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## **Consumer Responses to Comparative Advertising**

*A Comparative Study Between Three Western Cultural Regions*

By

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Lund, May 27 2020

# Abstract

- Title: Consumer Responses to Comparative Advertising - *A Comparative Study Between Three Western Cultural Regions*
- Supervisor: Johan Dergård
- Authors: Moa Stakeberg and Elin Stakeberg
- Background: In a globally competitive environment, there is a desire for additional market growth. Hence, usage of comparative advertising increases and becomes conventional. This marketing tool bears both positive and negative consequences for companies and consumers and is therefore used and regulated differently between cultural regions.
- Purpose: The purpose of this thesis is to investigate consumers' responses to comparative advertising efforts in three western cultural regions. Its' effectiveness will be evaluated against the AIDA model and the relationship between consumers' responses and cultural practices will be evaluated based on the GLOBE framework.
- Method: Quantitative study with a deductive research approach.
- Conclusion: The Anglo region tends to have a more positive response towards the usage of comparative advertising than the Nordic region. The Germanic region is more dispersed in their answers. Accordingly, this marketing tool was found for our sample to be most effective in the Anglo region and least effective in the Nordic region.
- Recommendations: Continuous use of comparative ads can be adopted in the Anglo, and perhaps the Germanic region. However, one should be vigilant with its use in the Nordic region. Generally speaking, multi-country comparative advertising campaigns should be used with caution due to their vulnerability to cultural acceptance.
- Keywords: Comparative advertising, AIDA model, GLOBE framework

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## Explanations of Key Terms and Concepts

**Comparative advertising/advertisement:** When companies market their product or service as better when compared to a competitor(s).

*Other names used interchangeably:* comparative ad(s), comparative campaigns, comparative format, and CA

**Sponsored brand:** The company advertising their product as better than competitors, i.e. the company paying for the advertisement.

*Other names used interchangeably:* advertised product

**AIDA model:** A traditional hierarchical model that depicts four distinct stages a buyer passes through to reach a decision of purchase.

**GLOBE framework:** An ongoing research program with a cross-cultural investigation of both leadership and national culture. Nine dimensions of culture have been defined and applied to ten country clusters.

# 1 Introduction

## 1.1 Background

In a competitive and global environment, there will be a continuous demand for additional market growth as well as the ability to attract and retain customers (Nye, Roth, & Shimp, 2008). Nye, Roth, and Shimp (2008) further state that as competition becomes more prominent amongst the leading markets of the world, the usage of comparative advertising is bound to increase. This increase in usage does however bring forth challenges when companies expand across national and cultural boundaries. According to Shocker, Bayus, and Kim (2004), competitors and their products become substitutes which allows customers to choose between a greater variety of product alternatives, hence establishing a competitive environment in the global marketplace. Companies are becoming increasingly aware of their own and their competitors' attempted efforts of marketing since the marketing efforts used by other competitors can affect consumer demand for a specific product (Shocker, Bayus, & Kim, 2004).

When speaking about international marketing, a commonly held goal is to generate demand for a specific product by signaling its quality and benefits. When substitutes try to gain additional market share it creates a more competitive environment for companies while it produces a greater variety of products for consumers to choose from (Corporate Finance Institute, n.d.). This creates a need for companies to promote themselves as superior against other available substitutes. Due to this, comparative advertising gained significance as a global marketing tool. Comparative advertisements are seen by many as being aggressive in nature in terms of communicating a product or a brands' competitive advantage by comparing it to that of their competitor (Barigozzi & Peitz, 2004; Gotlieb & Sarel, 1991; Williams & Page, 2013). In addition, comparative advertisements can be both direct or indirect where the advertised product

is either compared with a specifically named competing product or brand or with the overall product category (Williams & Page, 2013).

There are numerous divergent opinions concerning this global marketing tool, however, Gotlieb and Sarel (1991) state that it is still effective in communicating the benefits of a product or brand as long as the advertisement and the information put forth are credible. Comparative advertising is connected with the act of persuasion by attempting to create an image that a product is superior to the competing brands' product (Gotlieb & Sarel, 1991; Wansink, 1994). According to Barry (1993a), utilizing comparative advertising has been argued to be effective for companies as well as informative for consumers. However, Beard (2015) states that previous studies have shown that companies refrain from this type of marketing due to its accompanying risks such as awareness creation of competing brands, brand confusion amongst consumers, and increased hostility amongst global competitors. The first two potential risks are associated with consumer responses to comparative ads.

## 1.2 Problematization

The concept of comparative advertising is not novel and has frequently been used in the past several decades as a promotional strategy (Kalro, Sivakumaran, & Marathe, 2017) to generate demand as well as brand awareness, preference, and purchase intention amongst consumers. The issue with this is the controversy of whether it is a global marketing tool that is too aggressive and reduces the effectiveness of creating consumer purchase intentions or if it truly is effective for both parties. A vast amount of academic papers have previously been published on this phenomenon regarding how it can be used as a competitive marketing tool. However, the research that has been conducted has yielded inconsistent and inconclusive results (Ash & Wee, 1983; Beard, 2015; Gotlieb & Sarel, 1991). Furthermore, comparative advertisements' effectiveness has been debated for years amongst researchers in the field of marketing (Barry, 1993a; Barry, 1993b; Shao, Bao, & Grey, 2004) but has not resulted in an agreement.

Barry (1993b) pointed to the fact that not too many countries outside of the United States utilize comparative advertising to a high degree when creating marketing campaigns to gain further market share across national boundaries. According to Beard (2018), most research on this marketing practice has been conducted in the United States as restrictions were put in place regarding its usage in Europe and other parts of the world until the end of the 20th century. Schwaiger, Rennhak, Cannon, and Taylor (2007) support Barry's statement by saying that the enthusiasm American marketers have for comparative advertising has not been shared by many other countries throughout the world. Moreover, there is limited knowledge regarding the potential for comparative advertising in countries outside the United States (Schwaiger et al. 2007) which supports Barry's statement from his 1993b article.

Additionally, there are limited studies on how consumers respond to comparative advertisements, and especially how it differs across international boundaries. Shao, Bao, and Gray (2004) agree by stating that comparative advertising is an area that has not, "from a cross-cultural perspective,... been closely studied" (p. 67) which indicates that "the effectiveness of comparative advertising... in different cultures is unclear" (p. 67). It is important to not neglect the fact that previous studies comparing two or more countries and nations do exist (Jeon & Beatty, 2002; Nye, Roth, & Shimp, 2008; Schwaiger et al. 2007). Despite this, research that evaluates comparative advertising in terms of cultural regions is to this day limited. Due to this, it is important to understand how consumers from different cultural regions, not only individual countries, respond to efforts of comparative advertising in a globalized world. Therefore, the focus of this thesis will be to explore consumer responses to comparative advertising to be able to evaluate its effectiveness and give additional recommendations on how one should approach this phenomenon across international boundaries.

## 1.3 Research Purpose

The overall purpose of this thesis is to analyze and compare consumer responses from three western cultural regions on the topic of comparative advertising. The results will further be evaluated against the AIDA model and cultural practices based on selected cultural dimensions from the GLOBE study. This is done to analyze its effectiveness and evaluate a potential relationship between the responses and the cultural practices.

### 1.3.1 Research Questions

The two research questions that will be explored are as follows:

**RQ1:** Do responses to comparative advertising differ between consumers in three cultural regions: Anglo, Nordic Europe, and Germanic Europe?

**RQ2:** Is there a relationship between consumers' responses to comparative advertising and their cultural practices?

## 1.4 Delimitations

In terms of the GLOBE framework, the research will only look at the “as is” (societal practices) perspective, not the “should be” (societal values) perspective. This is partly due to time and resource constraints. In addition, the thesis will only explore the marketing phenomenon of comparative advertising, and will not look at a specific product or brand as that is deemed to be a too narrow scope for the size of this thesis. Finally, underlying principles for how companies should make use of comparative advertising in a globalized world will not be extensively explored or analyzed, nor will the study attempt to explain why comparative advertising is effective. The research will only provide insights in terms of perceived effectiveness, not actual

effectiveness, by establishing correlations and relationships between the independent and dependent variables.

## 1.5 Outline of the Thesis

The following thesis consists of eight distinct chapters, including the introduction. It will be structured as follows:

### *Theoretical Framework*

Relevant theories used for the evaluation of consumer responses towards comparative advertising is presented. The GLOBE framework will be described to provide information on three western cultural regions. The AIDA model is then presented to provide the reader with an understanding of how comparative advertising effectiveness will be evaluated based on consumer responses.

### *Literature Review*

The literature review will present and discuss various topics related to comparative advertising. The concept of comparative advertising, its varying formats, strengths and weaknesses, global practices, and the legality of this type of advertising will be reviewed. It is intended to not only provide an overview and a sound foundation for further analysis and discussion but also situate the author's research in relation to already existing knowledge.

### *Hypotheses*

The fourth chapter will be relatively short. Hypotheses for the study will be supported by previous findings from the literature review and theoretical framework chapter. The hypotheses will be more extensively evaluated in both the results and the analysis and discussion chapters.

### *Methodology*

For the chapter on methodology, the techniques utilized to both gather and analyze the data will be explained. Reasons for the chosen research design will be explained. Replicability, validity, reliability, errors, and limitations of the empirical data will also be evaluated.

### *Results*

In the sixth chapter, the results of the data gathering will be clearly presented. By utilizing the SPSS software, figures and tables will be created, presented, and described. It will give the reader a clear and coherent overview of the results. The statistical significance pertaining to the data will also be provided.

### *Analysis and Discussion*

Empirical findings will be further analyzed and discussed in light of the information presented within the literature review. The theoretical framework will also be applied to the findings. This chapter is intended to interpret and explain the results in relation to the hypotheses and research questions.

### *Conclusions*

For the final and concluding chapter, the main findings of the research will be stated in a summarized format. The research questions will be answered in a clear and concise manner and the practical implications of the study will be discussed briefly. Furthermore, suggestions for future research will be discussed.

## 1.6 Chapter Summary

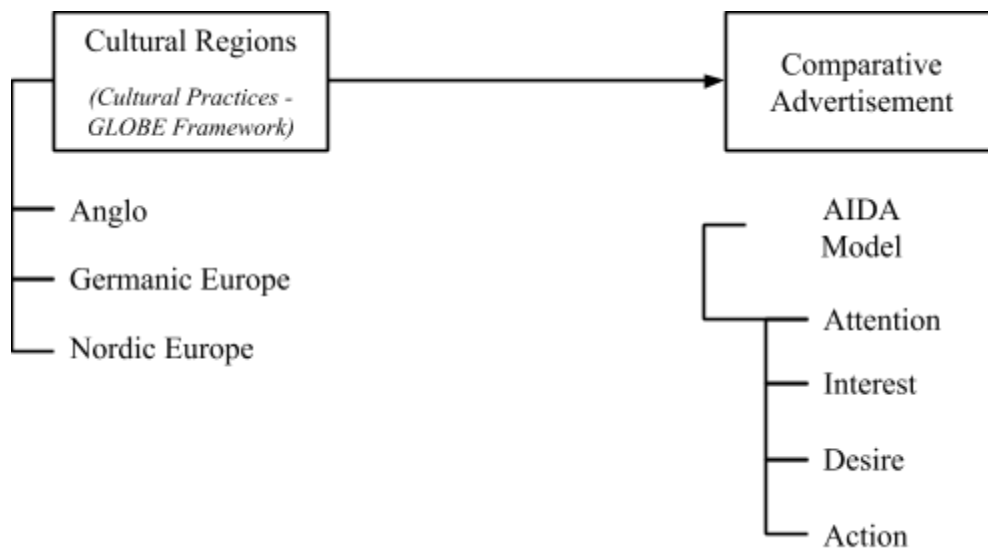
The purpose of this study is to extensively investigate consumers' responses to comparative advertising efforts in three western cultural regions. The aim of the thesis is to contribute to the already existing literature on comparative advertising. In addition, an international business

contribution will be made in terms of testing the global marketing phenomenon on a theoretical proposition. This being the four variables in the AIDA model to evaluate its effectiveness as a marketing tool, then using the GLOBE study to analyze responses from a cultural practice perspective. The literature review will provide existing information and studies on comparative advertising. Moreover, suggestions for future research will be given at the end of the study that could benefit both companies and consumers in their understanding of this marketing tool and its potential issues as a communication strategy.



## 2 Theoretical Framework

*Figure 1* has been created to establish an overview of the theoretical frame the study will be in reference to. The phenomenon of comparative advertising is a communication strategy and is referred to as being a global marketing issue. It will be extensively described and researched to generate an understanding of the context the study will take place in. To gain a deeper understanding of how consumers' responses to comparative advertising differ, it will be studied in conjunction with the steps in the AIDA model. The independent variable of cultural regions from the GLOBE framework will also be applied to understand if there is a relationship with respective cultural practices and responses to comparative advertisements.



*Figure 1: Clarifies and explains the study's theoretical reference frame*

## 2.1 GLOBE Framework

Shao, Bao, and Grey (2004) mention that there is one factor that several experts in the field of marketing have agreed upon: “consumers respond favorably to advertising messages that are consistent with their culture” (p. 67). Therefore, it is no surprise that research on cultural aspects in relation to comparative advertising responses gained popularity. A culture framework often utilized is Hofstede’s five dimensions of culture. However, in recent times, a new framework known as GLOBE has caught the attention of researchers who seek to evaluate consumer responses to advertising efforts from a cultural perspective.

GLOBE is an acronym for *Global Leadership and Organizational Behavior Effectiveness* (Mueller, Diehl, & Terlutter, 2014) and the research program was founded in 1991 by Robert House (Globe Project, 2020). The GLOBE study included more than 17,000 middle managers as participants from 62 different cultures in order to assess both cultural values (“should be” - what the society ought to be) and cultural practices (“as is” - what the society currently is) (Globe Project, 2020; Mueller, Diehl, & Terlutter, 2008). The nine dimensions defined in *Table 1* are not applied to distinct countries per se, instead, the 2004 GLOBE study identified 10 culture groups<sup>1</sup>. Minkov and Blagoev (2012) did however criticize part of this framework by pointing out that asking respondents how they wish to see people behave in their culture is dangerous due to the risk of misrepresentation of a culture. Venaik and Brewer (2013) agree by stating that the concept of the desired behavior (“should be”) is poor and not amenable to any scientific discussions. Contrary to this, Mueller, Diehl, and Terlutter (2014) argue that the inclusion of both values and practices in the GLOBE framework is one of its strengths.

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<sup>1</sup> 10 culture groups: Eastern Europe, Latin American, Latin Europe, Confucian Asia, Nordic Europe, Anglo, Sub-Saharan Africa, Southern Asia, Germanic Europe, and the Middle East. (Globe Project, 2020)

*Table 1: Definitions of the nine cultural dimensions, GLOBE framework (House, Quigley, & Sully de Luque, 2010)*

<b>Cultural dimension</b>	<b>Abbreviation</b>	<b>Definition</b>
Collectivism (Institutional)	C (I)	The degree to which organisational and societal institutional practices encourage and reward the collective distribution of resources and collective action.
Collectivism (In-group)	C (IG)	The degree to which individuals express pride, loyalty and cohesiveness in their organisations or families.
Power distance	PD	The degree to which members of a society expect and agree that power should be stratified and concentrated at higher levels of an organisation or government.
Performance orientation	PO	The degree to which an organisation or society encourages and rewards members for performance improvement and excellence.
Gender egalitarianism	GE	The degree to which a society minimises gender role differences while promoting gender equality.
Future orientation	FO	The degree to which individuals in organisations or societies engage in future-oriented behaviours such as planning, investing in the future, and delaying individual or collective gratification.
Humane orientation	HO	The degree to which members of a society encourage and reward individuals for being fair, altruistic, friendly, generous, caring and kind to others.
Assertiveness	A	The degree to which members of a society are assertive, confrontational or aggressive in social relationships.
Uncertainty avoidance	UA	The extent to which members of a society seek certainty in their environment by relying on established social norms, rituals and bureaucratic practices.

According to Vecchi and Brennan (2011), the GLOBE framework is able to comprehensively, but also less ambiguously capture the elements of culture compared to Hofstede. House, Quigley, and Sully de Luque (2010) support the usage of GLOBE by stating that it has proved to contribute to research on the topic of international advertising and that it will continue to benefit research within the field of advertising. Important not to neglect is that several researchers have criticized this framework due to its novelty. Venaik and Brewer (2013) boldly argue that the dimensions of GLOBE do not describe behaviors of individuals, hence, there is existing doubt

regarding the practical usefulness of this framework. The authors further state that applying the cultural dimensions in order to understand how the world is can be misleading to a high degree. Moreover, Mueller, Diehl, and Terlutter (2008) state that both the validity and reliability of the GLOBE study and its data is questionable and that further empirical evidence would be valuable. As with every framework and theory, there will be researchers and scholars who question its applicability in the real world. However, the GLOBE framework is deemed by the authors of this thesis to be informative and useful for businesses to understand why consumers in an international environment may respond differently to advertising efforts by firms. Additionally, GLOBE specifically assesses regional cultures, a key focus of the research conducted for this thesis. It is therefore regarded as a highly relevant and applicable framework that should be utilized to help evaluate and answer the hypotheses and research questions.

*Table 2* depicts average social practice scores in the Anglo, Germanic European, and Nordic European cultures. Numbers are rated on a scale of one to seven, one being very low and seven being very high. Both the Nordic and Germanic regions score relatively high on uncertainty avoidance and future orientation compared to the Anglo region. It indicates that the Germanic and Nordic Europeans are not too comfortable with ambiguity, less likely to take risks, and feel a need for consistency and structure. They also prefer to plan and invest for the future and delay gratification which indicates that extrinsic rewards are not very effective in those cultures. (Globe Project, 2020; Grove, 2005)

It is further observed that the Germanic and Anglo cultures score relatively high on both dimensions of performance orientation and assertiveness compared to the Nordic region. It indicates that a higher value is placed on competitiveness, control, materialism, and success. Communication is also more direct and unambiguous compared to the Nordic region where it is slightly more indirect, where a higher value is also placed on cooperation, trust, and building relationships. The results highlight how the Germanic region scores relatively low on humane orientation compared to the Nordic and Anglo culture. It means that the Nordic and Anglo

cultures place slightly higher importance on people, are more caring and altruistic, and motivated by a need to belong, while Germanic Europeans often prioritize one's self-interests and find motivation in material possession and in attaining power. On the topic of power, it is apparent that the Anglo and Germanic regions score relatively high on power distance compared to the Nordic region. This tells the reader that the Anglo and Germanic regions see power as something which provides social order, information is often localized, and only people deemed important and powerful are involved in decisions. On the contrary, a lower score indicates that information is shared amongst all, a consensus is often built before a decision is made, and too much power can be associated with corruption or coercion. (Globe Project, 2020; Grove, 2005)

The scores in *Table 2* depict that the Nordic region scores relatively high on institutional collectivism, the Germanic region scores slightly lower, and the Anglo region scores in between the two regions. It reveals that Nordic Europeans often encourage group loyalty and attempts to maximize benefits for the collective group, Germanic Europeans show more encouragement towards people's pursuit of individual goals, and the Anglo region lays somewhere in between. For the in-group collectivism dimension, the Nordics score relatively low compared to Germanic Europeans and the Anglo region. This would indicate that Nordic Europeans view personal needs and attitudes as determinants of one's behavior, while in the other regions, the behavior is determined more by a person's duties and obligations to others. It can be assumed that the Germanic and Anglo regions are more individualistic than the Nordic Europeans. Petrovici, Golden, and Orazbek (2019) would then argue that "consumers from individualistic cultures... are more likely to view [comparative advertisements] as informative" (p. 12). Lastly, as for gender egalitarianism, all regions score relatively low which generally indicates that fewer women compared to men hold positions of authority in a community. (Globe Project, 2020; Grove, 2005)

Table 2: Average Social Practices Scores per Cultural Region<sup>2</sup> in nine Dimensions

Source: GLOBE Phase 2 Aggregated Societal Level Data for Society Culture Scales: May 17, 2004 (Globe Project, 2020)

	C (I)	C (IG)	PD	PO	GE	FO	HO	A	UA
<b>Anglo</b>	4,43	4,26	4,94	4,42	3,42	4,07	4,32	4,06	4,47
<b>Germanic Europe</b>	4,03	4,21	4,95	4,41	3,14	4,40	3,55	4,55	5,12
<b>Nordic Europe</b>	4,88	3,75	4,54	3,92	3,71	4,36	4,17	3,66	5,19

## 2.2 The AIDA Model

In order to analyze the answers of the respondents as well as evaluate the effectiveness of comparative advertising, the AIDA model is applied as the theoretical backbone. It is one of the earliest and most well-known marketing models in history and it was coined by American advertising advocate St. Elmo Lewis during the late 1800s to early 1900s (Yoo, Kim, & Stout, 2004). The AIDA model is a traditional model that depicts certain stages a potential buyer successively passes through (Sinh, 2013) to ultimately reach a purchase decision. It has been adopted as a framework that clearly explains how persuasive advertisements work, and the four stages of the AIDA model: *attention*, *interest*, *desire*, and *action* (Wijaya, 2012) comes together to form an inverted triangle as observed in *Figure 2*.

<sup>2</sup> **Anglo**: Australia, Canada, England, Ireland, New Zealand, South Africa, & the United States of American

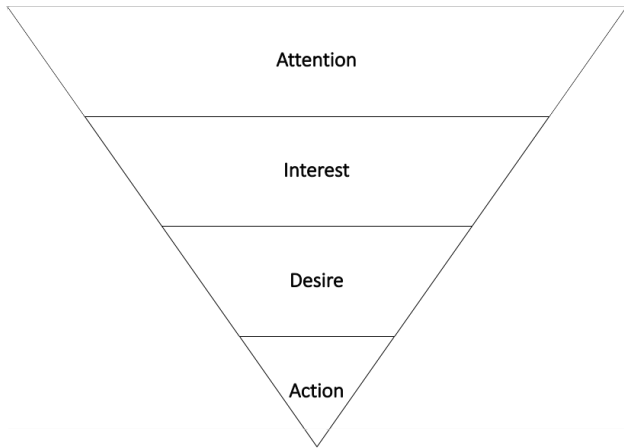
**Germanic European**: Austria, Germany, Netherlands, & Switzerland

**Nordic European**: Denmark, Finland, & Sweden

(Globe Project, 2020)

South Africa is excluded from the Anglo average scores as the survey did not generate answers from that country.

Norway is included in the Nordic Region as it is by definition part of the Nordic Region (Nordic Co-operation, n.d.)



*Figure 2: The AIDA model (Li & Yu, 2013)*

This model is one of many that are classified as a hierarchy of effects model. A hierarchy framework illustrates that consumers respond to business' advertising efforts in a structured and ordered way (Yoo, Kim, & Stout, 2004). Vakratsas and Ambler (1999) argue that being concerned with how consumers respond to advertising efforts is important. Although one should not neglect that despite the AIDA models' popularity, it has sparked criticism and questions regarding whether or not customers go through four hierarchical steps when deciding to purchase a product. For example, Vakratsas and Ambler (1999) had in their research reviewed more than 250 books and academic journals to understand an advertisement's effect on consumers. The findings revealed little support for the existence of a hierarchy when reaching a purchase intention (Vakratsas & Ambler, 1999). On the contrary, Smith, Chen, and Yang (2008) emphasizes that hierarchy of effects models are vital when making an attempt to identify the relevant variables to understand consumer responses to companies' marketing efforts.

Despite the AIDA model being created decades ago, it is deemed relevant today since it is considered a basic framework for marketing activities and it is also a model that subsequent hierarchical marketing theories have been based upon (Chakravarty & Sarma, 2018). AIDA's relevance is supported by Wijaya (2012) who argues that the AIDA model is "the most popular, widely used in studies to measure the effect of advertising" (p. 80), but also by Corvi and Bonera

(2010) who explains that it is widely used when “planning advertising campaigns and evaluating their effectiveness” (p. 6) in the world of international business. Furthermore, Rehman, Javed, Nawaz, Ahmed, and Hyder (2014) conclude that this model can be applied to both traditional and non-traditional practices. This further supports the decision of applying the AIDA model in this thesis since it is versatile enough to be used on an array of marketing concepts. The model is also an easy concept to grasp, especially for those who are less familiar with marketing practices.

### 2.2.1 Attention

The first step of the AIDA model is attention. In order for companies to sell their respective products, their target customers need to be aware of its existence (Ferrell & Hartline, 2011). As a result of this, the first step of any promotional campaign is to create an advertisement that will capture the attention of the customers, but also advertise in a way that retains that initial attention formed by a customer (Ghirvu, 2013) in hopes of moving to the second stage.

### 2.2.2 Interest

The second element is concerned with the ability to generate further interest. This is important since an advertisement that solely attracts a buyer’s attention is often not enough for a business to create demand and make a potential sale (Ferrell & Hartline, 2011). Interest is said to be raised when certain benefits, features, and characteristics are presented in a convincing way (Ghirvu, 2013), and engages the customer to the extent where one is moved through to the third phase.

### 2.2.3 Desire

The third stage is desire. It is important to move a customer from simply possessing an interest, to a desire and a want (Ferrell & Hartline, 2011). Ghirvu (2013) explains how a business must carefully assess what is important to the potential buyers, and position the buyer into a “mental disposition to purchase” (p. 95). A promotional strategy that creates desire will convince a potential customer of the inferior attributes associated with the competitor and the sponsored product’s superiority to substitutes (Ferrel & Hartline, 2011).



## 2.2.4 Action

The final step is to lead a potential buyer to take action. The promotional strategy must be able to push a potential buyer to an acquisition (Ferrell & Hartline, 2011). Important to note is that the probability of a customer reaching the action stage increases if the previous three stages were well executed and successful (Ferrell & Hartline, 2011).

In a study of video game advertisements, where the AIDA model was applied by Ghirvu (2013), it was found that a significant amount of consumers reached the attention and interest elements, slightly less reached the desire element of the model, and the final stage, action, was rarely reached. This indicates that a large part of the customers were “lost” during the process of taking a customer through the models’ steps. Although this specific study did not analyze comparative advertising’s effectiveness, it is important to understand that previous research has found that most advertising efforts are most effective in the initial two stages with a more noticeable decline seen in the last two stages. The AIDA model is, as previously mentioned, a hierarchical effects model which means that with each step, the number of potential buyers will decrease, forming an inverted triangle (Li & Yu, 2013) which is in accordance with the study by Ghirvu (2013).

## 2.3 Chapter Summary

The studies conducted through the GLOBE project provides a more novel perspective on both cultural values and practices, adopting not a country analysis, but a regional analysis. Equally important is the AIDA model; a hierarchical model that depicts four stages a buyer passes through to reach a purchase decision. As it is easy to understand and versatile in its application, it is deemed appropriate for this research. Together, this acts as the theoretical foundation for this thesis’ research objectives.

## 3 Literature Review

### 3.1 Comparative Advertising

Comparative advertising is defined by Williams and Page (2013) as “a persuasive advertising strategy meant to communicate verbally and visually the competitive advantage of superior brands in the marketplace” (p. 47). This is supported by Beard (2018) claiming that the main purpose of comparative advertising, which has heavily influenced its frequent use today, is to establish differentiation from competing brands, not to make consumers generate associations between the sponsored and competing products. Beard (2018) further explains how comparative advertising became more apparent due to the increasing demand for products in the early 20th century, however, split beliefs regarding its effectiveness surfaced. This made it difficult to draw any general conclusions. Beard (2018) argues that there are some researchers who see comparative ads as informative since they generate attention and awareness due to its aggressive nature (Barigozzi & Peitz, 2004; Barry, 1993a; Manning, Miniard, Barone, & Rose, 2001) while others argued that they generate confusion amongst customers (Beard, 2015; Goodstein, Bamossy, Englis, & Ross, 2015). A study conducted in the United States by Goodstein et al. (2015) explored initial interest confusion when presented with multiple comparative advertisements. The study concluded that there was a high rate of consumer confusion when exposed to specific comparative ad campaigns instead of them being informative.

Comparative advertising is now being increasingly utilized by marketing executives (Hsu, 2018) but more as a strategy of “attack”, especially in the United States (Williams & Page, 2013). This is classified as a negative comparative advertisement in comparison with its positive alternative (Hsu, 2018). According to Roggeveen et al. (2006, cited in Hsu, 2018), a negative comparative advertisement allocates the majority of the advertisements focus on the inferior aspects of the competitor to highlight what consumers evidently will lose if they do not choose the sponsored

product. The positive alternative accentuates certain attributes to display a level of superiority compared to the respective competitor to highlight the gains associated with choosing the sponsored product (Hsu, 2018). In an empirical study by Sorescu and Gelb (2013), research involving American students was conducted on the effectiveness of negative comparative ads where it was concluded that positioning competing products in an unfavorable position makes the ad memorable and has the greatest effect on the decision process. Hence, the study stresses that comparative campaigns that attempt to undermine the competing product are often perceived as more credible and can have a larger influence on consumer responses. The main limitation of Sorescu and Gelb's (2013) research is that it does not discuss the disadvantages of negatively "attacking" a well known and well-liked brand or product, which Campbell and Kirmani (2000) argue can make the sponsored brand appear less credible and negatively affect a consumer's purchase intention.

According to Nye, Roth, and Shimp (2008), attention to advertising practices in terms of their level of novelty in the market is important. The authors further state that novelty differs across countries and cultural regions, hence affecting how companies can utilize comparative advertising campaigns in an effective way. Additionally, Iyer (1988) argues that it is important to recognize how new stimuli affect consumers in a positive way. Hence, comparative advertising and its usage can be just as beneficial in parts of the world where it is considered novel as it is in countries where it has been a frequent promotional strategy for decades.

### 3.1.1 Indirect and Direct Comparative Advertising

Indirect comparative advertising is a means of communicating a competitive advantage without identifying specific companies and their brands or products (Hsu, 2018). According to Miniard, Barone, Rose, and Manning (2006), this type of promotional campaign therefore compares the sponsored product with "the leading brand, other brands, or all other brands" (p. 53). As Miniard et al. (2006) state, it makes it less of an aggressive marketing strategy. According to Williams and Page (2013), direct comparative advertising is defined as "explicitly nam[ing] the competing

brand and compares on two or more attributes, benefits, or market positions” (p. 47). The majority of research has paid attention to direct comparative advertising and is the most frequently used format (Kalro, Sivakumaran, & Marathe, 2017; Petrovici, Golden, & Orazbek, 2019) even though it may not be the best one. This could be due to the direct method often being classified as the standard practice (Kalro, Sivakumaran, & Marathe, 2013).

In a cross-cultural study by Shao, Bao, and Grey (2004), involving both low- and high-context communication cultures, findings suggest that while comparative advertising is, in general, most effective in low-context cultures, the indirect advertisement format was found less effective amongst consumers in generating purchase intentions. This is consistent with the argument put forth by Kalro, Sivakumaran, and Marathe (2013). In contrast, an experimental study conducted by Hsu (2018) in the United States suggested that the indirect format, if positively communicated, could lead to better perceptions of the sponsored brand. In contrast, it was also found that direct advertisements are most effective when employed in a negative way since it allows comparisons to be made (Hsu, 2018). However, the main limitation is that the author claims that this applies only to smaller companies wanting to gain additional market share.

In another cross-national study with participants from France, the Netherlands, and the United States, Nye, Roth, and Shimps’ (2008) findings favored direct comparative advertising to inhibit factual content in markets where it has not been properly established. It was also found to be an unfavorable promotional strategy in the United States where direct comparative advertisements have been in frequent use long-term (Nye, Roth, & Shimp, 2008). These findings are supported by Jeon and Beatty (2002) who found that indirect comparative advertisements are more effective in the United States where there is an apparent familiarity with the direct format. While these studies contribute to existing research, the effects that specific brand or market characteristics can alter results are partially overlooked (Hsu, 2018).

## 3.2 Strengths and Weaknesses

The objective of a comparative ad is to alter a consumers' impression of the sponsored brand's product or service relative to competitors (Williams & Page, 2013). Therefore, it is important to consider the strengths and weaknesses it bears. Bringing this forth will reveal reasons as to why companies should adopt or refrain from this practice within one culture or in a multicultural context.

### 3.2.1 Strengths of Comparative Advertising

Barry (1993a) argues that a prominent advantage of using comparative advertisements is that they provide extensive information about a product or service. Reducing confusion regarding product attributes, promoting competition in the marketplace, and forcing companies to produce higher quality are additional advantages listed by Barry (1993a). The author states that such conclusions were reached by evaluating relevant literature and discovering studies that cited those exact strengths. However, Barry (1993a) offers no reference to specific studies which could lessen the credibility of his claims. Despite this, other studies have cited similar, if not the exact same information as Barry did in his 1993a article, one of them is a study conducted by Williams and Page (2013). Nonetheless, Harmon, Razzouk, and Stern (1983) found in their study, similar to Barry's (1993a), that comparative campaigns contain more information that is valuable for consumers, hence, they are considered informative. In addition, comparative advertising is said to attract more attention from consumers which enhance a buyer's purchase intentions (Demirdjian, 1983; Pechmann & Stewart, 1990).

Furthermore, Hill and King (2001) suggest that these types of ads are more memorable. Comparative advertisements also contribute to an increase in product differentiation (Anderson & Renault, 2009; Barry, 1993a). Existing literature has revealed that comparative campaigns are most advantageous in terms of effectiveness for companies that are not fully established on the

market (Anderson & Renault, 2009; Shaffer & Zettermeyer, 2009; Williams & Page, 2013). The main limitation of this statement is that the authors do not recognize it as being a potential weakness for larger, well-established companies.

### 3.2.2 Weaknesses of Comparative Advertising

In an American study on comparative advertisements' effect on brand choice, Pechmann and Stewart (1991) found that novel stimuli such as comparative advertising have a greater effect in creating demand. The authors further state that the limitation of this finding is that comparative advertising is not considered novel (Nye, Roth, & Shimp, 2008; Pechmann & Stewart, 1991) anymore due to its increasing prevalence throughout the world. This can lead to a decrease in its effect on consumers which poses a problem for companies who make use of it. Additionally, as mentioned, comparative campaigns are effective for small, less well-known brands, indicating that larger firms and brands may not reap the same benefits from utilizing such a marketing tool.

Furthermore, Barry (1993a) states in his article that when companies use a comparative format, credibility and believability are decreased. In accordance, an experimental study conducted in Spain by Barrio-Garcia and Luque-Martinez (2003) revealed that advertisements with a comparative format contribute to decreased levels of believability. Barry (1993a) continues to argue how the comparative format may be perceived as deceptive and misleading, hence increasing skepticism of potential buyers which is further supported by Goodstein et al. (2015). Comparative ads are also said to generate irrelevant information, ultimately leading a consumer to a state of confusion (Barry, 1993a). Shao, Bao, and Gray (2004) agree as they argue that comparative advertisements do not provide the needed information, hence, the ability for such a marketing campaign to be persuasive and generate a purchase intention is deemed low. Additionally, the "boomerang effect", i.e. the potential for brand wars and cut-throat competition, has been cited as a weakness (Barry, 1993a). In like manner, Barigozzi, Garella, and Peitz (2009) argue that the potential for this "boomerang effect" when adopting a comparative approach heightens the risk for costly litigation.

### 3.4 Comparative Advertising Practices

Nye, Roth, and Shimp (2008) argue in their study that when market competition increases, the usage rates of comparative advertising is bound to increase. This can be observed in the last couple of decades. As competition for market share becomes more intense, companies attempt to position themselves as superior in the minds of consumers. Kalro, Thomas, and Marathe (2009) argue that various anecdotal evidence and market examples point to the fact that many brands “succumb to the temptation of using comparative campaigns... in retaliation to the competitor’s claim” (p. 11). Additionally, Beard (2010) argues that comparative ads can potentially escalate to a brand war if not careful.

A notorious brand war that began in the 1960s was between two well-known car rental companies, Avis Inc. and Hertz Corporation (Beard, 2010; Kalro, Thomas, & Marathe, 2009). Avis made an attempt to reposition themselves in the market with a new campaign and a slogan that read: “When you’re only no. 2, you try harder” (Beard, 2018, p. 37). Although Hertz Corporation was not explicitly mentioned, the advertisement sponsored by Avis clearly implied that they were referring to their competitor, Hertz, as the leading brand (Beard, 2018; Kalro, Thomas, & Marathe, 2009). With time, Kalro, Thomas, and Marathe (2009) explain how Hertz eventually responded with the launch of their own campaigns such as “Hertz has a competitor who says he’s only number 2. That’s hard to argue with” (p. 11) and “For years Avis has told you they’re number 2. We’d like to tell you why” (p. 11). Important to highlight is that since Hertz responded to Avis’s comparative ad, it increased the credibility of Avis Inc. as a rental car service due to its appearance as an equal competitor to Hertz (Beard, 2010; Kalro, Thomas, & Marathe, 2009). Therefore, caution needs to be taken when deciding to launch a comparative campaign as not to create too much awareness and value for the competing brand.

Hertz and Avis are just one example. Comparative advertising has been around for decades in various formats, and it has gained more attention with time (Beard, 2018), hence, it is no surprise

that there are many other empirical examples of comparative campaigns. Listed below are three additional companies and brands that have engaged in this marketing practice.

#### *Bostitch versus 3M*

The two companies had created comparative campaigns regarding the superiority of staples versus packaging tape. This escalated into a brand war. However, it only lasted for approximately three years. (Beard, 2010)

#### *Wendy's versus McDonald's*

Comparative advertisements were created to position themselves as having a better burger. More specifically, Wendy's had created the notorious "Where is the beef?" campaign. This was a stab at McDonald's lack of meat in their hamburgers. (Beard, 2018; Donthu, 1998)

#### *Coke versus Pepsi*

These two companies have created a fair share of comparative campaigns over the years. So much so that it escalated into a brand war known as the "Cola Wars" (Beard, 2018). One advertisement was the "Summer Time is Pepsi Time" ad sponsored by Pepsi. It attacked its rival, Coca Cola, by using their famous Santa Claus character and had him choose to drink Pepsi over Coke on a vacation. Pepsi was clearly trying to position itself as superior in taste to Coke, and since a brand war exists, one is right to assume that Coca Cola retaliated in some clever way.

### 3.5 Regulatory Framework

Caution must be taken when implementing global marketing campaigns and promotional strategies (Hassan & Yazdanifard, 2019). Goodstein et al. (2015) argue that while some governments encourage comparative advertisements, others are not equally accepting (Shao, Bao, & Grey, 2004) due to the potential abuse of the advertisement format (Goodstein et al. 2015). As Goodstein et al. (2015) explain, comparative advertisements can be deceitful and harmful. This could lead to a need for improved restrictions to regulate its usage.



According to Barigozzi and Peitz (2004), a regulatory framework to govern comparative advertising is fundamentally important to ensure transparency and honesty. Regulatory frameworks are created differently around the world (Bleibaum, Mallen, Jirgal, Corbin, & Dongen, 2018). The authors further argue that laws governing this ad format are explicitly defined for a reason and should serve as a warning for companies wanting to engage in brand wars (Bleibaum et al. 2018). Moving on, when launching a comparative ad to engage in cross-border competition, multinational companies need to engage in legal assessments to verify if it complies with international standards (Barigozzi & Peitz, 2004; Bleibaum et al. 2018). Moreover, Nye, Roth, and Shimp (2008) found that extensive use of the internet has helped overcome national boundaries and restrictions. Therefore, despite explicit laws and directives, there are ways to bypass them which could pose a problem. However, it could be seen as opportunistic, especially for multinationals.

For most countries in the European Union, comparative advertising is not widely explored (Barigozzi & Peitz, 2004). Despite its novelty to certain member states, Bleibaum et al. (2018) state that the European Union has embraced comparative ads and its accompanying benefits, and risks, for companies and consumers. Even so, explicit directives are established to control how comparative advertising can be utilized within and between member states and other parts of the world (Bleibaum et al. 2018; Nye, Roth, & Shimp, 2008). A new directive has also been added to the prior that initially concerned misleading advertisements to establish rules for comparative advertising and the discrediting of competitors (Publications Office of the European Union, 1997). The updated directive has now given permission to member states to use both the indirect and direct format, although with heavy restrictions (Nye, Roth, & Shimp, 2008).

Prior to the United States legislation which allows the use of comparative advertising, a more implicit approach to make comparisons was undertaken as a promotional strategy (Kalro, Sivakumaran, & Marathe, 2017). Although in today's globalized world, Bleibaum et al. (2018) explain that the United States is one of the biggest advocates and supporters of the advertisement

format, arguing for the many benefits consumers reap from it. Benefits include informative ads and increased reasoning when it comes to a purchase decision (Federal Trade Commission, 1979). The Federal Trade Commission (1979) defines comparative advertising as “advertising that compares alternative brands on objectively measurable attributes or price, and identifies the alternative brand by name, illustration or other distinctive information” (n.p.) in regards to the policy statement. Furthermore, the policy encourages its use but demands disclosure and clarity to remedy the risk of deception (Federal Trade Commission, 1979). Williams and Page (2013) contribute by stating that this type of marketing practice is in the United States regulated by both the federal government and private lawsuits under what is known as the Lanham Act.

### 3.6 Chapter Summary

Comparative advertising is heavily utilized in today’s world to differentiate one’s product from a competitor, either indirectly or directly. Its effectiveness in generating purchase intentions is unclear and much debated due to inconsistent findings by researchers. This form of marketing is argued to be informative, effective for less well-established brands, effective in reducing confusion regarding product attributes, promotes competition, is memorable, and attracts attention. Although this may be true, others have argued that it is a deceptive marketing strategy, credibility and believability is decreased, information overload occurs which leads to a state of confusion for buyers, and that companies run the risk of becoming engaged in brand wars.

To understand why marketing executives cave into the temptation of comparative advertisements, global practices such as Avis versus Hertz and Coke versus Pepsi were shortly evaluated. Furthermore, comparative ads are not a universally accepted practice, which does enforce greater responsibilities on international companies to respect and adhere to legal practices in other countries. The United States is for example a big advocate for comparative advertisements, however, the European Union legislation and directives are more restrictive.

## 4 Hypotheses

Before collecting empirical data, hypotheses were formulated. These hypotheses will be directly related to the two research questions. All hypotheses will be evaluated and analyzed in relation to the gathered primary and secondary data and literature. The hypotheses will be the starting point that will be further investigated and discussed in the analysis section.

The first assumption is that consumers in all cultural regions will show a decline when moving from one stage to the next in the AIDA model. This is based on findings which state that with each step in the hierarchical model, fewer and fewer consumers continue through the subsequent steps (Li & Yu, 2013). Furthermore, Shao, Bao, and Grey (2004) argue that a more positive response can be identified by consumers if the advertising message is consistent with their respective cultures. Therefore, it is not stated in the hypothesis that there will be an equal decline since the scores on the cultural dimensions differ between each cultural region. Additionally, other studies, such as the study by Ghirvu (2013) on video games advertisements, has concluded that fewer consumers reach each stage in the AIDA model. This leads the authors to believe that a similar pattern will be observed in this study.

**H1:** All three cultural regions will show a decline in consumers who move from one stage to the next in the AIDA model.

The second assumption states that people from the Anglo cultural region will move further through the steps in the AIDA model than the other regions. This is based on information from the Globe Project (2020) which states that competitiveness is highly valued in the Anglo region. Furthermore, the Anglo region upholds a more direct communication format, is more comfortable with ambiguity and they are not apprehensive towards taking risks (Globe Project, 2020), which further supports the hypothesis at hand. Bleibaum et al. (2018) also state that the

United States, which is part of the Anglo culture, have been, and currently are a big advocate for the comparative ad format, naming its many benefits that companies and consumers can reap.

**H2:** A higher percentage of consumers from the Anglo cultural region will move further through the steps of the AIDA model compared to the Germanic and Nordic European cultural regions.

The third assumption is that consumers from the Germanic region will display a more positive and accepting attitude towards comparative campaigns in comparison with the Nordic European region. As the Globe Project (2020) argues, the Germanic culture places a higher value on competitiveness and is not very hesitant to be confrontational with others compared to Nordic Europeans. In addition, the Germanic region scores lower on humane orientation meaning they often value self-interest and favor attaining power (Globe Project, 2020). Despite the claim made by Bleibaum et al. (2018) that many EU members have embraced comparative ads, the authors hypothesize that a slight difference in comparative advertising's effectiveness will be observed for those two cultural regions, based on the GLOBE Projects findings.

**H3:** The Germanic cultural region will be more accepting of comparative advertising than the Nordic European cultural region.

The last assumption is that Nordic Europeans will have a more negative perception of comparative ads compared to the other cultural regions. This assumption is based on the fact that countries part of Nordic Europe often value explicit rules and procedures, they are more altruistic, and also place a relatively lower value on competitiveness (Globe Project, 2020). Additionally, several countries in the European Union have not explored this type of marketing practice as extensively as other countries have done (Barigozzi & Peitz, 2004).

**H4:** The Nordic European cultural region will perceive comparative advertising more negatively than the other cultural regions.

## 5 Methodology

### 5.1 Research Approach

The research will be evaluated based on quantitative data with a deductive research approach. After the research area of international marketing was decided upon, a review of previous literature and research within the field was conducted. This was done to evaluate research and conclusions that had been made to identify gaps in the previously published literature. Based on the findings, the topic of comparative advertising and its effectiveness from a consumer perspective in three cultural regions was chosen as the focus of this study. Moving on, the introductory chapter was written to give an overview of comparative advertising. The problematization section was written with the intention to clarify the problem, laying the foundation for this study. Next, the research purpose and research questions were formulated and reworked. These were based on previous literature, a perceived lack of research, and inconsistent results. After that, a literature review was drafted which then led to four hypotheses being constructed.

The survey was simultaneously being designed and reworked to establish questions that would yield answers that could be applied using the theoretical frame of reference. The questions were formulated with the intent of answering the research questions and testing the hypotheses. Moving on, before administering the survey, a pilot study with eight participants was conducted. The authors briefed each participant individually to uncover any problems with the survey format, the questions, and if the comparative advertising examples influenced their answers. All eight participants revealed that the picture examples helped further their understanding of comparative advertising and did not influence their answers. Based on these findings, the authors made the decision to include the two examples. No concerns were raised regarding the format or the questions in the survey.

Empirical observations, including figures and tables, were later presented in the results section. Next, a comprehensive analysis and discussion were conducted through the application of both primary and secondary data, and the application of the theoretical framework. After that, a concluding chapter was formulated. Moreover, the practical implications of the research were conducted, as well as suggestions for future research. Finally, the authors revisited and revised the text to ensure cohesion throughout the thesis.

As mentioned, the study is conducted using a deductive research approach. This means that theoretical considerations are introduced to help deduce hypotheses that drive the data collection process (Bryman & Bell, 2011). The chosen theory helps to evaluate, analyze, and understand the findings and observations (Bryman & Bell, 2011).

## 5.2 Variables

### 5.2.1 Independent Variables

The independent variables are the three cultural regions:

1. Anglo
2. Germanic European
3. Nordic European

The independent variables have been chosen based on the availability of collecting primary data for our sample. They were further chosen because no previous research, to our knowledge, has studied these cultural regions in conjunction with the topic of comparative advertising.

## 5.2.2 Dependent Variables

The consumer responses generated from the survey make up the dependent variables. More specifically, the dependent variables which will be evaluated are:

1. Perception of comparative advertising
2. Skepticism towards companies' usage of comparative advertising
3. Acceptability towards making a competitor seem inferior in an advertisement
4. Aggressiveness of comparative advertising

The effectiveness of comparative ads in generating a purchase intention is examined through four stages in the AIDA model. The survey included seven statements that set out to measure the effectiveness of comparative advertising in relation to the AIDA model. The statements that relate to each stage in the model are as follows:

### 5. Attention

*I think comparative advertising is memorable.*

*Comparative advertisements make me aware of a sponsored brands' product.*

Cronbach's Alpha: 0,772

### 6. Interest

*Comparative advertising makes me want to learn more about a sponsored brands' product.*

*Comparative advertisements provide me with useful and interesting information.*

Cronbach's Alpha: 0,861

### 7. Desire

*Comparative advertising convinces me of a sponsored brands' product superiority to competitors.*

*I am more inclined to purchase a product when it is positioned as better compared to a competing product.*

Cronbach's Alpha: 0,818

## 8. Action

*A comparative advertisement convinces me to buy a sponsored brands' product.*

A Cronbach Alpha score of 0,80 often denotes an acceptable level of internal reliability, however, numerous researchers accept a slightly lower number, such as Schutte, Toppinen, Kalimo, and Schaufeli (2000) who in their research suggested an alpha of 0,70 or above as sufficient. The scores above imply that the data set from the constituent scales of the three measures are internally reliable. This test was conducted to ensure a degree of similarity in the scores because consumers' responses to comparative ads in relation to the first three stages in the AIDA model were assessed using two statements each.

## 5.3 Research Design

The research design in this study is a comparative design. A comparative design is used to make direct comparisons (Bryman & Bell, 2011) between three different cases which for this study are three cultural regions. That made this research cross-cultural in regards to the global marketing practice. To conduct a comparative research design, the data collection was executed by means of a cross-sectional design format (Bryman & Bell, 2011). A cross-sectional design was used for the compilation of quantifiable data, in a short period of time, and on more than one case to allow for variations of variables (Bryman & Bell, 2011).

To allow for the collection of data, an online survey was made in the form of a self-completion questionnaire. According to Bryman and Bell (2011), a cross-sectional research design will only make it possible to identify and distinguish patterns of association between variables from the



survey, not causal relationships. Only closed questions were included in the survey to allow for clarity, both for the respondents and for future analysis. According to Bryman and Bell (2011), closed questions allow for simplicity when interpreting and analyzing data. Moreover, most of the questions were administered in a Likert scale format with five response options (Bryman & Bell, 2011). A response format with five balanced options was chosen for this study to generate a higher response rate. This was supported by Babakus and Mangold (1992) who argue that it increases response quality and response rate, as well as reduces participants' frustration level when answering the questions.

## 5.4 Data Collection Method

As the design of the survey was finalized, a non-probability sample was made. A non-probability sample is a sampling technique whereby researchers gather samples in a way that does not give every individual an equal opportunity to be selected (Bryman & Bell, 2011). Within the range of non-probability samples, a convenience sample was made which Bryman and Bell (2011) states are individuals who are available to the researcher and their study due to accessibility.

The survey was distributed through online channels such as Facebook and LinkedIn to easily reach an audience on a large scale and in a quick manner. According to Curtis (2008), online surveys are a common method to collect primary data and argue that advantages include its simplicity and speed in data collection. All respondents taking part in the survey were 16 years or older. Younger people were excluded from taking part in the survey due to the need for having informed responses. The data collection was completed within eight days and resulted in 281 complete responses.

In ethical regards, the respondents were informed that the survey was voluntary prior to their participation. They were also informed and assured of their anonymity if they decided to take part in the study. Bryman and Bell (2011) state that data gathered through the survey is

considered primary data. All additional data is defined as secondary. This includes the theoretical framework and literature review, as well as numerical data from the GLOBE projects' website. The secondary sources and data were for the most part collected from scholarly articles. A few articles were government-affiliated or e-books found online. The scholarly articles were written by researchers or professors and most of the articles were from the 21st century.

## 5.5 Data Analysis

Once all necessary data had been collected from the survey, responses were transferred into an excel file and then imported into SPSS, a statistical software program. All responses were coded for ease of statistical analysis. Both descriptive and bivariate graphs and tables were created where the majority displayed a percentage distribution. To properly analyze the data, a combination of nominal and ordinal variables were used. To represent the data, descriptive statistics were presented to analyze certain variables individually, not in relation to each other. Bivariate analysis was completed to interpret and analyze the significant data. Bivariate analysis refers to the comparison between two different variables in an attempt to establish relationships between them. (Bryman & Bell, 2011)

## 5.6 Replicability, Reliability, and Validity

### 5.6.1 Replicability

It is vital that replicability is possible for this study due to its quantitative nature (Bryman & Bell, 2011). Therefore, the research approach and procedures exercised throughout were written as clearly and explicitly as possible. The survey is in a clear manner displayed in Appendix A at the end of the paper. By including the original survey, it provides other researchers with complete transparency in how the data was gathered.

## 5.6.2 Reliability

According to Bryman and Bell (2011), the concept of reliability concerns the repeatability of the results generated by the study. In accordance with repeatable results, reliability also recognizes consistencies and stability within the quantitative data generated from the survey. When a comparative study with a cross-sectional format is conducted, inconsistencies in data is a possibility which can make the results biased.

The three different scales used on the x-axis in the figures are consistent, and the y-axis on the figures are presented in percentages with a 10 percent margin. However, *Figure 6* has a four-point scale that deviates from the other figures. Moreover, there are recognizable outliers of up to 5 percent for some questions which need to be taken into account when evaluating data consistency. The slight variations in the respondents' answers within each cultural region could possibly be due to their knowledge of comparative advertising.

## 5.6.3 Validity

With quantitative studies there are several different types of validity that should be addressed. For this thesis, internal validity, external validity, and measurement validity are relevant (Bryman & Bell, 2011). Internal validity is related to the notion of causal relationships between independent and dependent variables. When data from a comparative study with a cross-sectional design format is to be interpreted and analyzed, difficulties will emerge when trying to express causality between two or more variables. As the survey provides data from a limited convenience sample, no conclusions of causality between variables can be justified. However, according to Bryman and Bell (2011), correlations can be found and established from the data provided by the survey.

External validity is directly associated with the possibility of generalizing the results beyond the scope of the research (Bryman & Bell, 2011). Generating a representative sample is important to

establish external validity (Bryman & Bell, 2011), however, because a limited convenience sample was made, generalizations are not applicable to this study. Another reason is due to the sample representing not only a country but multiple countries forming a cultural region.

Finally, measurement validity refers to whether or not the measurements used accurately reflects the concept being tested (Bryman & Bell, 2011). The measurements chosen for this study have allowed the participants to express their opinions in an appropriate way to allow for relevant findings that directly represent the research questions. Establishing measurement validity is important to not perceive the findings as questionable (Bryman & Bell, 2011).

## 5.7 Limitations

Advanced statistical analysis will not be possible due to the limited scope of the thesis (Bryman & Bell, 2011). According to Bryman and Bell (2011), incomplete and inaccurate results are a limitation from conducting this type of study. For this particular study, there were respondents who chose “other” as their answer for country of origin. Since the study only evaluates answers from three specific cultural regions, those respondents’ answers were disregarded.

The survey was a social survey and was distributed through various online channels. Since a convenience sample was made, the majority of the respondents will be from the Nordic European region, more specifically Sweden, as the authors are from that country. Moreover, having a relatively smaller number of respondents from the Germanic European and Anglo cultural regions is another limitation since it can entail a risk of it not being an accurate representative sample of their culture. Another limitation is the picture examples included in the survey to generate a better understanding of comparative advertising. Despite results from the pilot study, the picture examples could have generated confound or biased results. Furthermore, the respondents could have provided answers that do not reflect their real behavior when asked what they think they would do in a certain situation for a question (Bryman & Bell, 2011).

## 5.8 Errors

### 5.8.1 Sampling Errors

A sampling error is the measure used to reach respondents since sending out a survey through online channels leads to a degree of sampling bias. Those members of the intended population who do not have social media or did not access the internet during the duration of data collection had a lower sampling probability. Since a convenience sample was made, it is difficult to ensure that subsequent research has the same or similar conditions as the original study.

### 5.8.2 Data Collection Errors

A data collection error is that since the questions revolve around a marketing practice, not a specific company or product, the questions could be too general. There is a possibility that this led respondents to not be able to answer the questions as was intended (Bryman & Bell, 2011). Moreover, only question ten included an option stating “I don’t know” which can create biased results if respondents do not evaluate the question and their response (Bryman & Bell, 2011). Although, the questions with no “I don’t know” answer option are also exposed to generating bias if respondents do not know how to answer a question but are forced to.

### 5.8.3 Data Processing Errors

It is important to recognize the small amounts of errors that inevitably occur when using statistical software for computations. For this thesis, due to rounding errors there are slight discrepancies between the rounded mathematical results and the total percentages columns produced by the program. Nonetheless, these rounding errors are minor and have no significant practical effects on the generated results.

## 6 Results

This section includes empirical observations collected through the online survey (see Appendix A). The original sample size was 293 people, however, 12 respondents had chosen “other” as their country of origin. Therefore, these 12 surveys had to be excluded from the sample since they were not part of the three cultural regions that were going to be evaluated. Hence, only the 281 completed surveys that had chosen a country of origin part of the three cultural regions were included in the results and further analyzed.

### 6.1 Results from Descriptive Statistics

#### 6.1.1 Demographics of Sample

The sample of 281 respondents was fairly equally distributed in terms of gender; 151 females and 130 males. A majority of 175 respondents had a university degree completed, 72 were currently enrolled at a university, while the remaining had either completed or not completed high school. The age groups 16-29 and 50-59 were the most common with 87 and 89 respondents respectively. The 40-49 group was also not uncommon which had 64 respondents, while the remaining 41 people were distributed between the 30-39 and 60+ groups.

*Table 3* depicts how the sample size for the study is distributed amongst the three cultural regions. The majority of respondents, specifically 52,7 percent, were from the Nordic European countries. The remaining responses amount to 27,4 percent Anglo consumers and 19,9 percent Germanic European consumers. Hence, the sample was skewed towards the Nordic European cultural region. Regarding country of origin, *Table 4* depicts that there were responses from more than two countries per cultural region. As shown, 36,3 percent of the total sample were from Sweden meaning that the remaining 16,4 percent were from the other three Nordic European

countries. Regarding the Anglo cultural region, responses were generated from six different countries with 12,1 percent from the United States. Furthermore, four countries represent the Germanic European region.

*Table 3: Cultural Region Distribution*

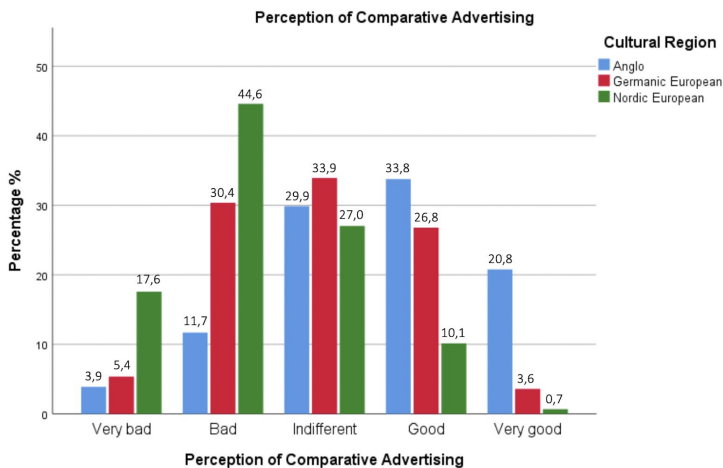
<b>Cultural Region</b>			
	Frequency	Percent	Valid Percent
Anglo	77	27,4	27,4
Germanic European	56	19,9	19,9
Nordic European	148	52,7	52,7
Total	281	100,0	100,0

*Table 4: Country Distribution*

<b>Country</b>			
	Frequency	Percent	Valid Percent
Australia	12	4,3	4,3
Austria	3	1,1	1,1
Canada	4	1,4	1,4
Denmark	15	5,3	5,3
England	19	6,8	6,8
Finland	19	6,8	6,8
Germany	19	6,8	6,8
Ireland	3	1,1	1,1
New Zealand	5	1,8	1,8
Netherlands	24	8,5	8,5
Norway	12	4,3	4,3
Sweden	102	36,3	36,3
Switzerland	10	3,6	3,6
United States	34	12,1	12,1
Total	281	100,0	100,0

## 6.2 Results from Bivariate Analysis

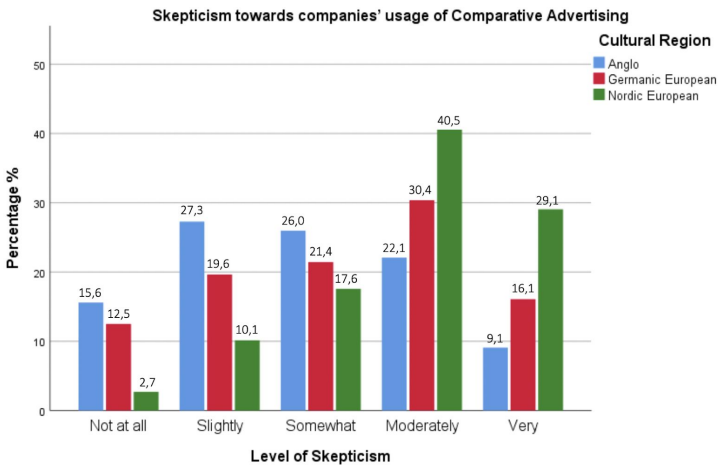
The results on how the overall perception of comparative advertising differs between three cultural regions are presented in *Figure 3*. Respondents from the Anglo cultural region had a tendency to perceive comparative advertising more positively. In comparison, 44,6 percent of respondents within the Nordic region answered “bad” reflecting a more negative perception. Hence, *Figure 3* depicts Nordic Europeans to perceive comparative advertising more negatively than respondents from the Anglo region while respondents from Germanic Europe had a tendency to cluster around “bad,” “indifferent,” and “good”.



*Figure 3: Perception of Comparative Advertising and Cultural Regions*

*Figure 4* depicts the level of skepticism respondents have towards the use of comparative advertising by companies. The results present a clear trend towards a high level of skepticism from respondents within the Nordic European cultural region. The answer “moderately” had a 40,5 percent response rate and the answer “very” had 29,1 percent. Respondents from Germanic Europe and Anglo regions were fairly dispersed in their answers, however, respondents from the Anglo region had a tendency to be less skeptical.





*Figure 4: Skepticism towards Comparative Advertising and Cultural Regions*

*Figure 5* depicts how the three regions respond to making a competitor seem inferior to the sponsored brand in a comparative ad. Respondents from the Anglo region had a tendency to view it as more acceptable since 32,5 percent answered “moderately”. However, some Anglo respondents also favored a less acceptable view. The most common answers for respondents within the Germanic European region were “somewhat” and “slightly” with a total of 33,9 percent and 32,1 percent respectively. Moving on, the majority of respondents within the Nordic cultural region found it to be “somewhat” to “not at all” acceptable.

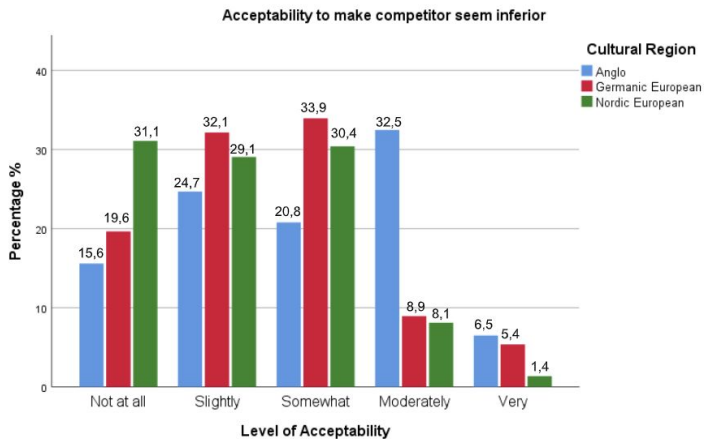


Figure 5: Acceptability of Making a Competitor seem Inferior in an Advertisement

Results in Figure 6 visualize a strong direction towards an agreement concerning the aggressiveness of comparative advertising. A unified pattern amongst the three cultural regions was found with a majority of respondents within each cultural region answering “yes” to if they perceive comparative advertising as aggressive. A small percentage answered “no” and “maybe”. Additionally, there were a few outliers that answered “I don’t know”.

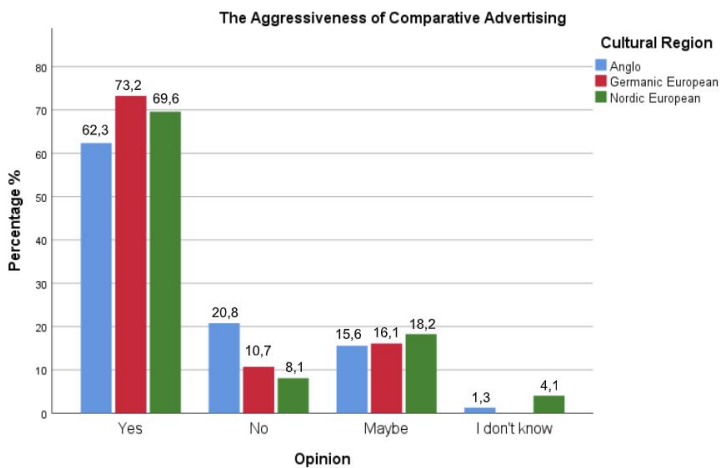


Figure 6: Aggressiveness of Comparative Advertising and Cultural Regions

Spearman's rho is primarily used for pairs of ordinal variables to measure the strength of association between two variables, as well as the relationships' direction, with coefficients that range from -1 to +1 (Bryman & Bell, 2011; Schober, Boer, & Schwarte, 2018). A conventional approach to the interpretation of the coefficient strengths are as follows: 0,00 - 1,10 negligible, 0,10 - 0,39 weak, 0,40 - 0,69 moderate, 0,70 - 0,89 strong, and 0,9 - 1,0 very strong (Schober, Boer, & Schwarte, 2018). The authors do however state that other cutoff points have been published. With that said, *Table 5* presents correlations between three variables for the whole sample, not individual cultural regions. The results show a moderately strong negative correlation for the first variable set. For the second variable set, there is a moderately strong positive correlation. This means that a more positive perception of comparative ads is correlated with less skepticism and higher acceptability towards making a competitor appear inferior. Furthermore, a low level of skepticism towards the marketing tool is correlated with a higher level of acceptability towards making a competitor appear inferior. However, the correlation between that pair of variables is slightly weaker compared to the previous ones.

*Table 5: Spearman Rank Correlation*

<b>Correlation variables</b>	<b>Spearman's rho Correlation Coefficient</b>	<b>Sig. (2-tailed)</b>
(1) Perception of CA (2) Skepticism towards CA	- 0,564 **	0,000
(1) Perception of CA (2) Acceptability of making a competitor seem inferior	0,496 **	0,000
(1) Skepticism towards CA (2) Acceptability of making a competitor seem inferior	- 0,339 **	0,000

\*\* . Correlation is significant at the 0,01 level (2-tailed).

### 6.2.1 Statistical Significance

In *Table 11*, found in Appendix B, statistical significance regarding the “perception of CA”, “skepticism towards companies’ usage of CA”, “acceptability of making another company’s product or brand seem inferior in an ad”, and “aggressiveness of CA” across the category of cultural regions is presented. The level of statistical significance used for this Kruskal-Wallis test is  $p < 0,05$ . There are statistically significant differences between each region in regards to perception, skepticism, and acceptability as they all depict a p-value of 0,000. Hence, those null hypotheses could be rejected. However, the null hypothesis for “aggressiveness of CA” was retained as it had a p-value of 0,541, indicating no difference in perceived aggressiveness between the regions, which also concurs with *Figure 6*.

## 6.3 The AIDA Model

Respondents stated their agreement to each of the seven statements pertaining to the stages in the AIDA model on a scale from one to five. As the first three stages in the AIDA model were evaluated on two statements each, scores were combined to generate an average score for that specific dimension. Due to this, *Tables 6, 7, and 8* include scores of 1,5, 2,5, 3,5, and 4,5. The percentage of participants who scored above 3,0, i.e. the scores marked in red, are deemed to be in some level of agreement with the statements which means they move forward in the AIDA model. A score of 3,0 or less indicates a level of indifference or disagreement which means those participants will not move through the next step in the model.

*Table 6* shows that comparative advertising generated attention from a total of 71,5 percent of participants from the Anglo region. For the Germanic European region, a total of 78,6 percent of consumers in our sample agreed that comparative advertising generated attention. Regarding the Nordic Europeans, 54,8 percent showed a level of agreement that comparative campaigns were attention-grabbing. The results suggest that comparative advertisements were most effective at

generating attention from the Anglo and Germanic Europe cultural regions, while only 54,8 percent of Nordic Europeans entered the first stage of the AIDA model.

*Table 6: Cultural Region and Attention (AIDA model)*

			Cultural Region and Attention									Total
			1,0	1,5	2,0	2,5	Attention		3,5	4,0	4,5	
Cultural Region	Anglo	Count	3	2	6	8	3	16	25	8	6	77
		% within Cultural Region	3,9%	2,6%	7,8%	10,4%	3,9%	20,8%	32,5%	10,4%	7,8%	100,0%
	Germanic European	Count	1	0	1	5	5	12	21	9	2	56
		% within Cultural Region	1,8%	0,0%	1,8%	8,9%	8,9%	21,4%	37,5%	16,1%	3,6%	100,0%
	Nordic European	Count	6	10	19	18	14	47	27	6	1	148
		% within Cultural Region	4,1%	6,8%	12,8%	12,2%	9,5%	31,8%	18,2%	4,1%	0,7%	100,0%

*Table 7* depict how well comparative campaigns generate interest. In the Anglo culture, a total of 55,9 percent of consumers felt that comparative advertisements instill some level of interest for the advertised product. Germanic Europeans had 41,1 percent of consumers move through to the interest stage of the model, while only 13,5 percent of Nordic Europeans rated comparative ads to generate further interest. Most of the Nordic Europeans answers clustered around 3,5, which still indicates an agreement with the statements, although this level of agreement is quite low.

*Table 7: Cultural Region and Interest (AIDA model)*

			Cultural Region and Interest									Total
			1,0	1,5	2,0	2,5	Interest		3,5	4,0	4,5	
Cultural Region	Anglo	Count	7	6	9	6	6	21	17	4	1	77
		% within Cultural Region	9,1%	7,8%	11,7%	7,8%	7,8%	27,3%	22,1%	5,2%	1,3%	100,0%
	Germanic European	Count	2	11	8	8	4	10	13	0	0	56
		% within Cultural Region	3,6%	19,6%	14,3%	14,3%	7,1%	17,9%	23,2%	0,0%	0,0%	100,0%
	Nordic European	Count	25	24	41	23	15	15	4	1	0	148
		% within Cultural Region	16,9%	16,2%	27,7%	15,5%	10,1%	10,1%	2,7%	0,7%	0,0%	100,0%

*Table 8* evaluates participants' desire towards the sponsored product. The Anglo region had 46,8 percent who exhibited some level of agreement that comparative ads generate a desire for a sponsored product. Interestingly enough, 41,1 percent of Germanic Europeans felt that a desire was created when companies utilize comparative campaigns, meaning there was no change in

respondents from the interest stage. However, the majority clustered around an agreement level of 3,5 which indicates that the agreement level is not as high as it was in the interest stage, where a majority clustered around 4,0. Lastly, 9,5 percent of Nordic consumers moved through to the desire stage.

*Table 8: Cultural Region and Desire (AIDA model)*

			Cultural Region and Desire									Total
			Desire									
			1,0	1,5	2,0	2,5	3,0	3,5	4,0	4,5	5,0	
Cultural Region	Anglo	Count	8	11	7	7	8	13	16	3	4	77
		% within Cultural Region	10,4%	14,3%	9,1%	9,1%	10,4%	16,9%	20,8%	3,9%	5,2%	100,0%
	Germanic European	Count	6	4	8	11	4	17	5	1	0	56
		% within Cultural Region	10,7%	7,1%	14,3%	19,6%	7,1%	30,4%	8,9%	1,8%	0,0%	100,0%
	Nordic European	Count	24	37	48	13	12	8	5	0	1	148
		% within Cultural Region	16,2%	25,0%	32,4%	8,8%	8,1%	5,4%	3,4%	0,0%	0,7%	100,0%

*Table 9* evaluates how effective comparative ads are in generating purchase intentions for the sponsored product. The Anglo region had 32,5 percent of consumers reach the last stage, meaning that comparative ads convinced them to purchase a product. Germanic Europe had 19,6 percent who agreed with the statement and only 4,8 percent of Nordic Europeans exhibited some level of agreement that comparative advertisements generate a purchase intention.

*Table 9: Cultural Region and Action (AIDA model)*

			Cultural Region and Action					Total
			Action					
			1	2	3	4	5	
Cultural Region	Anglo	Count	15	21	16	22	3	77
		% within Cultural Region	19,5%	27,3%	20,8%	28,6%	3,9%	100,0%
	Germanic European	Count	11	16	18	11	0	56
		% within Cultural Region	19,6%	28,6%	32,1%	19,6%	0,0%	100,0%
	Nordic European	Count	62	63	16	6	1	148
		% within Cultural Region	41,9%	42,6%	10,8%	4,1%	0,7%	100,0%

*Table 10* depicts the total means for each stage based on the answers on the five-scale response option of strongly disagree to strongly agree. Results suggest that the average level of agreement

towards the statements in the survey declines, hence, the mean decreases with each step in the model. Furthermore, since the average number declines in *Table 10*, the results indicate a decline in consumers who move from one stage to the next in the AIDA model in all three cultural regions. Based on our sample, the Anglo region had the highest means throughout all four stages, except in the attention stage where Germanic Europeans had a higher score. The Nordic region constantly had the lowest mean in each stage.

*Table 10: Means for each AIDA model stage*

Cultural Region		Attention	Interest	Desire	Action
Anglo	Mean	3,494	3,006	2,896	2,700
Germanic European	Mean	3,696	2,741	2,705	2,520
Nordic European	Mean	3,044	2,152	2,007	1,790
		G > A > N <sup>3</sup>	A > G > N	A > G > N	A > G > N

### 6.3.1 Statistical Significance

The Kruskal-Wallis 1 way ANOVA test with a level of statistical significance at  $p < 0,05$  was used to determine statistical significance for the data set relating to the four stages of the AIDA model. The null hypotheses in *Table 12*, located in Appendix B, stipulate that the data set occurred by chance. The decision for all four stages was to reject the null hypothesis since all p-values are equal to 0,000. This implies that the results are statistically significant. Despite these results, it is important to understand if the statistical significance still holds when one conducts the pairwise cultural region comparison for each stage in the AIDA model. This is presented in *Table 13* in Appendix B. When comparing the Nordic European with the Anglo region, and the Nordic with the Germanic European region, the significance level is at 0,000 for all four stages

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<sup>3</sup>A = Anglo  
G = Germanic European  
N = Nordic European

in the model. This means that the null hypothesis which stipulates that the distributions are the same for the compared regions will be rejected. Interestingly enough, when one looks at the pairwise comparison of the Germanic European and Anglo region, the p-values are all well above the significance level of 0,05 for every stage in the AIDA model, indicating no statistically significant differences. This tells us that the effectiveness of comparative ads in the Germanic European and Anglo region are very similar. These findings also tell us that the percentage differences observed in our sample between those two regions in each stage are small enough that they may have been due to chance. Important to realize is that there is a greater risk of performing a Type I error when inferring multiple statistical tests with a  $p < 0,05$  level of significance (Bryman & Bell, 2011). Therefore, the adjusted Bonferroni p-value was included (Abdi, 2010), however, our results to reject or retain the null hypotheses remained the same.

## 6.4 Hypotheses Evaluation

There was an observable hierarchical decline for all three cultural regions when each stage in the AIDA model was examined. When looking at *Table 10* which depicts the total means for each stage, a decline in the numbers was witnessed for each stage within each cultural region. One exception was that the Germanic European cultural region saw no change in respondents who entered the interest and desire stage. In both *Table 7* and *Table 8*, the red numbers for the Germanic region add up to 41,1 percent each. Due to this, the first hypothesis can be partially accepted from the studied sample. A larger random probability sample should be studied to generate a more accurate evaluation.

**H1:** All three cultural regions will show a decline in consumers who move from one stage to the next in the AIDA model.

The Anglo region had 71,5 percent of respondents go through the attention stage which is less than the 78,6 percent of respondents from the Germanic region. This is further observed in *Table*



10 where the mean in the first stage for the Anglo region was 3,494 while for the Germanic region it was 3,696. However, the percentage of respondents within the Anglo cultural region was the largest in comparison to the others when evaluating steps 2 through 4 which is further visualized in *Table 10*. Additionally, what is observed in *Table 13* is that for all four stages in the AIDA model, the distributions were statistically different between the Nordic European and the Anglo region. As seen in *Table 7, 8, and 9*, the total of the numbers marked in red is largest for the Anglo cultural region. However, as presented in *Table 13*, the differences observed in our sample between the Germanic European and Anglo regions were not considered statistically significant. This means that the magnitude of difference observed in the sample was most likely due to chance. To summarize, according to our sample, the Anglo cultural region was observed to move the farthest through the AIDA model, however, only the Anglo and Nordic cultural regions exhibited statistically significant differences in the pairwise comparison in *Table 13*. Hence, the second hypothesis can only be partially accepted for our sample and further studies with larger samples should be exercised.

**H2:** A higher percentage of consumers from the Anglo cultural region will move further through the steps of the AIDA model compared to the Germanic and Nordic European cultural regions.

Germanic Europeans displayed quite dispersed, and sometimes more neutral answers regarding their responses towards comparative ads, while Nordic Europeans had a tendency to favor a more negative response overall. For example, in *Figure 4* which evaluates perceived skepticism levels, 40,5 percent of respondents within the Nordic region answered “moderately” and 29,1 percent answered “very” while responses from within the Germanic region were dispersed in their opinions. This indirectly presents the Germanic region as more accepting. The Germanic region also had a higher percentage of consumers pass through each stage in the AIDA model relative to the Nordics which is depicted in *Table 6* through *9*. Despite this, the Germanic region depicts relatively similar answers to that of the Nordic region in *Figure 5* where acceptability to make a competitor seem inferior is evaluated. The majority of the Germanic respondents

answered “slightly” and “somewhat” with a total of 32,1 percent and 33,9 percent respectively. The majority of the answers within the Nordic cultural region also clustered around “slightly” and “somewhat”, but did however possess a more negative response pattern due to 31,1 percent of consumers also selecting “not at all”. Additionally, they also responded fairly similarly in *Figure 6* where aggressiveness is evaluated; a clear majority clustered around “yes”. Due to this, the third hypothesis can be partially accepted.

**H3:** The Germanic cultural region will be more accepting of comparative advertising than the Nordic European cultural region.

The results in *Figure 3* indicates a relationship between the Nordic European respondents and a negative perception of comparative advertising. Within the Nordic cultural region, 17,6 percent answered “very bad”, 44,6 percent answered “bad” and 27,0 percent answered “indifferent”. The responses from the Germanic cultural region were fairly equally distributed amongst “bad”, “indifferent” and “good”. Furthermore, there was an observable positive response pattern for the Anglo region where the majority of responses within that region clustered around “indifferent”, “good” and “very good”. Additionally, *Table 11*, located in Appendix B, indicates that the differences across all cultural regions were statistically significant in terms of perception. Therefore, we can accept the fourth hypothesis for the studied sample.

**H4:** The Nordic European cultural region will perceive comparative advertising more negatively than the other cultural regions.

## 7 Analysis and Discussion

This study sets out to explore consumer responses to comparative advertising to evaluate its degree of effectiveness in three western cultures. Two research questions act as the foundation for the study. By applying a deductive research approach, four hypotheses have been created which stem from the theoretical foundation. The following analysis and discussion will make use of both the literature review and the theoretical framework to evaluate the results. This will help reach a conclusive answer to the research questions, and provide a sound explanation for the evaluation of the hypotheses.

### 7.1 Dimensions of Culture

Shao, Bao, and Grey (2004) argue that “consumers respond favorably to advertising messages that are consistent with their culture” (p. 67). Since the GLOBE study reveals differences in the three cultures’ practices, one is right to assume that all three cultures do not respond equally well to this marketing practice. Significant differences in consumer’s responses to comparative ads based on culture have been observed.

Upon a review of the literature and the results, it can be established that comparative ads are for many strongly associated with aspects of competitiveness and aggressiveness. It may also not always be considered a fair practice, it does not come without risks, and comparative ads attempt to always maximize a company’s own interest by positioning itself as superior in the minds of consumers. Hence, the four GLOBE dimensions which are assumed to be of value and relevance when evaluating the results are (1) uncertainty avoidance, (2) performance orientation, (3) assertiveness, and (4) humane orientation.

For the dimension of uncertainty avoidance, Nordic Europeans and Germanic Europeans score relatively high compared to the Anglo region. Cultures that are not very comfortable with ambiguity and less likely to take risks are characteristics associated with a higher score. In terms of performance orientation and assertiveness, Germanic Europeans and the Anglo culture place a slightly higher value on competitiveness, control, and success, and are more assertive and direct in their way of communicating than Nordic Europeans. Finally, regarding humane orientation, the GLOBE study reveals that Germanic Europeans score relatively low, while Nordic Europeans and the Anglo region score slightly higher, with the highest score witnessed from the Anglo region. Interestingly enough, this suggests that the Nordic and Anglo culture place higher value on people and are more altruistic than the Germanic Europeans who prioritize self-interest more and are motivated by power. (Globe Project, 2020; Grove, 2005)

## 7.2 Cultural Practices and Consumer Responses towards Comparative Advertising

### 7.2.1 Analysis of Consumer Responses

The study demonstrates that respondents from all three cultural regions are unified in their answers stating that, “yes”, comparative advertising is aggressive, depicted in *Figure 6*. This is in line with what other researchers have stated regarding the aggressiveness of the marketing phenomenon (Barigozzi & Peitz, 2004; Gotlieb & Sarel, 1991; Williams & Page, 2013). According to Bleibaum et al. (2018), companies who make use of comparative advertising often engage in brand wars. This points to its aggressive nature which has by the studied sample been found to not differ between respondents in cultural regions, as indicated by the retained null hypothesis in *Table 11* in Appendix B. Hence, the study has shown that cultural regions exhibit no clear influence on this matter. This further concludes that no association can be made between

a regions' cultural practices and the respondents' answers regarding the aggressiveness of the marketing practice.

As *Figure 3* and *Figure 4* present, the Anglo cultural region tends to correlate with a more positive perception and a lower level of skepticism of comparative advertising. In comparison, respondents from Nordic Europe have, as discussed in hypothesis 4, a more negative perception overall and a higher skepticism level which directly relates to their higher uncertainty avoidance score. The differences observed in these variables are considered statistically significant, as presented in *Table 11*. That further reinforces the established differences between the cultural regions, depicting the Nordic region with the most negative views, which supports the fourth hypothesis. Furthermore, these two variables are therefore found to have a negative correlation towards each other which is presented in *Table 5*. In accordance with this finding, Barry (1993a) and Goodstein et al. (2015) argue that the comparative format can be perceived as deceptive and misleading which would increase skepticism by consumers. Refraining from adopting deceitful or misleading practices also goes hand in hand with being fair which relates to humane orientation; a dimension where Nordic Europeans score relatively high. Another contributing factor to the level of skepticism observed by the Nordic region could be a low believability of the information presented in the comparative ad (Barrio-Garcia & Luque-Martinez, 2003).

In addition to the aforementioned results, the Anglo region tends to exhibit higher acceptability towards making a competitor seem inferior in an advertisement, represented in *Figure 5*. This overall positivity to the marketing format can be explained by the regions' relatively low uncertainty avoidance and higher performance orientation and assertiveness scores. The findings for the Anglo region corresponds well with the conclusions from an empirical study by Sorescu and Gelb (2013) on the effectiveness of negative comparative ads. This is also congruent with the argument put forth by Williams and Page (2013) which is that comparative advertising is increasing in its usage, more as a strategy of "attack", particularly in the United States which constitutes a large part of the respondents from the Anglo region in the sample. This could act as

an explanation for the more positive stance observed by the Anglo respondents. In contrasting views, the Nordic and Germanic regions are fairly similar in their level of acceptability, however, the Nordic respondents had a tendency to be slightly less acceptable, which partially relates to hypothesis 3. This could be related to both of their relatively higher scores for uncertainty avoidance. Moreover, the differences depicted in *Figure 3* and *Figure 4*, evaluating perception and skepticism, presents a slightly more positive response pattern from the Germanic region when placed in comparison with Nordic Europe. This supports our evaluation of the third hypothesis.

Additionally, comparative advertisements are accompanied by certain risks (Barigozzi, Garella, & Peitz, 2009; Barrio-Garcia & Luque-Martinez, 2003; Barry, 1993a; Goodstein et al. 2015). As the two European cultural regions have a relatively higher preference to avoid uncertainties and risks, it is no surprise that those respondents from our sample might have deemed this form of marketing to be less acceptable. On the other hand, contradicting literature states that the European Union has embraced the benefits and risks of the comparative format, although with heavy restrictions (Bleibaum et al. 2018; Nye, Roth, & Shimp, 2008). All member states have different regulations, as well as experiences with the comparative marketing format which could in addition to the cultural dimension scores contribute to the differing response pattern of the two cultural regions within Europe.

Moreover, the Germanic region tends to show a less clear pattern overall, with only a slight lean towards the negative side of the spectrum. A likely explanation for this is that the countries within that region are not as similar as originally established by the GLOBE study. However, a less clear pattern can also be explained by the level of novelty of the marketing phenomenon. Nye, Roth, and Shimp (2008) argue that the novelty of comparative advertising differs across countries and can affect the perceptions held by consumers. The study has shown that respondents from the Anglo region are more positive towards comparative advertisements compared to the others, especially the Nordic Europeans. Since it is a less novel practice in the

Anglo region, specifically in the United States, and more novel in the European Union, it can explain the divergent perceptions. Furthermore, the Germanic and Anglo cultures score higher in comparison to the Nordic culture on performance orientation and assertiveness (Globe Project, 2020; Grove, 2005). A higher score on those dimensions partly explains their more positive stance towards this marketing format compared to the Nordic cultural region.

### 7.2.2 Consumer Responses in relation to the AIDA Model

The AIDA model utilizes consumer responses to evaluate the effectiveness of the comparative ad format in generating a purchase intention. In concurrence with Li and Yu (2013) and with the study by Ghirvu (2013), findings from the studied sample suggest that all regions show a decline in potential customers with each subsequent step in the model. This is depicted in *Table 10* where the mean declines in each stage for each region. Although, one should not neglect the small deviation in *Figure 8*; the Germanic European cultural region had no observable numerical decline from the interest to the desire stage. This is a contributing factor to a partial acceptance of hypothesis 1. The reason why this occurred is not determinable, and to our knowledge there is currently no research conducted that can offer an explanation. *Figures 7, 8, and 9* below further demonstrate that the effectiveness of comparative advertising in generating a purchase intention in each cultural region varies.

Existing research found that the United States is a large advocate for comparative campaigns (Bleibaum et al. 2018). Legal policies also encourage its usage (Federal Trade Commission, 1979) and Jeon and Beatty (2002) argue that this advertising format is more effective in the United States due its apparent familiarity with these ads, specifically the direct format. Furthermore, Nye, Roth, and Shimp (2008) argue that as market competition increases, comparative advertising is further utilized. A higher usage rate, hence, more familiarity with the concept, and a high value on competitiveness and performance can explain the Anglo regions' positive response. As the United States has the highest response rate in the Anglo region sample,

results may be slightly skewed in their favor. This means that the aforementioned research may offer an explanation as to why the Anglo region saw a relatively normal-looking AIDA model with a larger percentage of consumers reaching the action stage than the other regions, as depicted in *Table 9*. Additionally, the more performance-driven and assertive culture of the Anglo region is likely to be related to their positive perception of comparative ads and their higher acceptability towards positioning competitors in an unfavorable position. This further supports the acceptance of hypothesis 2. Although, since there is no statistically significant difference between the Anglo and Germanic European cultural region in the pairwise comparison for each AIDA model stage, hypothesis 2 is ultimately only partially accepted.

In terms of humane orientation, it is interestingly enough observed that the Anglo and Nordic European cultural region both score relatively high, with the Anglo region scoring the highest (Globe Project, 2020). Especially since these two cultural regions are more opposite in their scores in the remaining three dimensions. Additionally, there is a significant difference in the effectiveness of comparative ads as depicted by the AIDA models in *Figures 7, 8, and 9* which further poses the question as to how the Anglo region exhibits the higher score for this dimension out of the three cultural regions.

Moving on, Barigozzi and Peitz (2004) argue that many European Union member countries have not extensively explored and employed comparative advertisements. Such research is consistent with the data that depict a slightly lower efficiency rate of comparative campaigns for Germanic Europeans, and an even lower rate for Nordic Europeans, which relates to the third hypothesis. However, findings from a study conducted by Pechmann and Stewart (1991) state that novel stimuli have a greater effect in terms of generating demand amongst consumers. The results from our study contradict the aforementioned findings. Despite comparative advertising being regarded as more novel in Nordic Europe, it is least effective in taking Nordic consumers through the AIDA model and reaching a purchase decision, as seen in *Tables 6 through 9*. This result is associated with hypothesis 4 which is related to the Nordics overall negative perception

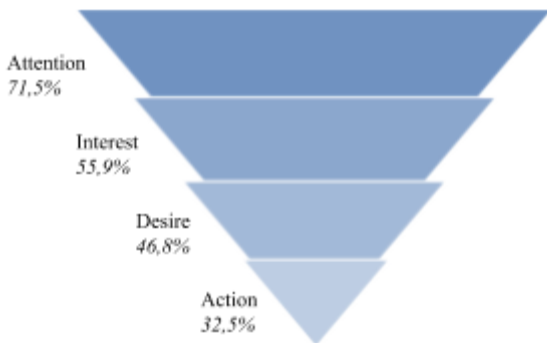


towards the marketing practice. This negative perception also correlates with a higher skepticism and lower acceptability to position competitors as inferior, portrayed in *Table 5*. Moreover, these results may partially be attributed to the relatively lesser value this culture places on competitiveness, its less assertive nature, and relatively high humane orientation. Furthermore, it is interesting that neither the Germanic nor the Nordic regions had more people reach the action stage in the model. This being due to the fact that the European Union has, as mentioned, embraced both the benefits and risks that accompany comparative advertisements (Bleibaum et al. 2018; Nye, Roth, & Shimp, 2008).

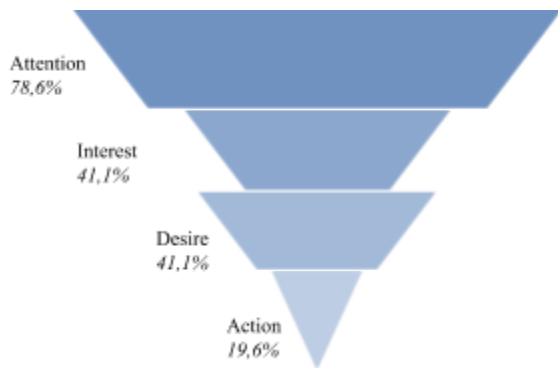
In *Figure 8* and *Figure 9*, the Germanic and Nordic Europeans' responses were evaluated against the AIDA model where the most significant loss of potential customers was witnessed between the attention and interest stages. The Anglo cultural region had a less significant drop in consumers who moved from the first stage to the next, presented in *Figure 7*, which suggests that this region perceives comparative ads to be more informative and elicit interest. This finding on the Anglo region is supported by Harmon, Razzouk, and Stern (1983) and Barry (1993a). The minor loss in consumers in the Anglo region may also be related to their more assertive and performance-oriented culture; the feeling of competitiveness these ads evoke is perhaps appealing to the Anglo consumers. In contrast, a study by Goodstein et al. (2015) found comparative campaigns to not be informative, hence, not generating a significant amount of interest. This more accurately coincides with the significant drop in consumers witnessed between the attention and interest stages in the model for the Germanic and Nordic regions. Furthermore, the likelihood of a consumer reaching the desire, and eventually the action stage increases if one has already moved through the interest stage. Ferrell and Hartline (2011) agree, claiming that the probability of reaching subsequent steps increases if previous steps are successful and well executed. This suggests that market executives who attempt to reach customers in the two European regions should focus on solutions that would increase the conversion rate between the attention and interest stages. Perhaps comparative ads should be

slightly less aggressive and competitive to elicit interest with a consumer from the Nordic and Germanic cultural regions.

The data from the Globe Project (2020) further suggest that the Germanic European and Anglo regions are more individualistic than the Nordic European region. Petrovici, Golden, and Orazbek (2019) claim in their study that “consumers from individualistic cultures... are more likely to view [comparative advertisements] as informative” (p. 12). This coincides with our results from *Figures 7, 8, and 9* which depict comparative ads to generate the most interest, percentage-wise, in the Anglo culture, then the Germanic region, and lastly the Nordic region.



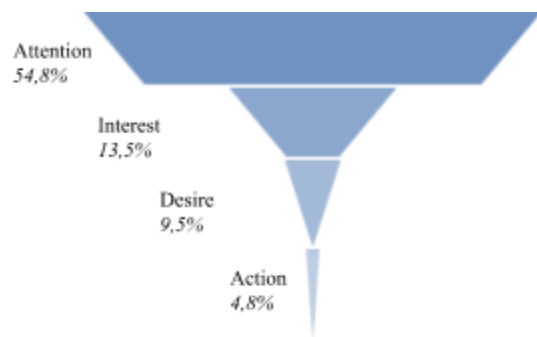
*Figure 7: Representation of the Anglo cultural region in the AIDA model<sup>4</sup>*



*Figure 8: Representation of the Germanic European cultural region in the AIDA model*

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<sup>4</sup> Figures 7 through 9 are created based on statistical data from *Tables 6 through 9*. From the studied sample, these figures are the cultural regions respective AIDA models for comparative advertising effectiveness in generating a purchase intention.



*Figure 9: Representation of the Nordic European cultural region in the AIDA model*

Based on the aforementioned analysis and discussion, it can be concluded that the AIDA model, despite it being traditional and long-established, still holds true to this day (Chakravarty & Sarma, 2018; Corvi & Bonera, 2010; Wijaya, 2012) and can be applied on both traditional and non-traditional marketing practices (Rehman et al. 2014). There have however been researchers who have presented contradicting opinions and evidence (Vakratsas & Ambler, 1999). Despite this, the results and discussions based on our sample reveal that consumers do mostly go through steps in a hierarchical sequence, with fewer potential buyers who advance through to the subsequent stages.

## 8 Conclusion

The aim of this study was to gauge how comparative advertising is received amongst consumers from three cultural regions and if a relationship exists between consumer responses and cultural practices. The AIDA model and GLOBE study were used as our theoretical framework. This would contribute to the already existing research, and provide recommendations on how to approach this marketing practice in different cultures. To achieve our research aims, we explored responses to comparative ads using a deductive research approach combined with the analysis of quantitative primary and secondary data.

From the studied sample, the first research question is answered by concluding that yes, consumers' responses to comparative advertisements differ to a certain extent between the three western cultural regions. One of the main findings from our sample is that comparative advertising is considered most effective in generating a purchase intention amongst Anglo respondents and least so amongst the Nordic respondents, with Germanic Europeans who lay in between these two "extremes" when examining them against the AIDA model. While observable numerical differences exist in the AIDA model stages between the Anglo and Germanic regions, they were not considered large enough to be statistically significant. The pairwise comparison test only resulted in significant differences in each stage between the Nordic and Germanic regions and between the Nordic and Anglo regions. Therefore, we assume a larger sample could generate greater diversified answers making it easier to establish statistical significance and relationships. Additional findings are that when evaluating perception, skepticism, and acceptability, the Anglo region had a clear positive response pattern while the Nordic region had a negative response pattern. The Germanic region was again more so in the middle or dispersed with a slight tendency towards a more negative stance. Furthermore, since most respondents within each cultural region stated that they consider comparative advertising to be aggressive, a distinct relationship between cultural regions and aggressiveness could not be determined.

However, because it is classified as an aggressive marketing practice (Barigozzi & Peitz, 2004; Gotlieb & Sarel, 1991; Williams & Page, 2013), the results are not unexpected.

Cultures who are, amongst others, more individualistic, assertive, and performance-oriented are more receptive to this way of marketing. It was also discovered that a higher uncertainty avoidance score may contribute to a more negative view of comparative ads and lesser effectiveness in taking customers to the action stage. Important to point out is that despite being able to attribute humane orientation to some responses, it was more difficult to establish a clear association between that dimension and the responses for all regions. This all points to the fact that research question two can be answered by stating yes, relationships can be established between consumer's responses to comparative ads and a few of the regions' individual cultural practices. Important to highlight is that it would be of interest to employ additional statistical correlation tests to receive more accurate evaluations of the relationships between cultural practices and the responses.

This marketing format is clearly not equally effective nor well received by consumers in all cultures. Therefore, companies, especially multinationals operating with an international customer base, face the challenge of creating campaigns that are appealing and effective in multiple cultures. Multi-country campaigns are not only difficult due to the pressure of cultural acceptance, but the different laws and regulations one must adhere to are also a large obstacle.

## 8.1 Practical Implications

The analysis and discussion of the data from the studied sample point to the fact that comparative campaigns are not very appealing to the Nordic consumer. This implies that market executives should take caution when wanting to market a product or service in this regional marketplace as it may be more destructive than helpful to gain a positive return on investment. On the contrary, based on our sample, the study reinforces the recommendation for the continuous usage of the

comparative format in the Anglo region. Regarding the Germanic European cultural region, the study found it to be relatively effective. An implication of these findings is that the comparative format may be utilized more in that region, however, additional extensive research is needed to support such a claim.

A further implication of these findings is that companies should generally be cautious of exercising comparative advertising to relay messages to the public when it concerns multi-country campaigns. Existing literature points to the vulnerability of not only regulatory frameworks but also of cultural acceptance. This was found in our studied sample as well in terms of perception, skepticism, and overall effectiveness as a marketing practice. This further strongly reinforces the recommendation that multinational companies exercising marketing campaigns across international borders should consider the potential consequences. This research first and foremost exhibits practical implications for companies operating on a global scale. The study revealed how different cultural regions perceive certain business and marketing efforts which can have a direct impact on the profitability of a business if not taken into consideration.

The conclusions of this thesis contribute to literature within the field of marketing, specifically comparative advertising. Findings also relate to literature which concerns comparative advertising effectiveness and the application of the AIDA model. Lastly, the research in our thesis contributes to literature pertaining to the GLOBE study, cultures, and international marketing by evaluating responses in three cultural regions.

## 8.2 Future Research

It is important to conduct further extensive research in this area before claims regarding comparative ads' effectiveness and whether it is destructive or not can be fully determined. Suggestions for future research include replicating a study similar to this one with statistical analysis on a larger scale. Doing so will allow for generalizations to be established and for

causality between variables to be examined. Furthermore, as significant differences were observed in our study between the three cultural regions, it would be of interest to evaluate and research this marketing phenomenon in regards to the remaining seven cultural regions identified by the GLOBE study.

Additional future research could be done in terms of evaluating specific demographics such as gender, age, occupation, and educational level within each cultural region. The underlying reason for why certain demographics exhibit a certain level of perception or skepticism can then be researched. Moreover, specifying an industry in this type of research would yield further understanding regarding if this format should be employed when planning an ad campaign in a certain market. As this research is of quantitative nature, it would also be of value to supplement it with qualitative data in the form of interviews. This would allow for a more detailed and deeper understanding of the reasoning behind respondents' answers. In conclusion, as this study set out to find relationships and establish correlations between consumer responses and their respective cultural region, several questions remain to be resolved; particularly if causality can be determined and if the research can be generalizable. Additionally, to be able to more accurately and confidently state that comparative ad responses differ between the three cultural regions, a larger probability sample would be preferred.

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# Appendix A - Survey

## **Comparative Advertising**

We are two students from Lund University currently writing our bachelor thesis for the International Business program. The purpose of this survey is to compare and analyze responses to comparative advertising.

The survey does not ask for your personal information to ensure your anonymity as a participant. The survey will take approximately 3 minutes to answer, it is voluntary, and we collect these answers for academic purposes only.

All questions will be provided with predetermined answers. Please only choose one answer per question.

Thank you, we really appreciate you taking the time to complete this survey!

If you have any questions about our study, please contact us at:

[el8852st-s@student.lu.se](mailto:el8852st-s@student.lu.se)

[mo2452st-s@student.lu.se](mailto:mo2452st-s@student.lu.se)

Note: You have to be 16 years or older to participate in this survey.

## **1. What country are you from?**

1. Australia
2. Austria
3. Canada
4. Denmark
5. England
6. Finland
7. Germany
8. Ireland
9. New Zealand
10. Netherlands
11. Norway
12. South Africa
13. Sweden

14. Switzerland
15. United States
16. Other

If other, please specify:

**2. Your gender:**

1. Female
2. Male
3. Prefer not to say
4. Other

**3. Please select your age group:**

1. 16-29
2. 30-39
3. 40-49
4. 50-59
5. 60+

**4. Your level of education:**

1. Not completed high school
2. High school completed
3. Current College/University student
4. College/University degree completed

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**Comparative Advertising**

Definitions and Examples:

Comparative advertising = When companies market their product or service as better when compared to a competitor(s).

Sponsored brand = The company advertising their product as better than competitors, i.e. the company paying for the advertisement.

Below you will find two examples of comparative advertising. Please only use these pictures as an example to further your understanding of comparative advertising. DO NOT evaluate the survey questions based on these specific advertisements.

In the first ad, Dove is the sponsored brand.

In the second ad, Verizon Wireless is the sponsored brand.



(Bond, 2020)

**5. How often are you exposed to comparative advertisements?**

1. Daily
2. Weekly
3. Monthly
4. Quarterly
5. Annually
6. Less than annually
7. Never

**6. What is your perception of comparative advertising?**

1. Very bad
2. Bad
3. Indifferent
4. Good
5. Very good

**7. How skeptical are you towards companies' usage of comparative advertising?**

1. Not at all

2. Slightly
3. Somewhat
4. Moderately
5. Very

**8. How acceptable do you think it is to make another company's product or brand seem inferior to yours in an advertisement?**

1. Not at all
2. Slightly
3. Somewhat
4. Moderately
5. Very

**9. How often do you think companies present reliable and true information in comparative advertisements?**

1. Never
2. Rarely
3. Sometimes
4. Often
5. Always

**10. Do you think comparative advertising is an aggressive marketing practice?**

1. Yes
2. No
3. Maybe
4. I don't know

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**Comparative Advertising Statements**

The statements below will evaluate your own individual perception and responses to comparative advertising. Please assess to what degree these statements apply to you.

Comparative advertising = When companies market their product or service as better when compared to a competitor(s).

Sponsored brand = The company advertising their product as better than competitors, i.e. the company paying for the advertisement.

**11. I think comparative advertising is memorable.**

Strongly disagree    1       2       3       4       5       Strongly agree

**12. Comparative advertisements make me aware of a sponsored brands' product.**

Strongly disagree    1       2       3       4       5       Strongly agree

**13. Comparative advertising makes me want to learn more about a sponsored brands' product.**

Strongly disagree    1       2       3       4       5       Strongly agree

**14. Comparative advertisements provide me with useful and interesting information.**

Strongly disagree    1       2       3       4       5       Strongly agree

**15. Comparative advertising convinces me of a sponsored brands' product superiority to competitors.**

Strongly disagree    1       2       3       4       5       Strongly agree

**16. I am more inclined to purchase a product when it is positioned as better compared to a competing product.**

Strongly disagree    1       2       3       4       5       Strongly agree

**17. A comparative advertisement convinces me to buy a sponsored brands' product.**

Strongly disagree    1       2       3       4       5       Strongly agree

# Appendix B - Statistical Significance and Reliability Analysis

## Statistical Significance *Kruskal-Wallis 1 way ANOVA Test*

Table 11: Statistical Significance - Perception, Skepticism, Acceptability, and Aggressiveness

Null Hypothesis (H <sub>0</sub> )	Test	Sig.	Decision
The distribution of Perception of CA is the same across categories of Cultural Region.	Independent-Samples Kruskal-Wallis Test	0,000	Reject H <sub>0</sub>
The distribution of Skepticism towards companies' usage of CA is the same across categories of Cultural Region.	Independent-Samples Kruskal-Wallis Test	0,000	Reject H <sub>0</sub>
The distribution of the acceptability of making another company's product or brand seem inferior in an advertisement is the same across categories of Cultural Region.	Independent-Samples Kruskal-Wallis Test	0,000	Reject H <sub>0</sub>
The distribution of if CA is aggressive is the same across categories of Cultural Region.	Independent-Samples Kruskal-Wallis Test	0,541	Retain H <sub>0</sub>

*Asymptotic significances are displayed. The significance level is 0,05*

Table 12: Statistical Significance - AIDA model stages

Null Hypothesis (H <sub>0</sub> )	Test	Sig.	Decision
The distribution of Attention is the same across categories of Cultural Region.	Independent-Samples Kruskal-Wallis Test	0,000	Reject H <sub>0</sub>
The distribution of Interest is the same across categories of Cultural Region.	Independent-Samples Kruskal-Wallis Test	0,000	Reject H <sub>0</sub>
The distribution of Desire is the same across categories of Cultural Region.	Independent-Samples Kruskal-Wallis Test	0,000	Reject H <sub>0</sub>
The distribution of Action is the same across categories of Cultural Region.	Independent-Samples Kruskal-Wallis Test	0,000	Reject H <sub>0</sub>

*Asymptotic significances are displayed. The significance level is 0,05.*

Table 13: Statistical Significance - AIDA model Pairwise Cultural Region Comparison

<b>ATTENTION</b>			
<b>Sample 1 – Sample 2</b>	<b>Sig.</b>	<b>Adj. Sig.</b>	<b>Decision</b>
Nordic European – Anglo	0,000	0,000	Reject $H_0$
Nordic European – Germanic European	0,000	0,000	Reject $H_0$
Germanic European – Anglo	0,262	0,785	Retain $H_0$
<b>INTEREST</b>			
<b>Sample 1 – Sample 2</b>	<b>Sig.</b>	<b>Adj. Sig.</b>	<b>Decision</b>
Nordic European – Anglo	0,000	0,001	Reject $H_0$
Nordic European – Germanic European	0,000	0,000	Reject $H_0$
Germanic European – Anglo	0,183	0,550	Retain $H_0$
<b>DESIRE</b>			
<b>Sample 1 – Sample 2</b>	<b>Sig.</b>	<b>Adj. Sig.</b>	<b>Decision</b>
Nordic European – Anglo	0,000	0,000	Reject $H_0$
Nordic European – Germanic European	0,000	0,000	Reject $H_0$
Germanic European – Anglo	0,507	1,000	Retain $H_0$
<b>ACTION</b>			
<b>Sample 1 – Sample 2</b>	<b>Sig.</b>	<b>Adj. Sig.</b>	<b>Decision</b>
Nordic European – Anglo	0,000	0,000	Reject $H_0$
Nordic European – Germanic European	0,000	0,000	Reject $H_0$
Germanic European – Anglo	0,568	1,000	Retain $H_0$
<p>Each row tests the null hypothesis (<math>H_0</math>) that the Sample 1 and Sample 2 distributions are the same.</p> <p>Asymptotic significances (2-sided tests) are displayed. The significance level is 0,05.</p> <p>Significance values have been adjusted by the Bonferroni correction for multiple tests.</p>			



## Reliability Analysis *Cronbach's Alpha*

Table 14: Reliability Analysis - AIDA model stage 1-3

<b>Reliability Statistics</b>		
	Cronbach's Alpha	N of Items
Stage 1: Attention	0,772	2
Stage 2: Interest	0,861	2
Stage 3: Desire	0,818	2