need you to worry over a champion cup every night"* vs. *"I just want you to savour the joy in every dream."*

In another photo, it is written on the green side: “*I do not need you to run fast to finish in the first place*”. On the red side, it writes: “*I just need you to enjoy what you like as long as possible*”.



Picture 4. Ovaltine Facebook campaign – “*I do not need you to run fast to finish in the first place*” vs. “*I just need you to enjoy what you like as long as possible.*”

Ovaltine created totally different images with the aim of emphasizing their definition of “True Happiness – let your children do what they like”. The message in this campaign conveys a similar meaning with the advertisement billboard on the street which was described earlier.

5.2.2 The result

This campaign generates an overwhelming amount of traffic to Ovaltine Vietnam’s official Facebook site. Prior to the campaign, the number of likes and reactions per post was ranging from around 40 to 24,000. After the campaign, the photo album for this campaign has reached 64,000 likes and reactions; 2,400 comments as well as 4,800 shares up to July 2019. In addition, plenty of big newspapers published the sequence of articles which covers Ovaltine’s marketing campaign.

In response to Ovaltine's attack, Nestle Vietnam (Milo's mother company) replaced their billboard on the street with other ads and completely different copy. It made Ovaltine's billboard sounds completely irrelevant. Besides, Nestle boldly stated that their opponent was practising unfair competition. They blamed Friesland Campina (Ovaltine's mother company) and Ovaltine's campaigns for infringing copyright on Milo's slogan. Nestle insisted that the campaigns directly caused harm to their brand. Actually, Milo's original message is to encourage the love for sports and teach kids good sportsmanship. So, Milo alleged Ovaltine's advertisement series of misleading consumers awareness. Nevertheless, according to Vietnamese Advertising Laws, Friesland Campina's advertisement did not directly refer to brand name or products which Nestle is offering. Thus, they could not be accused of unfairly competing.

6 CONCLUSION AND RECOMMENDATION

Up to now, comparative advertising has always been a powerful marketing tool. Not only does it effectively impact on consumer behaviour, but it also influences on brands, yet it still leads to massive arguments. Though several firms, especially those in Vietnam, started to implement this tactical advertising strategy more often, they must conduct it with a careful media plan in order to get the most out of the campaign.

Based on the hypothesis profoundly collated from the reliable journals, this thesis has examined this phenomenon, utilising both quantitative and qualitative research method. The ultimate goal of the thesis is interpreting why comparative advertising is seen as deadly weapon, furthermore, suggesting the appropriate advice for organisations to apply it productively.

From the conclusion, readers are going to have a brief and concise idea of both theoretical and empirical sections, evaluation as well as recommendation for companies.

6.1 Summary of the hypothesis

The hypothesis includes two chapters: theoretical framework and the theory of how comparative advertising influences on consumers perception.

In the theoretical framework (chapter 2), comparative advertising is defined as an advertising tactic in which a company's product or service is affirmed its superiority over the opponent's by explicit comparison or implication. Comparative advertising happened in the early 18th century. The first official comparison advertisement was found in the 1930s in the U.S.A. From the 1970s, it was legally and officially accepted by the government, despite its existence in the industry for decades. Throughout several years, comparison advertising has been preferred by hundreds of brands namely Coca Cola, Pepsi Co., Samsung, Apple, BMW, Audi, etc... However, there are arguments surrounded by some comparative advertisement cam-

paigns. More seriously, comparing brands claim themselves as a victim in the advertising war. The controversy may confuse this marketing technique with disparagement. As a result of that, rules and regulations are enacted to help protect brands in the intensive competition. Overall, the EU and the US legal system is strict but more liberal on this issue, in comparison to Vietnamese laws. Vietnamese legislations are restrictive and close-minded, which limits marketers to productively exploit the benefits of comparative advertising. Comparison advertising's advantages and disadvantages were compiled in this chapter also. For instance, it inspires consumers favourable attitudes or helps infamous brands become well - known etc... Apart from the positive impacts, consumers may find plenty of information in an ad irrelevant.

Chapter 3 demonstrates comparative advertising affects consumers under the three functions in the Hierarchy of Effect Models: Cognitive, Affective and Conative. Firstly, comparative advertising has stronger influence on Cognition (attention, awareness, information process, credibility), which helps brands become memorable. Secondly, in terms of Affection (A_{ad} and A_{br}), because of the tone of voice using in an ad as well as the public debates, comparison ads are considered aggressive and less honest. Consumers attitude towards brands much depends on their attitude towards ads and the relationship between two brands. Lastly, Conation is the most important component in this model. The majority of researchers said that Conative function positively involves purchasers in doing the shopping when it is comparative advertisement. These facts are collected when comparing the effects of comparison advertising to the traditional.

6.2 Summary of empirical part

Empirical part was also divided into two parts. The survey was carried out to test consumers attitude towards comparative advertising. After that, the case study was investigated to study specific example, brands performances and the effectiveness of comparison advertisement on brands.

The survey was sent out to 100 people. In particular, there are 74 females and 26 males. Under limiting condition, it was only enabled to reach participants in the age

of 15 – 34. Those are from 35 – 65 years old comprises the small number. Briefly, most of the respondents thought that comparative advertising is an ideal strategic marketing technique to promote products or services. It illustrates a clearer brand image and makes it more memorable and interactive. Nonetheless, they are quite doubtful whether brands can be more reliable when using comparative advertising. Likewise, respondents are not sure of the believability of the information provided in an ad. Presumably, comparative advertising affects consumers perception, purchase intentions as well as brand preference but at medium level. Respondents stayed neutral when they were asked about the ethics of comparative advertising. It is seen as both comparison strategy and disparagement, however, the majority of respondents disagreed on comparative advertising is illegal. Consumers are uncertain whether a firm should continue this kind of campaigns or not, as it is reported in the last question.

About the case study, Ovaltine and Milo are the big chocolate milk brands in Vietnam. During September, 2018, Ovaltine launched three marketing print ads: two offline campaigns and one online campaign. Their theme colours are green (referred to Milo) and red (referred to Ovaltine). The campaign has gone viral for months. Especially, Ovaltine attracts impressive amount of traffic on social media. From Nestle perspective, they insisted that Friesland Campina did harm to their image, and ended up suing the competitor.

6.3 Conclusion and recommendation

The empirical study is compatible with the theory. Daily purchasers admit that their buying decisions are affected by comparison advertisements, although they are still suspicious about the information in the ads. Most of them think the impacts of comparative advertising is more effective than non-comparative advertising.

In the case of Milo and Ovaltine, seemingly, comparative advertising is used by Ovaltine as a weapon which helped it win the brand battle with Nestle Milo. Achievement obsession is a negative matter of considerable public concern for years. The advertisements of Ovaltine are supposed to speak up against this issue in Vietnam, encourage children to follow their dreams, as well as, adjust parents' mindsets. The

understanding the social problem, plus the creativity in writing copies for the ads that sound against Milo's, keeps Ovaltine's campaign go viral for months. Additionally, Ovaltine cleverly launched their ads on social media, and during the digital age, this is a very smart step. With a huge number of Facebook users in Vietnam, Ovaltine easily accomplished outstanding achievements on both online and offline platforms. About Milo, they decided to replace their original billboard with another one with completely different copy and images. This could be seen as a backward step and Milo accepted the loss in this advertising war.

In conclusion, the research above proves that comparative advertising is actually a deadly advertising tool. So as to productively carrying out this kind of advertisements without causing boomerang effects, brands should notice some of these guidelines: keep the advertising campaign legal, not giving unjustified or untrue information about competitors' brand, and the comparison must be valid for the period time of the campaign. Because comparative advertising is either directly or indirectly attack particular brands to cause confrontation. Hence, it is necessary to make sure all statements are trustworthy and will pass every test before it is published.

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APPENDICES

APPENDIX 1. "Look at All Three" print-ad done by J. Stirling Getchell in 1930s.

APPENDIX 2. Print ads by Avis and Hertz.

APPENDIX 3. Samsung's comparative advertising campaigns.

APPENDIX 4. Consumers' seven steps towards purchasing decision (Lavidge & Steiner 1961, 59).

APPENDIX 5. Survey form.

APPENDIX 1. "Look at All Three" print-ad done by J. Stirling Getchell in 1930s

"Look at All THREE!"

**BUT DON'T BUY ANY LOW-PRICED CAR UNTIL YOU'VE
DRIVEN THE NEW PLYMOUTH WITH FLOATING POWER'**



"It is my opinion that any car without Floating Power is obsolete!"

**A STATEMENT BY
WALTER P. CHRYSLER**

Thousands of people have been making important decisions today before buying a new car. I hope that you are one of them.

When they see the new low-priced car set here (including the new Plymouth which will be shown on Saturday) I urge you to carefully compare values.

This is the time for you to "stop" and stop while there's a light. It is your responsibility to get the best value for your money.

It is my opinion that the automobile industry at a whole has never offered such value to the public.

In the new Plymouth we have achieved more than I had ever dared to hope for. If you had told me two years ago that such a big, powerful, beautiful automobile could be sold at the amazing price we will announce on Saturday... I'd have said it was absolutely impossible.

I have spent my life building big cars. But no other car in my career has given me the deep three satisfaction

that I derive from the value offered by the new Plymouth. To you, its succeeding feature is Floating Power. We already know how the public feels about this. Last week our car was shown, but today it is an established engineering achievement.

It is my opinion, and I think this of leading engineering authorities, that any car without Floating Power is obsolete. Drive a Plymouth with Floating Power and you'll see just what I mean... then drive a car with old-fashioned engine arrangements and you will understand what I mean. There's absolutely no comparison.

We have made the Plymouth a much larger automobile. It is a \$110 car. We have increased its power, lightened its structure and greatly improved its beauty.

In my opinion you will find the new Plymouth the most exciting car you have ever driven. The only all steel automobile to have been able to lower prices.

Again for one week you go and see the new Plymouth with Floating Power on Saturday. Be sure to look at all models low priced cars and don't buy one until you see this is the way to get the best for your money.



FIRST SHOWING NEXT SATURDAY, APRIL 3rd, AT DESOTO, DODGE AND CHRYSLER DEALERS

Picture 5. "Look at All Three" print ad


APPENDIX 2. Print ads by Avis and Hertz

Avis is only No.2 in rent a cars. So why go with us?

We try harder.
(When you're not the biggest, you have to.)
We just can't afford dirty ashtrays. Or half-empty gas tanks. Or worn wipers. Or unwashed cars. Or low tires. Or anything less than seat-adjusters that adjust. Heaters that heat. Defrosters that defrost.

Obviously, the thing we try hardest for is just to be nice. To start you out right with a new car, like a lively, super-torque Ford, and a pleasant smile. To know, say, where you get a good pastrami sandwich in Duluth. Why?

Because we can't afford to take you for granted.
Go with us next time.
The line at our counter is shorter.



Picture 6. "We try harder" print ad by Avis

For years, Avis has Hertz is No.1. Now we're going to tell you why.

What kind of service will you get?

When you rent a car from us at any of our 1,500 offices, you expect it to be getting there waiting, ready to go, looking like new.

What kind of car will you get?

Our fleet is made up of the latest and greatest in automobiles. That's your car to arrive. We put it in motion. Except when we find it better to make another car that's just what you need. And it's ready to go. If our service is not up to Hertz standards we give you \$100 in free credits. That's our apology.

We'll give a greater price on upgrades. And advanced reservations. "We'll effort" in the future.

We'll tell the other way about it. We can't afford to do less. Besides, the \$100 comes out of the station manager's local operating funds. You should be happy to see what we can do for you.

Why?

When you rent from Hertz, you're less likely to get stuck with a longer rental when you need a well-maintained car.

Not only do we have big, it's true. We do you have to give you what you want. From Ford, to Mustang, to Thunderbolt, to Lincoln and everything in between. And because we know that you'll be a loyal customer if you rent a car, we'll make you feel special. Like The Hertz U.S. 1000. If you know what cars are all about, you'll know what the car is all about.

and you want a confirmed before you leave, we can do it for you. Instantly. In any one of 1,500 U.S. cities. The office and a car manager can make that statement. The major reason we can do it is because we're usually available one of the world's largest private fleets and our resources are vast.

After all, with the equipment you're right and we have what to meet your needs. You'll find our cars quick answers.

We can give them to you today.

What's more.

We probably offer more kinds of cars than you can be found about.

You can rent a car from Hertz for the day and the week, for the weekend, for the month, for the year, for a job, or for a party. We'll make it work for you. We'll make it work for you. We'll make it work for you. We'll make it work for you.

What's more.

We'll give you a car that's right for you. We'll give you a car that's right for you. We'll give you a car that's right for you. We'll give you a car that's right for you.

What's more.

We'll give you a car that's right for you. We'll give you a car that's right for you. We'll give you a car that's right for you. We'll give you a car that's right for you.




Hertz

Picture 7. Print ad by Hertz

APPENDIX 3. Samsung's comparative advertising campaigns

1. "The Next Big Thing" TVC: <https://www.youtube.com/watch?v=GWnunavN4bQ>

2. "It doesn't take a genius" print ad:



It doesn't take a genius.

<p>IPHONE 5 4.0" screen 4G LTE Retina Display 1136 X 640 resolution Up to 225 hrs standby time Up to 8 hrs talk time Full HD 1080p video recording 3.95 oz weight 1GB RAM Siri 16, 32 or 64GB fixed internal storage iOS 6.0 OS A totally different plug</p>	<p>GALAXY S III 4.8" screen 4G LTE HD Super AMOLED™ Display 1280 X 720 HD resolution Up to 790 hrs standby time Up to 11.4 hrs talk time Full HD 1080p video recording 4.7 oz weight 2GB RAM S Voice 16 or 32 fixed + up to 64GB microSD storage Android 4.0 OS Standard micro USB plug NFC Smart Stay S-Beam ShareShot Group Cast Direct Call Smart Alert Tilt to Zoom Palm Swipe Capture Palm Touch Mute/Pause Picture in Picture Turn Over To Mute Shake To Update Removable battery</p>
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The Next Big Thing Is Already Here

GALAXY S III

[f /SamsungMobileUSA](https://www.facebook.com/SamsungMobileUSA) **SAMSUNG**

©2012 Samsung Telecommunications America, LLC. Samsung and Galaxy S are registered trademarks of Samsung Electronics Co. Ltd. Appearance of phones may vary. Phone screen images simulated. Above listed features are representative, not all inclusive.

Picture 8. "It doesn't take a genius" print ad

APPENDIX 4. Consumers' seven steps towards purchase decision (Lavidge & Steiner 1961, 59)

1. Unawareness: prospective consumers who have no idea about the products or services which are offered by the sponsoring brand.
2. Awareness: consumers who are merely conscious of the existence of products or services in the marketplace.
3. Knowledge: people who get knowledge of products or services (basic information, pricing and value, etc.)
4. Liking: people who have favourable attitudes towards products or services or the brand.
5. Preference: upper level of *liking* step. Consumers start to prefer products or services of the sponsoring brand to the others.
6. Conviction: at this stage, consumers make a decision with the feeling that it would be a smart choice.
7. Purchase: consumers take action to buy products or services.

APPENDIX 5. Survey form

CONSUMERS PERCEPTION TOWARDS COMPARATIVE ADVERTISING

Dear Sir/ Madam

This survey is a part of my final thesis about Comparative Advertising, which investigates consumers perception towards comparative advertising. This survey does not ask about your personal information to ensure your anonymity. The data will be gathered and only used for this specified research.

I suppose you might know or see comparative advertisements in several forms. For example, in the 1980s, Pepsi launched a marketing campaign as a blind taste test. The majority of participants who were caught on hidden camera in the event chose Pepsi over its rival - Coca Cola

*I am interested in how consumers perceive Comparative Advertising. Please, as daily buyers, take your time to complete this survey (only **ONCE**). It should only take you approximately 5 minutes. Remember that your **FIRST** answer to the question is usually your true belief. I really appreciate your time and effort in doing this survey.*

1. What is your gender?

- Male
- Female

2. What is your age?

- 15-24
- 25-34
- 35-44
- 45-54
- 55-65

3. How many ads do you watch per day on average?

- 0 – 5
- 5 – 10
- 10 – 15
- 15+

4. What do you look out for an advertisement? (select 3 options)

- Familiar brand which I trust
- Pricing information
- Product information
- Humour
- Discounts or promotions
- Others (please specify)

5. Please scale your response with the level of agreement (5 – strongly disagree) or disagreement (1 – strongly disagree):	1	2	3	4	5
Comparative advertising is a good way for brands to publish and promote their products.					
Comparative advertising leads to "clearer brand image" than non-comparative advertising.					
Comparative advertising makes brands become more memorable than non-comparative advertising.					
Comparative advertising makes brands become more reliable than non-comparative advertising.					
Comparative advertising makes brands become more interactive than non-comparative advertising.					

Comparative advertising is unethical.					
Comparative advertising is illegal.					
Information of products/ services given in comparison advertisement is believable.					
Consumers benefit from comparative advertising.					

6. As a buyer, do you think that comparative advertising influences consumers perception, purchase intention and brand preference?

- Yes
- No
- Maybe

7. If yes, how much do you suppose comparative advertising can influence (on the scale of 1 to 7):	1	2	3	4	5	6	7
Consumers perception							
Purchase intention							
Brand preference							

8. In most cases, comparative advertising will result in controversy. Some people said comparative advertising is a comparison strategy. Yet, some believe it is disparagement. What do you think about these two assumptions?

- Comparison strategy
- Disparagement
- Both of them
- Neither of them

9. Should brands and advertisers continue to launch comparative advertising strategy to raise public controversy?

- Yes
- No
- Maybe