Stockholm School of Economics

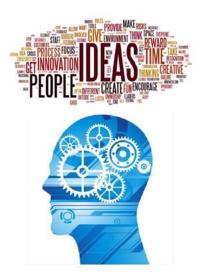
Department of Marketing Strategy

Master Thesis

Spring 2013

To Be, or Not to Be - Creative

<u>A Study on the Contextual Conditions that Render</u> <u>Advertising Creativity Effective</u>



Authors: Nikolaos C. Bitsakakis (40284) & Olaf C. de Wit (40289)

Tutor: Erik Modig

ABSTRACT

This research has identified that in the contemporary hyper-competitive business environment, advertising creativity has been recognised as a way to break through the clutter. Although much is known about advertising creativity and its effects, research has uncovered little about the difference in these effects under certain boundary conditions. This intends to bridge that gap by looking at the effects of advertising creativity on ad attitude, brand attitude and brand purchase intention, under three pairs of boundary conditions, namely: (A) budget - premium brand; (B) utilitarian – hedonic brand, and; (C) low – high innovation brand.

The hypotheses are based on previous literature covering the dimensions of creativity and of the respective boundary conditions. Additionally, congruency theory is used to explain differences in effects between the variations of the boundary conditions. The hypotheses predicted positive effects of advertising creativity under all boundary conditions except brand attitude and purchase intention for the low-innovation brand.

Data was collected through a survey, distributed online under a sample of Business students in The Netherlands. The survey consisted of four different ads for each boundary condition. Each respondent saw only one advertisement and was then asked to answer a number of questions.

A series of t-tests showed that not all hypotheses could be rejected. Only in the case of brand attitude and purchase intention the reason for rejection was that the predicted direction of the effect was different from the actual direction. Next, the univariate analyses run on the interaction effects between creativity and the boundary conditions showed that this effect was significant only between creativity and the innovativeness of the brand, and only on brand attitude.

Finally, we conclude that advertising creativity nearly always has a positive effect, under all conditions, although it was not always significant.

Furthermore, advertising creativity has a positive effect on ad attitude, and a positive effect on both brand attitude and purchase intention except for high innovative brands. Additionally, we find that advertising creativity renders relatively high results for budget and hedonic brands. Implications for practitioners and recommendations for further research are discussed.

ACKNOWLEDGEMENTS

Firstly, we would like to thank our tutor, Erik Modig, not only for his contribution in the current paper, as an advertising creative, but also for his support and meticulous guidance.

We would also like to thank our previous teachers at Stockholm School of Economics, for the all the great knowledge they provide us with.

Lastly, we owe our gratitude to three people who helped us greatly with the survey, the analysis of the results and the necessary corrections that were made, Anna Zoubareva, Magnus Kjellman & Sofia Goudjou.

IMPORTANT DEFINITIONS

Term	Definition
Advertising creativity	Creativity in the context of advertising.
Hierarchy of Ef- fects model	A model that describes the process the consumer goes through, from the initial exposure to a product or advertisement until the purchase decision, which includes awareness, interest, evaluation, conviction, and purchase.
Advertising func- tionality	An ad's potency to improve consumer recall and liking of the advertising and augment comprehension and persuasiveness of the communicated message.
Creatives	The people who are responsible for the creative part of marketing communications.
Practitioners	The people who are responsible for planning and implementing marketing communications.
Communication objectives	This term refers to marketing communication objectives which according to Percy (2007) are category awareness, brand awareness, brand attitude and brand purchase intention. In this paper they are limitedly used as possibly desired advertising effects.
Brand positioning or brand strategy	Different positioning refers to whether the brand is premium, budget, hedonic, utilitarian, low-innovation or high-innovation.

Table of contents

Abstract	1
Acknowledgements	3
Important definitions	4
List of Figures	7
List of Tables	7
List of Graphs	7
1. Introduction	8
1.1 Problematization	8
1.2 Background on (advertising) creativity	
1.3 Study significance	
1.4 Purpose	
1.5 Research Question	
1.6 Contribution	
1.6.1 Scientific contribution	13
1.6.2 Practical contribution	14
1.7 Delimitations	14
1.8 Thesis outline	16
2. Theory	17
2.1 Short literature review of advertising creativity	17
2.2 Additional theories	
2.2.1 Hierarchy Of Effects	19
2.2.2 Ad-brand incongruency	
2.3 Dependent variables	21
2.3.1 Ad attitude	22
2.3.2 Brand attitude	22
2.3.3 Purchase intention	23
2.4 Hypotheses generation.	24
2.4.1 Boundary condition A: Budget – Premium brand strategy	24
2.4.2 Boundary condition B: Hedonic – Utilitarian	29
2.4.3 Boundary condition C: High – Low level of innovation	32
3. Method	37
3.1 Overview	37
3.2 Research strategy	37
3.3 Research design	37
3.4 Survey Design	38
3.5 Data quality: Reliability & validity	39
3.6 Research instrument and distribution	41

3.7 Pre-study	42
3.7.1 First stage	42
3.7.2 Second stage	45
3.7.3 Pre-study results	45
3.8 Main Survey	46
3.8.1 Population and sample	46
3.8.2 Advertisements	47
3.8.3 Survey questions	48
3.8.4 Distribution	49
4. Results and analyses	50
4.1 Manipulation check	51
4.1.1 Condition A	51
4.1.2 Condition B	51
4.1.3 Condition C	51
4.1.4 Consequences of the manipulation results	52
4.2 Condition A	
4.2.1 Budget brand	53
4.2.2 Premium brand	54
4.2.3 Causal relationship	55
4.3 Condition B	56
4.3.1 utilitarian brand	56
4.3.2 hedonic brand	58
4.3.3 causal relationship	59
4.4 Condition C	60
4.5 Hypotheses index	61
5. Discussion of results	62
5.1 Budget – premium	62
5.2 Utilitarian – Hedonic	64
6. Conclusions	66
6.1 Managerial implications	68
6.2 Critique	69
6.4 Further Research	
6.4.1 Further research within the fields of advertising, a	
management	
6.4.2 Further research within other fields	
References	
Appendix I. Advertisements used in the main study	79
I.I Ads	79
I.II Priming texts	83

LIST OF FIGURES

Figure 1 - The HoE model (Smith et al., 2008)	20
Figure 2 - Brand familiarity and advertising (in)congruency	21
Figure 3 - Design-Driven Innovation (Verganti, 2008)	33
Figure 4 - Gourville, 2006	34
LIST OF TABLES	
Table 1 - Primary variables and relations between them	37
Table 2 - Dimensions, variants, ads and surveys	42
Table 3 - Condition A: pre-test results	45
Table 4 - Condition B: pre-test results	46
Table 5 - Condition C: pre-test results	46
Table 6 - T-Test for the budget brand position	53
LIST OF GRAPHS	
Graph 1 - The effect of advertising creativity on ad attitude under Condition A	55
Graph 2 - The effect of advertising creativity on brand attitude under Condition A	55
Graph 3 - The effect of advertising creativity on brand purchase intention under Condit	
Graph 4 - The effect of advertising creativity on brand purchase intention under Condit	
Graph 5 - The effect of advertising creativity on brand purchase intention under Condit	tion B
Graph 6 - The effect of advertising creativity on brand purchase intention under Condit	tion E

1. Introduction

Ithough advertising creativity is not a prominent theme in advertising research, several meticulous papers that study it have been published though the years. However, none of the aforementioned studies deliberates the matter of advertising creativity in relation to certain types of brands and brand strategies. This research intends to tap this still veiled subject and bring forth its significance. Specifically, the current paper aims at proving whether advertising creativity always stimulates a significantly positive effect on various communication objectives (Percy, 2007). Furthermore, if the latter premise is proved, this research will demonstrate the relationship between advertising creativity and various types of brands; hence, we hope to show which brands benefit the most and also which communication objectives are met more efficiently.

1.1 PROBLEMATIZATION

Advertising creativity is a prominent element in practitioner's efforts to penetrate the clutter, efficiently deliver the intended message to the target audience and trigger a specific desired effect. However, it is argued that choosing to design a highly creative advertisement is not by definition the optimal choice, since it is suspected that advertising creativity does not provide analogous effects on all kinds of brands. Moreover, although it is widely considered that advertising creativity aids advertisements in meeting the anticipated communication objectives (Percy, 2007), it is argued that not all of the latter receive the same amount of boost from it.

Poorly-targeted or incorrectly-implemented advertising creativity will more often than not fail to deliver the desired effects and can thus be considered as wasteful (Dahlén, Rosengren, & Törn, 2008). The latter, will cause increased costs, confused consumers and more, consequently mitigating and sometimes even damaging a brand's marketing efforts. For example, if an advertisements desired effect is to augment a certain brand's purchase intention solely, it might get subjected to the insignificant or, as we suspect, negative results. By researching the causal relationship between advertising creativity and communication objectives, under unique circumstances that entail a distinctly defined brand strategy, it can be shown how advertising creativity effects different brands and thus, provide the much-needed guidelines for enhancing the usage of advertising creativity.

1.2 BACKGROUND ON (ADVERTISING) CREATIVITY

Creativity is a social construct, which can be subject to different conceptualizations, depending on the context it is found into. In our epoch, creativity is a prominent component of modern and developed societies, which usually co-defines many forms of art, architecture, design and what is more, advertising. Later on this paper however (in chapter 2.1), it is argued that creativity is a different construct when it is discussed in a humanities and arts context from when it is discussed in an advertising context; the main argument behind this notion is that advertising creativity has different goals (Zinkan, 1993) -if creativity in the arts can be said to have goals at all.

Creativity is highly regarded among those who exercise marketing and advertising; "a common view is that creativity is a mission of the entire advertising industry, its raison d'être" (Koslow, Sasser, & Riordan, 2003). "Creativity in advertising is a means to a concrete end" (West, Kover, & Caruana, 2008); "it is one of the ways for an advertising agency to affect persuasion and ultimately, behaviour" (Till & Baack, 2005). Further, creativity is known to increase an ad's functionality, i.e. improve consumer recall and liking of the advertising and augment comprehension and persuasiveness of the communicated message (Dahlén, Rosengren, & Törn, 2008).

Additionally, creativity can be a mean to an end, when a company is trying to become prominent in a cluttered media environment and effectively deliver its message (Dahlén, Rosengren, & Törn, 2008; Reid, King, & Delorme, 1998). Moreover, a creative ad has to be divergent (novel and original) and relevant to the product or service that is advertising and to the target audience of advertisement.

Nevertheless, creativity is the least science-bound aspect of creativity –fact that makes it the most difficult aspect to control- and it is considered by many the most important one (Cummings, 1984; Otnes, Oviatt, & Treise, 1995; White, 1972).

Since creativity is indisputably a crucial element of advertising, the demand for more and more creative ads is eminent and thus the prices a company has to pay are rising (The Creative Group, 2013). Further, since creativity can be a rather abstract concept, it is often challenging be sure if an ad is creative indeed and if that is the best way to deliver a brand's message to its audience.

1.3 STUDY SIGNIFICANCE

There are several reasons why the study of advertising creativity in relation to brands is crucial nowadays and some of them, the ones we have focused on, are listed below.

INCREASING CREATIVITY COST

A 2013 study conducted by The Creative Group (TCG) -an interactive, design, marketing, advertising and public relations talent agency- reports augmented salaries for advertising agency creatives and executives including the creative director's salary, which now overcomes the business director's salary and is inferior only to the agency's president and vicepresident's salaries. According to The Creative Group's 2013 Salary Guide, companies pay advertising agencies -and agencies their creatives accordingly- a lot of money nowadays to get better and more creative advertising since, as mentioned before, creativity in advertising can be a way to break through the clutter and brings forth several other positive effects.

INADEQUATE INFORMATION FOR DECISION MAKING

It is proven from creativity research, that it has positive effects indeed; however, it is not yet clear, under what circumstances advertising creativity entails the potency of maximal effectiveness. The latter, refers to refining the functionality of an advertisement, i.e. enhancing consumer recall and liking of the advertising, or increasing comprehension and persuasiveness of the communicated message (Dahlén, Rosengren, & Törn, 2008). These are usual goals of advertising creativity and will be referred to as advertising functionality. A lack of hereof would result in wasteful advertising creativity according to Dahlén, Rosengren, & Törn, (2008).

However, in a brand management context, modern research has yet to clarify what kinds of brands benefit the most from advertising creativity. Advertising is the main and most important means of marketing communications that fuels brand awareness, brand attitude, brand purchase intention and brand equity and it affects all these significantly. Since brand characterics and strategies may diverge significantly, we argue that it is only logical that advertising creativty will stimulate different effects when applied in advertisements of products and services that are subjects to different brand strategies. Accordingly, corporate marketing practitioners and advertising agency executives are forced to engage in decision making with inadequate information, since they are not aware of how advertising creativity specifically affects each kind of brand.

REVERSE SIGNALLING

Further, it is suspected that in some cases, because of reverse signalling, advertising creativity might bring negative effects, or just not compensate for the investment. This can happen if the advertisement's signalling is too diverse from the brand image and contradicts the product's or service's selling proposition. For example, if a product is known to consumers for its low price, thus, having low price as a selling point, a very creative ad, may distort that image and make consumers believe this is no longer a cheap -or the cheapest- product.

Thus, although companies tend to increase their advertising spending in order to get better, more creative advertisements that ought to break through the clutter, this is not always the case and much of these investments end up returning less than expected. The reason behind this might be that not all companies, products and brand strategies are suitable for grasping the benefits of the incremental advertising creativity.

1.4 PURPOSE

The purpose of this study is to define when it is worth investing in advertising creativity and when branding, marketing and advertising practitioners and agencies should actually avoid it. An additional purpose is to clarify what kinds of brands will benefit the most from advertising creativity and what kind of brands will benefit less, not benefit at all, or even suffer negative effects. To achieve this, the current paper will first establish whether advertising creativity brings substantially positive effects on all the researched communication objectives and for all researched brand strategies. Second, it will investigate the effects of advertising creativity of print and online advertisements and specifically of advertisements of products and services that are marketed under certain and defined brand strategies, which have been set as boundary conditions. The boundary conditions which are discussed in this thesis:

A - Premium vis-à-vis Budget

B - Hedonic vis-à-vis Utilitarian

C - Low-Innovation vis-à-vis High-innovation

The causal relationship between all the latter and advertising creativity will be examined and analysed meticulously. Accordingly, this paper will investigate whether advertising creativity is effective on all six aforementioned brand types.

This study also aims at defining the effects of advertising creativity on specific aspects of the above-mentioned brand types, in order for practitioners to know how exactly advertising creativity affects different advertisement and brand variables. To do so, in this paper, the causal relationship between advertising creativity and certain dependent variables is isolated as much as possible and studied thoroughly. These variables consist of the main objectives of most advertisements, which entail achieving positive attitude towards the ad, positive attitude towards the brand and increased purchase intention for the brand. Additionally, this research is to provide useful and precise guidelines to those who would like to manipulate the above variables, by stressing out which ad aspects affect them the most and suggest ways to do so.

1.5 RESEARCH QUESTION

What are the effects of advertising creativity on ad attitude, brand attitude and brand purchase intention under different boundary conditions i.e. Premium vis-à-vis Budget, Hedonic vis-à-vis Functional and Low-Innovation vis-à-vis High-innovation?

To answer this research question properly, we have broken it down to the below subquestions.

Firstly, it will be established when advertising creativity is substantially effective and when it is not.

- SubQ1 Does advertising creativity make a statistically significant difference on ad attitude under all boundary conditions?
- SubQ2 Does advertising creativity have a statistically significant positive effect on brand attitude under all boundary conditions?
- SubQ3 Does advertising creativity have a statistically significant positive effect on brand purchase intention under all boundary conditions?

Further, it will be established whether there is a causal relationship between advertising creativity and different types of brands.

SubQ4 What are the effects of advertising creativity on ad attitude under different brand strategies, i.e. Premium vis-à-vis Budget, Hedonic vis-à-vis Functional and Low-Innovativeness vis-à-vis High-innovativeness?

SubQ5 What are the effects of advertising creativity on brand attitude under different brand strategies, i.e. Premium vis-à-vis Budget, Hedonic vis-à-vis Functional and Low-Innovativeness vis-à-vis High-innovativeness?

Sub_Q6 What are the effects of advertising creativity on brand purchase intention under different brand strategies, i.e. Premium vis-à-vis Budget, Hedonic vis-à-vis Functional and Low-Innovativeness vis-à-vis High-innovativeness?

1.6 CONTRIBUTION

Firstly, this paper intends to contribute to marketing science, mainly to the fields of advertising, advertising creativity and branding. Secondly, it brings forth conclusions that can be of use to marketing, brand management and advertising practitioners. Finally, it delivers crucial material to the creatives who design advertisements.

However, since the field it deliberates is fairly novel and not much has been written on it, the most important contribution of this paper is that it provides a stimuli for further research to be done in the this multi-disciplinary field.

1.6.1 SCIENTIFIC CONTRIBUTION

To begin with, a contribution is made to marketing research; by investigating the causal relationship between advertising creativity and ad attitude, brand attitude and brand purchase intention, thus study delivers some statistically-solid deductions. These will add a brick to the immense construct of what is the contemporary conceptualisation of marketing science.

From an advertising perspective, the research provides insights on the relationship between creativity, a prominent advertising aspect and diverse brand strategies. Moreover, advertising creativity is an established and distinct field of research that has drawn attention from several scholars. This paper is dedicated to contribute as much as possible; it does so, by bringing forward side-lined advertising creativity's features that will hopefully in the near future stimulate further corresponding research.

Also, it contributes to brand management research, since it unveils further unique qualities of communication objectives -brand attitude and brand purchase intention- and how those are achieved.

Finally, the results of this study can be of use in psychology, sociology, socio-economics and

other humanitarian subjects, since it investigates human responses to artificial inducements.

1.6.2 Practical contribution

PRACTITIONERS

The current research will help corporate marketing and brand management practitioners along with agency executives to at some extent decipher, how advertising creativity works and most importantly, how it influences particular kinds of brands such as premium brands, hedonic brands and more. Furthermore, this thesis aims at quantifying the relationship between advertising and certain brand positions, providing the practitioners with tangible input regarding advertising creativity, which is the least scientific aspect of creativity (Cummings, 1984; Otnes, Oviatt, & Treise, 1995; White, 1972).

Thus, they will be rendered able to cut down extra costs and focus their marketing communication efforts on the right spot. Also, it will hopefully stimulate awareness over the fact that advertising creativity does not bring the same results on every situation and hence, force practitioners to consider more carefully their manipulation of such advertisement and brand elements.

CREATIVES

Additionally, those responsible for inducing advertising creativity in advertising, the talented creatives all over the globe, will have much-needed, extra information to work with. This can will boost their functionality and help them deliver more precisely design ads, which will be uniquely tailored to the projects they undertake. This well-targeted usage of advertising creativity will increase its effectiveness and its potency to break today's clutter.

1.7 DELIMITATIONS

LIMITED MEDIA

Firstly, Advertisements can be hosted on a variety of media, such as the TV, the internet (banners, pop-ups, e-Mail et cetera), print media (magazines newspapers, billboards, radio and more). However, this study looks only into printed or online media as hosts of the advertisements. This can include online banners or pop-ups, dedicated websites and social media or physical billboards or messages on subways et cetera. What is more, the advertisements used in the survey contain written messages and pictures but no sound or motion. It is conceivable, that adverting creativity expressed through other media, i.e. television, which encompass the use of both sound and moving image to stimulate more of the consumer's senses and emotions, will grant other effects to certain variables.

LIMITED VARIABLES

Moreover, this paper studies the effects of advertising creativity on certain variables, namely ad attitude, brand attitude and purchase intention. However, advertising creativity may influence other variables too, such as brand perceptions, brand equity, brand preference, brand personality, perceived quality, perceived price, ad persuasiveness and more. In the setting of this research it is not inspected how advertising creativity affects all the latter variables.

LIMITED BRAND STRATEGIES

Secondly, for a company or an agency to make use of the results of this research, it is a prerequisite that the product or service they design the advertisement for, is marketed under a brand strategy that relates to one of the six brand strategies this research is looking into, i.e. premium, budget, hedonic, utilitarian, high-innovation or low-innovation; otherwise they will not be able to draw any kind of useful conclusions from this research, since the effects of advertising creativity on other brand strategies is not studied.

GEOGRAPHICAL LIMITATION

Thirdly, this research was conducted online in the Netherlands and hence, the results cannot be generalized world-wide since creativity is a socially perceived construct. However, due to both cultural and behavioural sameness, we confidently believe that our conclusions can be safely considered to be legitimate throughout Western Europe at least.

LIMITED AGE GROUPS

Furthermore, the survey respondents were mostly between 18 and 24 years old and therefore, the conclusions drawn from this research are considered to mostly apply to this age group. However, this does not necessarily mean they do not apply in other ages groups; the evidence provided in this research is just not enough to support them.

LIMITED ON SHORT-TERM EFFECTS

Another limitation of the present paper is that it examines the short-term effects of advertising creativity and it overlooks possible long-term effects. For example, Dahlen et al., (2008) claim that even wasteful -does not improve ad functionality- advertising creativity can, on the long run, bring positive effects such as augmented comprehension, and positive brand perceptions.

1.8 THESIS OUTLINE

This thesis is consistently structured into six core chapters. Chapter one, introduction, provides the reader with the papers general disposition, describes its goals, it explains its importance and finally cites background theoretical information regarding the focal theme of the paper, advertising creativity. In chapter two, the reader will find a scholastic account of the theoretical concepts and models this research is based upon and secondly, a description of the process and rationale that lead to the development of the current hypotheses and finally, a detailed list of these hypotheses. Chapter three describes the research methods that have been used, along with justifications for why those specific methods were chosen. In chapter four, the reader will encounter the analysis of the research results and find out whether the hypotheses are verification or not. Chapter five discusses the aforementioned results, while finally chapter six will conclude, present the managerial implications of this research and make recommendations for further research.

2. THEORY

2.1 SHORT LITERATURE REVIEW OF ADVERTISING CREATIVITY

Ithough literature hosts a significant number of definitions for creativity, it is starkly evident that it is a vital aspect of advertising. Notably, Zinkan, (1993) states: "advertising, as we know it, could not exist without creativity". However, creativity is also the least controlled feature of advertising (Reid, King, & Delorme, 1998). As with other forms of creativity, advertising creativity embraces both originality and innovation (Fletcher, 1990). To be effective, it must have quality, style and relevance (Andriopoulos, 2001). Further it is evidently important that ideas must be novel, distinctive, and relevant to the product or service and to the target audience in order to be valuable as solutions to marketing communications problems.

DIVERGENCE AND RELEVANCE

Other modern authors such as El-Murad & West (2004), Besemer & O'Quinn (1986), Besemer & Treffinge (1981), Haberland & Dacin (1992), Jackson & Messick (1965), Tellis (1998), Smith & Yang (2004) and Thorson & Zhao (1997) suggest a different, more precise in our opinion, phraseology in which ad creativity - instead of innovative and original - has two other determinants: divergence and relevance. Here, divergence is defined as originality and deviant from the established norm and relevance is defined as the extent to which at least some ad/brand elements are meaningful, useful, or valuable to the consumer. For example, if an overwhelming majority of product category X includes beautiful young people, an advertisement of a product that belongs in the same X category showing older people or babies instead, would have increased divergence. However, that does not mean that this ad would automatically become a highly creative ad, since there are several other elements in ads' design besides the aforementioned one. Divergence entails deviance, novelty and originality in it (Smith & Yang, 2004) and thus, it makes for such a strong determinant of creativity that some definitions entail a sole factor that determined creativity, divergence. Here, the latter is defined as the extent to which an ad contains brand or execution elements that are different, novel, unusual, original, unique, etc. As an example of this approach, Till & Baack (2005) noted: "creative advertisements have been consistently defined, at least in part, as novel and/or original".

CREATIVITY: A CAPRICIOUS CONSTRUCT

Creativity is manifested in several aspects and systems in everyday contemporary life such as art, sciences and more; one of those is advertising. As White, (1972) states "the process of creativity in advertising (or marketing) is more or less identical to the process of creativity in the arts and sciences." However, there is another definition of creativity by El-Murad & West (2004): "The art of establishing new and meaningful relationships between previously unrelated things in a manner that is relevant, believable, and in good taste, but which somehow presents the product in a fresh new light". This definition includes the aforementioned elements of relevance and divergence, but it adds the element of art and likability. It is argued though, that advertising creativity does not necessarily have to be likeable to bring forward the desired effect and deliver the intended message. The above definition can be representing a more abstract definition of creativity, which is more akin to humanities and not business studies. However, that too can be argued against, since especially in fine arts, one can find various masterpieces, which can be characterised as grotesque and great at the same time. Often, in contemporary arts, something very creative and successful at delivering its creators message -as in advertising- can also be perceived as ugly or even disturbing. Thus we do not endorse this last definition and prefer to conceptualize creative advertising as divergent, i.e. something fresh, novel and different from the established norm and relevant.

CONCEPTUAL DIFFERENCES OF CREATIVITY

El-Murad & West (2004), suggest that Creativity in advertising differs from creativity in the arts mainly in its purpose. "Advertising creativity must achieve objectives set by others —this is not usually the case in the arts". The authors argue that whereas success in the arts is achieved when the creative resultant is deemed 'pleasing', in advertising is not ample enough to please and also, there are cases, that it is not needed to do so. For example, an advertisement perceived as 'bad' by the audience can be proved to be more potent in creating brand awareness compared than a 'nice' one, since the audience will discuss it, comment on it and eventually stimulate word of mouth (WOM) and repeated exposures. Thus, to be successful, creative advertising must first be noticed and then have a specified effect on the viewer.

According to West, Kover, & Caruana (2008), if it is not noticed, or if this effect is not achieved, the creative endeavour is considered to have failed. The latter notion is also advocated by Zinkan (1993) and Reid & Rotfeld (1976) who suggest that creativity is highly valued for its ability to gain attention and to impart information in an entertaining or challenging way. Furthermore, creative advertising has been consistently perceived as more favourable (Ang & Low, 2000) more likable (Stone, Besser, & Loran, 2000) and able to bestow value to brands (Till & Baack, 2005).

This only strengthens what we suggest earlier, that in the design of an advertisement, creativity can be a very handy ingredient, which can boost an advertisement through the clutter and also help in achieving the ad's specified goal. There are cases, for example when the desired effect is solely brand awareness and not a specific brand attitude, in which an advertisement does not have to be likeable to also be creative. In the scope of the current research these specified goals consist of ad attitude, brand attitude and purchase intention, although other authors might have other goals in mind.

It is established that a creative ad should be divergent and relevant; however, the problem in this construct's epistemology is that every individual tends to perceive novelty, originality and relevance differently. Additionally, this gap between different conceptualizations of ad creativity is often quite big between a designer's – the sender of the message - perception and the target audience's - the receiver of the message - perception. This of course brings implications that are discussed in coming chapters.

2.2 Additional Theories

Although advertising creativity is the driver of our research, we will use some other theories and models as well in deriving our hypotheses. These will be discussed in their basic and relevant form here, and referred to again where they are used for the hypotheses.

2.2.1 HIERARCHY OF EFFECTS

In 1961 Lavidge and Steiner introduced a sequence of seven steps, which every consumer takes from being totally unaware about, up to the actual purchase of a product. While moving up these steps, the consumer passed through three behavioural dimensions, or phases.

Many years later, the steps have become a model, known as the Hierarchy-of-Effects model. Along the way steps have been added, combined and taken away, so that different versions of the model describe a different number of steps. With little exception however, every model still consists of a cognitive, affective and conative phase.

First of all, in the cognitive phase the consumer is introduced to the brand and its claims, and

will eventually decide whether or not to accept these claims. Next, in the affective phase, the consumer forms an attitude towards the brand. Lastly, in the conative phase, this attitude will lead to certain intention and possible actions by the consumer, with respect to the brand. Figure 1 gives a graphical representation of the HOE model as described and applied by Smith et al. (2008).

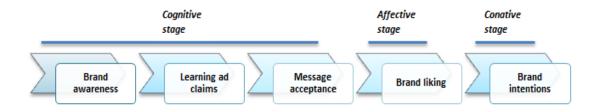


Figure 1 - The HoE model (Smith et al., 2008)

In this model, the cognitive stage is the process where the consumer becomes aware of the brand, through word-of-moth of advertising; he is exposed to and learns the claims made by the advertising; before eventually accepting or not accepting the message which is communicated by the brand. In the affective stage then, the consumer develops a more solid attitude towards both the brand as well as the ads he has been exposed to. Finally, in the conative stage, the attitude developed leads to certain intentions and behaviours, such as endorsement (word-of-mouth) or purchase.

While creativity has a great impact on the cognitive stage of the model (Smith, 2008), we are most interested in the final stages of the process. We have chosen for this part since we want to make a more practical contribution, and the final stages are closer to the final sale, which is the goal of the practitioner.

2.2.2 AD-BRAND INCONGRUENCY

In its communications, brands can choose to take different approaches. One approach, often championed by textbooks and management practitioners, is to maintain absolute congruency between the communications and the brand itself (Törn & Dahlen, 2008), i.e. comply with expectations. This means that all communications should acknowledge and strengthen the same associations consumers are desired to hold to the brand.

Another approach is to do opposite. Incongruent advertising is advertising that does not comply with the schema against which consumers evaluate such advertisements. Advertising can be incongruent in several ways; within the ad, e.g. between the visual and the audio elements;

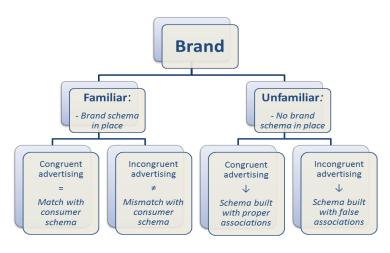


Figure 2 - Brand familiarity and advertising (in)congruency

between the ad and the category standard, or; between the ad and the brand.

Advertising incongruency is application of the broader psychological theories on schema congruency. Very briefly, this field of research discusses how consumers use schemas to make sense of their world (Dahlén

& Lange, 2004). These schemas are representations of previous experience that guide action, perception and thought, and can be built, changed and broken down. Every encounter is evaluated against existing schemas, and processing and reaction are determined by them (Dahlén & Lange, 2004).

One of the most relevant findings on this topic are that there is a difference in effects of adbrand incongruency between familiar and unfamiliar brands (Lange & Dahlén, 2003; Dahlén & Lange, 2004). For the familiar brand, a brand schema exists in the consumers' minds. Advertising can match this schema or not, but it will not likely change it, so the effects of the 'wrong' associations do not reach beyond the advertisment.

For the unfamiliar brand, there is no schema of associations in place. This means that the encounter with the advertisment will trigger the construction of such a schema. Lacking other references, the associations from the advertisement, congruent or not with the actual brand image, will be incoprorated in the schema.

2.3 DEPENDENT VARIABLES

This paper aims at isolating and examining the effects of advertising creativity under certain brand-strategy-related circumstances. It looks into the effects of advertising creativity on certain dependent variables, which are chosen because they are the main objectives of most marketing communications efforts. If advertising practitioners and designers know how those variables –ad attitude, brand attitude and purchase intention- are influenced by creativity, they can surely make better and more accurate decisions.

2.3.1 AD ATTITUDE

Ad attitude refers to the opinion and the feelings the audience of the advertisement has towards it and determines whether an ad is likeable or not. It was first identified as mediating brand attitude and purchase intention by Mitchell & Olson (1981). When testing Fishbein's attitude theory, they found that contradictory to what the theory posits, brand attitude and purchase behaviour were not only influenced by product beliefs people hold, but also by their attitude towards the ad. Although the authors mention as one possible explanation that this ad attitude is merely a combination of unmeasured beliefs, they support the more likely interpretation that the mediation effect of ad attitude is a form of conditioning effect that pairs the visual stimulus of the ad with the – unknown – brand name (Mitchell & Olson).

In the years following, ad attitude was subject to more research, and generally the conclusions were that better-liked ads rendered more positive results (Chattopadnyay & Nedungadi, 1992). More recently, research has shown that this is not always the case, as for example with ad-brand incongruency (Lange & Dahlén, 2003; Dahlén & Lange, 2004). Yet the benefits that derive from achieving positive ad attitude are considerable.

First, positive ad attitude can lead to increased recall and recognition (Keller et al., 2008; Percy, 2007), that means the audience will link the need that the advertised product fulfils with the ad and vice versa.

Second, positive ad attitude can lead to the stimulation of WOM, publicity and viral spreading (for example on YouTube, social media platforms, et cetera) of the ad that result in a substantial augmentation of the ad's audience, for a very low price.

Third, an ad that is subject to positive attitude is more likely to deliver the message and achieve its desired effect that an ad that is subject to negative attitude, since the former will have more positive emotional effects on the audience.

2.3.2 Brand attitude

Brand attitude is the main variable of interest to this research. According to Keller, Apéria, & Georgson (2008), it is the overall evaluation of a brand - i.e. the total set of associations linked to the brand - as held by the consumer. In Percy (2007), the brand attitude is explained with an expectancy-value model. In its simplest form, they claim, a person's attitude towards something is "everything they know or believe about it, weighted by how important each of those beliefs is to them" (Percy, 2007, p.41).

Whichever exact definition is applied, clearly it is agreed that the attitude toward a brand exists of a set of beliefs, ideas or opinions - true or not - about this brand, which are specific to the individual consumer. If one would call this a schema, we would set it to the domain of congruency theory. This would tell us that the brand attitude is the schema to which every ad is evaluated. Associations held here would be more solid than the ones connected to the ad, yet they are affected by them (Gardner, 1985).

Finally we could conclude that it is important that the brand attitude is built on the right associations, and that the brand is aware of the associations consumers hold towards it.

Looking forward in the HOE, brand attitude is important because it forms the basis for many actions and behaviours with respect to the brand and its products. Consumers with a positive brand attitude are often more likely to hold positive intentions (Smith et al. 2008; Smith & Yang, 2009; Ang & Low, 2000).

For the above reasons we decided to include brand attitude as an independent variable in our research.

2.3.3 Purchase Intention

Consumers purchase products based not on what is available in the store, but on the brands in their consideration set. At the point of sale, a number of options may not be considered, simply because the consumer holds to little associations towards the brands, and more familiar options are available.

Creating a positive brand attitude is a step to putting your brand in the consumer's consideration set (Keller et al., 2008), but there is no one-to-one relation.

Several authors have found that purchase intentions are positively influenced by advertising creativity directly or indirectly through other variables (Kover, Goldberg, & James, 1995; Smith, MacKenzie, Yang, Buchholz, & Darley, 2007; Smith, Chen, & Yang, 2008), or under certain conditions (Ang & Low, 2000; Smith & Yang, 2009).

Since the purchase decision is the last step in the HOE model, and probably the most influential variable for the marketer's success in the field, we decided to include it in our research, which now covers the final two stages of the HOE, from first exposure to the ad, up until the moment of purchase.

2.4 Hypotheses generation

As described above, creativity in advertising is widely acknowledged by both practitioners and academics to be an important, if not vital, ingredient of effective advertising; this research looks at the boundary conditions of those positive effects. Three boundary conditions will be discussed, and for each a set of hypotheses presented.

2.4.1 BOUNDARY CONDITION A: BUDGET - PREMIUM BRAND STRATEGY

The first condition under investigation is the pricing strategy applied by the brand. Some brands spend a large portion of their total investments on advertising, aiming to build a premium brand name. Others make sure their brand is known to be the cheapest or to offer the best 'value for money'. The question to be answered is whether or not advertising creativity is equally effective for both brand strategies.

BUDGET - PREMIUM

Porter (1980) describes the cost-leadership strategy as one of his 'generic strategies'. Stripping the product of all extras - which are not directly part of the core package of benefits desired by the customer - allows the company to offer its customers a product which satisfies their core needs at the lowest price. The other strategic choice he discusses is the differentiation strategy. By adding a set of attributes - tangible or intangible - to the product, offered only by this particular brand, the consumer can be convinced it is 'unique' and worth paying a mark-up for.

It is these two generic strategies which lie at the ends of the spectrum of possible brand strategies, and these are the two possibilities used in this research for the boundary condition brand strategy. From here on, the low-cost option shall by referred to as budget brand strategy and the differentiation option as premium brand strategy.

SIGNALLING THROUGH ADVERTISING EXPENSE

In the Hierarchy of Effects (HOE) model, as constructed from previous literature, by Smith, Chen, and Yang (2008), the third stage is named the 'acceptance' stage. In this stage the consumer either accepts or rejects the message which is communicated by the advertisement. This process is influenced by the situation of asymmetric information which the consumer is confronted with. To cope with this lack of information, the consumer uses both existing beliefs and values (Greenwald, 1968; as referred to by Smith, Chen, & Yang, 2008) and in case of adverse selection, signals (Kirmani & Roa, 2000).

This research will focus on product quality as a characteristic since it has a central role in consumer decision making (Kirmani & Roa, 2000) and because in many product categories consumers assume the quality to be the basis of its price (Keller, Apéria, & Georgson, 2008). The latter is useful in the current discussion of the differences between budget and premium brands.

Kirmani & Roa (2000) classify advertising – together with other brand related intangible assets –as a default-independent, sale-independent quality signal. This qualification is based on the fact that advertising is a signal which requires an up-front investment, and is therefore independent both of whether or not the quality claim made is true or false, as well as of whether or not the sale actually occurs. Furthermore, they claim that: "if a firm spends large sums of money on advertising, claims about unobservable quality must be true or the firm would not recoup this expenditure" (p.69). The authors see a direct causal relationship between the size of the investment in advertising and the likeliness for consumers to accept the quality claims communicated by this advertising.

Based on this, we believe that consumers use perceived costs of advertising as a signal, in order to assess – and accept – the quality of a product or brand, as claimed in this advertising.

ADVERTISING EFFORT AS QUALITY CUE

In judging product quality, consumers use intrinsic cues as well as extrinsic cues (Olson, 1977; as referred to by Kirmani & Wright, 1989). Extrinsic cues specifically mentioned are price and brand name. According to Kirmani and Wright (1989), in the absence of other cues, the consumer reads the expense he perceives to be put into an advertisement as an indication of product quality. This can have three reasons:

- 1) The perceived costs can be interpreted as an indication of advertising effort;
- 2) Consumers may perceive expenses as an indication of quality (in the particular market place), or;
- 3) Perceived costs may be interpreted as a sign of financial strength of the company, which could be important in certain industries.

The advertising effort explanation is the one most generally applicable, and therefore the focus of the mentioned authors' article.

Effort encompasses more than just money; also managerial time, travel time and human resources are considered advertising effort, though less visible to the consumer. Therefore the consumer uses perceived expenses to make inferences on the effort put in.

Large total perceived advertising effort is considered to be a sign of confidence on behalf of the marketer and the company, which they would not show if their product did not have the quality it claimed to have. Therefore consumers, by default, perceive it as a direct sign of product quality, absent of any cues undermining this belief (Kirmani & Wright, 1989).

Ambler and Hollier (2004) take this even further with their claim that the perceived expenses are actually the most important aspect of an advertisement, through its direct positive effect on perceived brand quality. The authors compare this observed phenomenon to the Handicap Principle in biology. This principle explains the extravagant bodily features of some animals - such as oversized deer antlers or a peacock's long feathers - as a way of signalling health and strength to other members of its species. As a signal it is very reliable since the animal could only afford such extravagance if it is indeed in the right shape. By the same reasoning, brands which apply advertising that is perceived as excessive, must be 'fit' enough to carry this kind of investment of resources.

THE EFFORT OF ADVERTISING CREATIVITY

Kirmani (1990) already hinted in this direction in her article, but it was only recently, that Dahlén, Rosengren and Törn (2008, p.393) hypothesized the link between advertising creativity and perceived marketing effort. The authors predict a positive correlation between the two and indeed confirm this in a quantitative experiment. Even more, their findings show that more creativity increases both perceived expenses as well as perceived time invested in the production of the advertisement. They conclude that advertising creativity is a signal of marketing effort similar to advertising expense.

PERCEIVED OR ACTUAL QUALITY?

Many of the previously mentioned authors theoretically link, or even show correlation between, higher advertising effort and higher perceived product quality. This does not mean that the quality of the product actually is higher. In fact Rotfeld & Rotzoll (1976) found no relation between the amount of advertising and actual quality ratings. However, it is the perceived quality difference, rather than the objective quality difference, that premium brands aim to build in the consumers' minds, since this perceived higher quality allows them to charge their premium price. Some results (Kirmani, 1990) show that higher perceived advertising effort by the company leads consumer to even expect a higher price.

EFFECTS FOR THE PREMIUM BRAND

According to Smith and Yang (2009), advertising creativity has a positive effect on brand attitude through the Desire to Postpone Closure (DPC). DPC means that the consumer is more interested and pays better attention to the ad. It means that consumers will be more curious and open-minded, thereby rendering more positive results for brand liking and intentions. A similar positive effect of advertising creativity on brand interest, through perceived effort and brand ability, was shown by Dahlén, Rosengren, and Törn (2008).

Finally, when testing for the same variables as will be used in this research – ad liking, brand liking and purchase intention - Smith, MacKenzie, Yang, Buchholz, and Darley (2007) find a positive effect of advertising creativity on all three variables.

A slightly different perspective to take is incongruency theory. Since the premium brand derives extra income from its brand image, we will assume that it is a brand, which consumers are familiar with. By the definition of advertising, as used in the work of Smith et al. (2007), the consumer perception of advertising creativity depends heavily on divergence. We suspect that this is divergent from the schemas as established in the consumers' minds. This would make divergence equal to incongruency.

If the divergence component of advertising creativity creates incongruency between the ad and the brand, this will have its effect on our variables. In earlier research, ad-brand congruency was found to have a negative effect on ad-attitude (Dahlén & Lange, 2004; Dahlén, Lange, Sjödin, & Törn, 2005) and a positive effect on brand attitude (Lange & Dahlén, 2003; Dahlén & Lange, 2004; Dahlén, Lange, Sjödin, & Törn, 2005).

Törn & Dahlen (2008) experimentied in a competitive environment and actually found a positive effect on ad attitude and no effect on brand attitude or purchase intention.

EFFECTS FOR THE BUDGET BRAND

Budget brands generally target a different type of consumers than premium brands. Whereas premium brands target consumers that can - and are willing to - pay a mark-up for a product they perceive to be of higher quality, the budget brand focuses on consumers which are more price sensitive and are willing to accept lower quality if the price discount is right.

In case this segment is so price sensitive that price would become the primary characteristic on which they base their choice of brand, this would make the product a search good rather than an experience good. For a premium brand the consumer will not be able to fully assess the quality of the good until after purchase, which is why it is much more valuable to this brand to trigger sale through advertising. For the budget brand however, whose customers make their choices primarily based on price, it is easy to communicate this characteristic before purchase. It is therefore not dependent on advertising effort beyond this communication of price to its segment.

Advertising creativity is perceived as higher advertising effort, which in the consumers' minds correlates with higher quality and higher price. This conflicts with the budget brand image and expectations held by 'advertising literate' consumers (Dahlén, Rosengren, & Törn, 2008; p.393).

In this case the ad-brand incongruency is even stronger since not only the execution itself is incongruent with consumers' schemas, but also the signals sent by it do not match expectations. However, budget brands often do not rely on their brand image since, as explained above, their advertising focuses on communicating their low prices. Since the brand is not very familiar, the effects are different. Following the conclusions of Dahlén & Lange (2004), no significant differences between the congruent (non-creative) and incongruent (creative) ad effects are expected.

Although we expect the effects of advertising creativity to be smaller for the budget brand than for the premium brand, the literature does not give reason to expect that these effects will be negative. Therefore, and based on the previous discussion, we have drafted the following hypotheses:

<u>Condition A - budget brand</u>

- Ha1 Advertising creativity has a significantly positive effect on ad attitude.
- Ha2 Advertising creativity has a significantly positive effect on brand attitude.
- На3 Advertising creativity has a significantly positive effect on brand purchase INTENTION.

<u>Condition A – premium brand.</u>

- Ha4 Advertising creativity has a significantly positive effect on ad attitude.
- Ha5 ADVERTISING CREATIVITY HAS A SIGNIFICANTLY POSITIVE EFFECT ON BRAND ATTITUDE.
- На6 Advertising creativity has a significantly positive effect on brand purchase INTENTION.

2.4.2 BOUNDARY CONDITION B: HEDONIC - UTILITARIAN

Before defining the hedonic and utilitarian hypotheses, a level of analysis has to be defined. In the discussion of boundary condition A, budget or premium, the level of analysis was the brand strategy. For this boundary condition the brand strategy level presents a good fit as it is practical and close to the consumer. For condition B however, the situation is more complicated.

THE HEDONIC AND UTILITARIAN DIMENSIONS OF CONSUMERS AND PRODUCTS

Consumers can simultaneously be logical and illogical, objective and subjective, obvious and subtle (Vaughn, 1980). As such, in their buying behaviour, consumers are influenced by both hedonic as well as utilitarian dimensions of value perception, and use both thinking and feeling in their decision making (Vaughn, 1980; Holbrook & Hirschman, 1982; Batra & Ahtola, 1991; Babin, Darden, & Griffin, 1994). One author nicely captures this behaviour as "an oscillation between homo economicus and homo ludens" (Sherry, 1990, p.180; Babin, Darden, & Griffin, (1994). From a different perspective it is established that in one product, both hedonic as well as utilitarian values can be present (Batra & Ahtola, 1991). Due to this presence of both hedonic as well as utilitarian characteristics, it is very difficult to test the effects of advertising creativity on brand attitude, under the isolated hedonic or utilitarian boundary condition on a product category, product or even brand level.

ADVERTISING FOCUS

In designing their advertising strategy, marketers often choose to focus their efforts on promoting either the hedonic or utilitarian characteristics of their brand or product. Components of an ad can activate the consumers' hedonic or utilitarian needs (MacInnes & Jaworski, 1989). A high presence of one type of such components can create informational – highlighting the utilitarian aspects – or emotional – appealing to the hedonic side of the consumer – advertisements.

This is the level at which the two dimensions, both present in consumer and product, are isolated and at the same time combined with high or low levels of creativity. Additionally, the findings of Yoo and MacInnis (2005) support that the message – informational or emotional – and the execution style - creative or non-creative - are two different factors in ad effects. Therefore, this is the level at which the hypotheses should be drafted.

EMOTIONAL ADVERTISING

Emotional advertising appeals to the affective or hedonic side of the human psyche, it triggers feelings rather than objective judgments. Yoo and MacInnis (2005) hypothesize that these feelings influence ad liking, and through ad liking brand liking, in two different ways:

- 1. Directly, by transferring the affective feelings to the judgment of the ad, and;
- 2. Indirectly, by positively influencing the perceived credibility of the ad.

In their experiment, however, they failed to reject the first hypothesis only for negative feelings. In other words, they did not establish a significant direct relation between ad liking and positive feelings triggered by the ad. The indirect relation through credibility did show to have significant effects on both ad and brand liking. So in the emotional format, the credibility of the ad as perceived by the consumer is a strong determinant of ad and brand liking.

INFORMATIONAL ADVERTISING

The informational advertising format seeks to persuade the rational or utilitarian side of the consumer, by using objective arguments which explain the benefits of the product or brand. It is met by the consumer predominantly with evaluations of the ad's credibility, the outcomes of which influence the attitude of the consumer towards the ad and brand (Yoo & MacInnis, 2005). You and MacInnis (2005) find that ad liking for informational ads is influenced by credibility perception only indirectly through feelings, but not directly. Beliefs are not found to be influenced by credibility, but they do have a significant effect on brand attitude. In conclusion, for informational advertisements, credibility perceptions play no significant role in ad or brand attitude formation, but feelings and beliefs do. The authors note that this is an interesting result since it suggests influence through an emotional route.

ADVERTISING CREATIVITY AND ADVERTISING FORMAT

Several researchers have noted that advertising creativity has a positive effect on brand attitude (Smith & Yang, 2009; Smith & Yang, 2004; Ang & Low, 2000). Smith and Yang (2009) specifically suggest it as a tool for marketers to trigger stronger feelings i.e. to add it to the set of emotional advertising tools. But it has also been described how advertising creativity makes consumers more curious and open-minded (Smith & Yang, 2009), which could benefit advertisements with an intention to persuade the consumer of the utilitarian benefits of the product.

Chandy, Tellis, MacInnis and Thaivanich (2001) found that the effectiveness of emotional and informational ads depends on market specific characteristics. Informational advertising can best be used in emerging markets and/or for new products. The explanation given is that the information is appreciated because it is lacking. The emotional messages have better effects for established products in established markets, because the consumer does not need more information about it. On a side note; this phenomenon is similar to the case of the adbrand incongruency and congruity schemas.

We expect a similar relationship for advertising creativity. Under certain circumstances it may benefit emotional advertising, while under others it may be better suitable for informational advertising.

In general however, whether it is through feelings or credibility, through emotional appeal or increased openness to practical argumentation, we hypothesize positive effects of advertising creativity on brand attitude, for both the emotional and informational advertising format:

<u>Condition B - utilitarian brand</u>

- Hb1 Advertising creativity has a significantly positive effect on ad attitude.
- Hb2 ADVERTISING CREATIVITY HAS A SIGNIFICANTLY POSITIVE EFFECT ON BRAND ATTITUDE.
- Hb3 Advertising creativity has a significantly positive effect on brand purchase INTENTION.

Condition B - hedonic brand.

- Hb4 ADVERTISING CREATIVITY HAS A SIGNIFICANTLY POSITIVE EFFECT ON AD ATTITUDE.
- Hb5 Advertising creativity has a significantly positive effect on brand attitude.
- Hb6 Advertising creativity has a significantly positive effect on brand purchase INTENTION.

Nevertheless, since we focus on practical implications for established product in existing markets, following Chandy et al (2001), we hypothesise that the emotional benefits of advertising creativity will have a stronger effect than the functional benefits.

2.4.3 BOUNDARY CONDITION C: HIGH - LOW LEVEL OF INNOVATION

The last boundary condition, level of innovativeness, will again be evaluated at brand level. This means that we look at the level of perceived innovativeness of the brand in the mind of the consumer, and how this is influenced by advertising creativity. It has to be mentioned that this condition is not limited to how innovative a brand is, which derives from its accustomed brand elements (Keller, Apéria, & Georgson, 2008), but it also entails brands that market innovative products or services. For example, Intel is not considered as innovative a brand as apple, but it is perceived as a high-innovation brand since it produces and sells innovative products. Thus the terms high-innovation brand and low innovation brand are going to be used.

BRAND INNOVATION

There are plenty of definitions of innovation in contemporary literature; one of them states that innovations can be defined as the application of new ideas to the products, processes or any other aspect of a firm's activities (Baregheh, Rowley, & Sambrook, 2009). Innovation is concerned with the process of commercializing or extracting value from ideas; this is in contrast with 'invention', which need not be directly associated with commercialization. Joseph Schumpeter is considered by many the 'father of innovation' since in the 1930s (Schumpeter, 1943) he was the first to stress its importance and study it in detail (Rogers, 1995). He suggested there are five types of innovation (Rogers, 1962, p. 150).

- Introduction of a new product or a qualitative change in an existing product.
- Process innovation.
- The opening of a new market.
- Development of new sources of supply for raw materials or other inputs.
- Changes in industrial organizations.

Another, broader definition states that innovation, at the level of an individual firm, might be defined as the application of ideas that are new to the firm, whether the new ideas embodied in products, services, or in work organization, management or marketing systems (Gibbons, Limoges, Nowotny, Scott, Simon, & Trow, 1994)

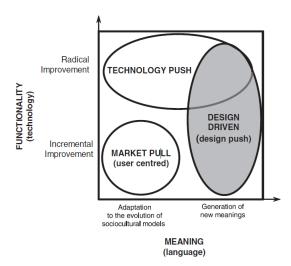


Figure 3 - Design-Driven Innovation (Verganti, 2008)

Nevertheless, a lot has changed since then such as the business ecosystems' needs, offerings and structures, the customers' needs and demands and along with them innovation; although its core retains the same conceptual attributes, it has evolved new meanings and dimensions. An example of a new branch of innovation, is Design-Driven innovation, which is about

pushing innovations in new product meanings and languages that could dif-

fuse in society, instead of listening to the customers' needs and delivering a corresponding solution. Design-Driven innovation is about changing the emotional and symbolic meanings of products and services as can be seen in figure 3 (Verganti, 2008).

In the current paper, the authors look at innovation as a characteristic of a brand, which can be inferred from both the level of innovativeness of the products marketed under it and the associations consumers have regarding how innovative this brand is. Like Design-Driven innovation, brand innovation (exact definition, reference), is about the meanings and emotions that consumers develop, though not regarding a product, but regarding a specific brand. DIST's definition of innovation could be evolved, into entailing the application of new ideas that are embodied to the brand image (Keller, Apéria, & Georgson, 2008) of a company.

CREATIVITY AND INNOVATION: TWO INTERCONNECTED CONCEPTS

Creativity and innovation are two concepts closely linked; Subin & Workman (2004, p. 114), state: "We use creativity (rather than innovation) as the positional mediator because it is a more concrete construct and, in general, has been viewed as a construct that precedes innovation." Also, Amabile, Conti, Coon, Lazenby, & Herron (1996, p. 1154) state: "All innovation begins with creative ideas"; innovation, though, is the creative idea brought to fruition (Amabile, Conti, Coon, Lazenby, & Herron, 1996; Ekvall, 1997; Rank, Pace, & Frese, 2004). Creativity by individuals and teams is a starting point for innovation; the first is a necessary but not sufficient condition for the second. Schumpeter too, discussed creativity, besides innovation. Further, when one looks into definitions of creativity, substantial evidence for the interconnectedness of the two concepts can be seen: "The production of novel, useful ideas by an individual or small group of individuals working together; a model of individual creativity is integrated into a model of organizational innovation" (Amabile, 1983). In both innovation and creativity definitions the importance of newness and usefulness is stressed.

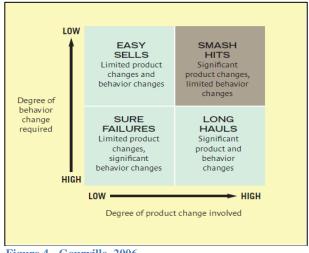


Figure 4 - Gourville, 2006

HIGH-INNOVATION BRANDS AND AD-**VERTISING**

In this paper, the effect of advertising creativity on brands associated with high-innovation and brands that associated with low-innovation (lowinnovation brand image) are examined.

More specifically, brands that aim to have a high-innovation brand image,

also aim at the strengthening of this attribute through their integrated marketing communications efforts (Percy, 2007) since a strong and consistent brand image leads to increased brand equity, which allows a company to have high profitability and enjoy price-premiums (Keller, Apéria, & Georgson, 2008).

An advertisement that would be consistent with the brand image would also strengthen it, bringing the aforementioned positive results. Since creativity is the foundation of innovation and the two concepts are truly interconnected, a highly creative advertisement should result in a rise of the level of innovation associated with a brand, thus strengthening its brand image, which would result in positive ad and brand attitude and also positive brand purchase intention.

LOW-INNOVATION BRANDS AND ADVERTISING

Accordingly, less innovative and more traditional products and services that are marketed under a low-innovation brand image, would call for less creative advertisements. That might sound odd, specifically today, that every company strives for innovation; however, a firm that knows its customers well could certainly identify segments that are tech-savvy or want familiar things. A company could aim at a low-innovation brand image to be consistent with its products and services, satisfy late adopters or other market segments that do not require innovative solutions, but instead, want more traditional and familiar solutions. After all, for an innovation to be successful it has to outperform the differences it brings (Gourville, 2006) as it is displayed in figure 4.

A low-creativity advertisement would cost less and also would not confuse the consumers regarding the image of a low-innovative brand. A high-creativity advertisement would disorient the customers and fog their perception of a brands image, thus resulting in negative effects and a weakening of both the brand's image and equity. In other words, consumers that pay for a product or service that they trust and know might consider the offering has changed, since creativity is related to innovativeness (something new) and divergence is a prerequisite for creativity. Thus a negative effect is expected on both brand attitude and purchase intention. However, since advertising creativity generally enhances an ad's likeability, a positive effect is expected on ad attitude.

<u>Condition C - low-innovation brand</u>

- Hc1 Advertising creativity has a significantly positive effect on ad attitude.
- Hc2 Advertising creativity has a significantly negative effect on brand attitude.
- Нс3 Advertising creativity has a significantly negative effect on brand purchase INTENTION.

<u>Condition A - high-innovation brand.</u>

- Hc4 Advertising creativity has a significantly positive effect on ad attitude.
- Hc5 Advertising creativity has a significantly positive effect on brand attitude.
- Нс6 ADVERTISING CREATIVITY HAS A SIGNIFICANTLY POSITIVE EFFECT ON BRAND PURCHASE INTENTION.

3. METHOD

3.1 Overview

he research question previously presented covers a lot of ground so a thorough approach is needed in order to find the required answers to this question. In doing so, this research builds on the works of other academics, but seeks to bridge gaps that still exist in the particular domain. The deductive approach as described by Bryman and Bell (2003) is the one closest to the approach we shall apply. It entails the deducing of hypotheses from existing theory, followed by a testing of these hypotheses using data gathered from a sample of real consumers. In the last step of the process, the findings from this data are expected to have implications for the theory from which the hypotheses were deduced.

3.2 RESEARCH STRATEGY

Fundamentally, we want to know what happens in the market, under certain conditions. We seek to measure the effects of our variables in the form of "given x, what are the effects of y on z". Since this research focuses on consumer behaviour, a quantitative approach is best research strategy to serve its purpose (Bryman & Bell, 2003).

3.3 RESEARCH DESIGN

In terms of research design, the best description of the approach taken is that it combines the experimental design with a cross-sectional execution.

The main variables of interest are the effects of a particular advertising tool, creativity, on consumer behaviour,

	Variables	
	Independent	Dependent
direct effect	advertising creativity	ad attitude brand attitude purchase intention
contextual effect	boundary conditions	

ad attitude, brand attitude and Table 1 - Primary variables and relations between them

purchase intention, within different contexts, the boundary conditions. This is depicted in Table 1 above.

The experimental factor in the research design is that it is able to manipulate the independent variables (Bryman & Bell, 2003). The ads and accompanying priming texts are fabricated specifically to the requirements of this research. Furthermore, in all of the three test settings the sample is split into two groups – along both the dimension of advertising creativity, as well as the dimension of the boundary condition – which creates a treatment group and a control group (Bryman & Bell, 2003). Beyond this point, the experimental qualities of the design diminish; a pre- or post-testing of the respondents did not occur and also, the testing does not take place in a natural environment.

The above-mentioned circumstances mark the point where the design turns cross-sectional. Quantifiable data is gathered on more than one case (respondent) and at a single point in time (Bryman & Bell, 2003). Although indeed the independent variables are manipulated, we still look for patterns of association, but also hope to (fail) to prove the (non-)existence of a causal relationship.

3.4 Survey Design

Firstly, three boundary conditions were chosen: budget-premium, utilitarian-hedonic and high-low innovation. To test how advertising creativity influences those, we chose three ads, one for each boundary condition (the ads can be found in the appendix). For each ad, with the help of Erik Modig, we created to versions, a highly creative one, mentioned as creative and a much less creative, mentioned as non-creative. Furthermore, a different version of each ad was produced, in order to separate the different brand strategies. For example, in the first boundary condition, there was a creative/budget ad, a creative/premium ad, a noncreative/budget ad and finally a non-creative premium ad. In total, there were twelve different ads. Additionally, to separate the ads between brand strategies, cues were added and removed and different priming texts (Yi, 1990) were added before each add. The main force between the manipulation of the brand strategy related perception though, were the priming texts.

At this point though, the perceived level of creativity of the ads was judged only by us. Therefore, we came up with a pre-test, in which we showed each one of the twelve ads to approximately 25 persons and ask them to rate them in terms of creativity and in terms of brand strategy. Thus, we tested whether there was a significant difference in how creative the consumers perceived the ads and whether it was clear that these brands belonged to different brand strategies. For the first two conditions, (budget-premium and utilitarian-hedonic) the ratings were fine. However, for the third condition, there was not enough diversity between the creative and the non-creative one in order to proceed with our main survey. We decided then to use one ad twice, remove some cues and prime it differently, in order to get the desired effect.

Secondly, we created a survey, in which the respondents were again asked to rate the twelve ads in terms of brand strategy and level of creativity but this time, more questions were added. Specifically, questions regarding brand attitude, ad attitude, brand purchase intention and more. Both the pre-tests and the main survey are explicated further in coming chapters.

3.5 DATA QUALITY: RELIABILITY & VALIDITY

Data validity is a concept coined by Campbell & Stanle (1996), and later particularized by Cook & Campbell (1976, 1979). Their concept of data validity has vastly influenced the work of researchers. Bryman & Bell (2003), stress the significance of appropriate data quality in research and go on to argue that reliability and validity are the two most important variables to consider.

RELIABILITY

Reliability refers to "the extent to which a rating-scale produces consistent or stable results" (Wilson, 2006, p. 418) and hence, high reliability means high consistency in the data sets and implies little chance of imprecise or inconsistent results. To secure a descent level of reliability for this research, we gathered all the data cautiously. The survey was sent out to people from one country, the Netherlands and they primarily belonged to a certain age group (18-25). Further, all the secondary data cited in this paper, derived from respected and certified sources such as known authors and established scientific journals and/or books. Reliability of data however, does not imply validity (Bryman & Bell, 2003). Regarding internal consistency, we ran Cronbach's alpha analyses; in all cases the values were higher than 0.9, a fact that implies excellent internal consistency.

INTERNAL VALIDITY

Internal validity refers to "whether the manipulations of the independent variables actually cause the effects on the dependent variables" (Malhotra & Briks, 2007, p. 307), which basically evaluates whether the relationship between the variables is causal or not. By isolating the variables researchers can examine this causal relationship and check if and how one variable influences another.

Internal validity is difficult to achieve through a survey, especially in an experimental design. In this research we hope to achieve a reasonable level of internal validity by combining the facts that: 1) The respondents will have no sensitivity to the aim of the experiment, since they are only tested once and not given specific information on the aim of the experiment; 2) The independent variables used are manipulated to the specific requirements of this research, and; 3) the respondents are randomly selected and randomly assigned to either the control or experimental group.

EXTERNAL VALIDITY

External validity examines whether or not an observed causal relationship should be generalized to and across different measures, persons, settings, and times and it is sometimes sacrificed for greater internal validity when investigating causal relationships between variables (Calder, Phillips, & Tybout, 1982). The current research tests real brands -intentionally unknown to the respondents- and actual advertisements -minimally differentiated; the realism of the experiment grants external validity and shows that results could be, under certain circumstances, generalized.

However, since this is a theory-testing research internal validity and statistical integrity matters more than the generalizability of the results. In order to better demonstrate the causal relationship between advertising creativity and the independent variables, less known brands were used and some elements of the ads were changed; this way, the effect was isolated. Otherwise, a positive result in brand attitude for example, could also be derived from the consumers' predisposition towards the particular brand and not from advertising creativity.

ECOLOGICAL VALIDITY

One criterion where our research will suffer is the ecological validity. Although print advertisement or even more so internet based advertising is close to the execution style applied in this research, the respondents will be aware that they are participating in a survey. Therefore it is not certain that the research resembles the daily life conditions of the subjects as expressed in their natural, social habitat (Bryman & Bell, 2003).

3.6 RESEARCH INSTRUMENT AND DISTRIBUTION

As a practical means of collecting the data, an online questionnaire was used. After constructing it the traditional way, mainly following the guidelines of Bryman & Bell (2003), it was distributed through more contemporary channels not yet described by these authors. These channels were social media sites. This approach has several advantages, but also disavantages.

For example, it combines the ability to keep control over the distribution with the possibility to quickly reach a large group of people. Membership of groups on these social network sites are often based on the same characteristics as seen in sampling, and often they are combined. We used, for instance, groups for students of different universities in The Netherlands, or those of alumni of these institutions.

One disadvantage is the response rate. Although difficult to measure precisely, we experienced it to be very low. This could be due to the anonymity of the internet, since there are no repercussions if the potential participant chooses not to take the survey. Another explanation is that taking a survey, however short, does not fit in the set of activities people are interested in when visiting social networks. A more practical reason may be that the specific survey tool is not compatible with mobile devices, while much social network activity does take place on such devices.

3.7 PRE-STUDY

"It is always desirable, if at all possible, to conduct a pilot study before administering a selfcompletion questionnaire to your sample" (Bryman & Bell, 2003, p.262). In the case of this research it is more than desirable, if not crucial, since it it not so much the questions that need pre-testing, but rather the ads which are employed to trigger a certain mind-set in the respondent.

Therefore, the pre-study was designed to test two important variables:

- I. The perceived creativity levels in the ads, and;
- II. Respondents' perceptions of the boundary conditions – brand strategy (A); ad format (B), and level of innovativeness (C) - of the ads.

3.7.1 FIRST STAGE

The pre-test was constructed as follows. The twelve potential ads were combined, by boundary condition, in three different surveys, as seen in Table 2 below. After being shown one priming text - in case of conditions A and C - and one advertisement, the respondents were then asked three questions about their perception of the creativity of the ad, and one about their perception of the boundary condition.

Dimensions		Creativity level		
Boundary condition		High	Low	
	Premium	AD1	AD2	Survey 1
	Budget	AD3	AD4	
	Hedonic	AD5	AD6	Survey 2
	Utilitarian	AD7	AD8	·
	Highly-Innovative	AD9	AD10	Survey 3
	Non- Innovative	AD11	AD12	·

Table 2 - Dimensions, variants, ads and surveys

THE TWO DIMENSIONS

Since the ads were created specifically for this research, it is important to test that they have the required features. Two dimensions are vital to be clear to the respondent, and divergent between the ads.

The first dimension is the level of creativity. This research aims to test the differences under different boundary conditions for high and low levels of advertising creativity. Therefore it is not only important that the proposed 'creative' variant of the six pairs is indeed perceived by the respondents as creative, but also that it is significantly more creative than the 'noncreative' variant.

Secondly, for each of the three boundary conditions, the data collected in the survey is expected to shed light on the effects of advertising creativity under the two 'extremes' of this condition. As such, the proposed ads, for the respective boundary conditions, have to be perceived by the respondents as significantly different from each other as to approach these extremes.

For every boundary condition, these dimensions - creativity and brand strategy (A); creativity and ad format (B), and; creativity and level of innovativeness (C) – combine into four distinct advertisements. However, since each ad contains one variation of both dimensions, on one single dimension two ads are identical. Furthermore, the pre-test does not test any variables where the dimensions might influence each other. Therefore it is possible to combine the number of respondents of two ads when testing significance on one dimension.

ADVERTISEMENTS

For every boundary condition, one creative advertisement was chosen based on several factors. It had to be simple, as too many other cues might dilute the effects of our manipulations. It had to be reasonably ambiguous, as it is found that ambiguity leads to more positive priming effects (Yi, 1990). Last of all, it had to be both relevant yet divergent, since these are the two dimensions of advertising creativity according to Smith 2008 (Smith, Chen, & Yang, 2008).

After three compliant advertisements were found, we sent them to Erik Modig, Research Fellow and PhD at the Stockholm School of Economics Centre for Consumer Marketing. He modified the advertisements and added the priming texts. Additionally, for every creative advertisement he made a non-creative equivalent, by replacing the creative element with a simple picture of the product.

After this great work, we had the twelve potential advertisements¹.

¹ For every boundary condition 1 creative and 1 non-creative, times the two extremes of the boundary condition

PRIMING TEXTS

The priming texts were, just as the advertisements, designed specifically for this research. For every extreme of each boundary condition, we constructed short priming texts that would feel natural to the advertisement, as to make it seem as real as possible and not give away the actual purpose of the research to the respondent. However, according to Yi, (1990) priming can have increased potency when the ads generally lack cues that define their nature. For example when we tried to manipulate an ad by Duracell, so that it would be perceived as an ad of a budget brand, the brand name Duracell was removed and a random name took its place. Further, to strengthen that position, it was mentioned in the priming text before the ad, that this company has launched a new battery, which will effectivelly be the cheapest on the market, to give the impression to the respondents that this would be a budget product although it looked a lot like a Duracell baterry, which is predominantly considered a premium brand. The priming texts can be found in the appendix.

SURVEY QUESTIONS

It has been shown that definitions of creativity differ between stakeholder groups (West, Kover, & Caruana, 2008; White & Smith, 2001). Modig (2012) concludes that advertisers would do good to include consumers in the development of creative ads, because of this difference. Therefore we chose to ask the respondents their opinion on the creativity of the advertisement directly. Additionally we asked the respondents to rate the advertisement on divergence and relevance. Since our sample is familiar with the business jargon and has a certain understanding of the subject, we felt confident to ask their assessments directly. All three questions came in the form of a seven point Likert scale.

The final question tested if the priming was successful. In the case of boundary conditions A and C, for the same reason as mentioned above, it was a seven point Likert scale, directly asking the respondents judgement of the brand strategy or level of innovativeness respectively. In the case of boundary condition B, we looked at the work of Batra & Ahtola (1991). In their research they describe and test a number of factors which are used to describe either hedonic or utilitarian product attitudes. For our research we decided to use the positive extreme of the top-three scales and put them opposite each other. This way we constructed three scales measuring if the hypothetical positive feeling towards the ad is hedonic or utilitarian.

3.7.2 SECOND STAGE

Bryman & Bell (2003) advise the maker of a survey several times to put himself in the position of the respondent, as a measure to check the survey. We took this a step further several by asking individuals to take the survey, while providing us with feedback as they went. The individuals were from the fields of marketing and statistics, as well non-business fields. This created a broad view on the questions, from the perception of the respondent to the applicability of the collected data.

After this check and the resulting minor adjustments, the three surveys were sent directly to three groups of individuals within the sample. The response rate was close to one hundred per cent since we personally asked the respondents to take the survey. After three days, when nearly all the responses were collected, the survey was closed and the results analysed. This is described below.

3.7.3 Pre-study results

The goal of the pre-study was to establish if the respondents perceived differences between the high and low variants of the dimensions in the advertisements. To do this, the data from the surveys were combined into groups for the creative and non-creative ads, and into groups of budget and premium, utilitarian and hedonic, and low and high-innovation ads respectively.

Following this step, two tests were applied to establish the significance of the differences in responses between the pairs.

The first was an independent samples t-test. However, since the sample size was small, an additional Mann-Whitney U test was applied to double check the outcomes, in all cases this second test confirmed the results from the t-test.

Tables 3, 4 and 5 show the results of the tests for conditions A, B and C respectively.

Brand strategy	Creativity		Boundary condition(s)
	relevance divergence		
0,000**	0,25	0,151	0,746

Table 3 - Condition A: pre-test results

Advertising format	Creativity		Boundary condition(s)
	relevance	divergence	

0,462	0,542	0,427	1st measure	0,026*
			2nd measure	0,006**
			3rd measure	0,181

Table 4 - Condition B: pre-test results

Innovativeness	Creativity		Boundary condition(s)
	relevance divergence		
0,018*	0,752	0,105	0,284

Table 5 - Condition C: pre-test results

From the results we see that the creativity dimensions are significantly different for the ads of both conditions A as well as C. The ad for condition B, however, was not perceived significantly different between the creative and non-creative variants. The two dimensions of creativity, relevance and divergence, were not significant in either three cases.

As for the perceptions regarding the boundary conditions, the brand strategy proved not significantly different, just as the innovativeness. For the advertising format, two of the three measures showed a significant difference between the ads.

For the advertising format, it is not only important that the difference is significant, but also that the mean is skewed towards the right variable. For all three measures this was the case², although not all proved to be significant.

3.8 MAIN SURVEY

With the pre-testing concluded, the next step is the main survey. Some elements have been explained in the pre-test section, and will remain unchanged. Other elements need adjustments, or have not been discussed yet. These will be explained here.

3.8.1 Population and Sample

In the first chapter, it is mentioned that the main contribution of this research is to address a previously grey area in the marketing field, and provides incentives and recommendations for others to continue the exploration of this area of research.

For this reason we felt confident to define the population for which this research aims to provide generalizable conclusions relatively narrow. Instead of providing conclusions for the

² With means of 1.07-1.45, 1.18-1.71, and 1.36-1.64 between the utilitarian and hedonic side of the scale.

whole population, we hope to extract reliable indications from a smaller population, which in future research can be tested on the bigger population. Besides the theoretical justification, two practical reasons led us to this approach: 1) By defining a smaller population, we would be able to select a sample with a certain level of knowledge of, and experience with, the subject. This will make the results more reliable, as most of the measures, as well as all the ads, had to be designed specifically for this research and are therefore not tested before. 2) Within the limited time frame of this research, we were more confident that we would be able to collect a representative sample from this population.

Hereby, as explained above, we prioritise internal validity over external validity. Nevertheless, the population still covers a segment of the total population which could be very interesting to marketing practitioners as a target segment. For this segment, external validity will be acceptable.

For these reasons, the population is defined as business students and practitioners within, as a geographic delimitation, the kingdom of The Netherlands. To collect a sample, we choose a sampling frame consisting of the students and alumni of the business and economics faculties of three universities in The Netherlands. Section 3.7.4 will discuss further how the sample was collected.

3.8.2 ADVERTISEMENTS

From the pre-test it became evident that there were some problems with the ads and or the priming. For the creativity dimension, the second survey showed insignificant results while for the boundary conditions, we concluded that surveys A and C needed improvement. To improve on these insufficient results we made the following adjustments:

- In survey A, our personal creative, Erik Modig, replaced the brand of the product in the budget ads with an unknown brand. This since the suspicion arose that the respondents had previous associations with the brand.
- In survey B, the original ads were deleted and replaced with the ads from survey C, since these produced much better test results.
- The ads for survey C were left the way they were.

As for the priming texts, these were replaced. The new priming texts included more and clearer cues for the required dimensions, while the requirement of them feeling natural to the advertisement was let go.

Unfortunately the time schedule left no room for pre-testing these new advertisements but we felt confident enough about them to continue with the main survey.

3.8.3 Survey Questions

The pre-study contained five questions per survey, one checked brand familiarity, three checked the dimensions of creativity and the last one checked the boundary condition. The main survey consists of more questions. First of all, this is due to the fact that the main survey's main purpose is different. In the pre-test the relation of interest was between variables x and y; if we modify the ad in this way, what are the effects on the respondents' perceptions of the brand. Now the relation is more complicated; given the boundary condition, what are the effects of advertising creativity on brand attitudes.

Therefore, the most important questions are the ones that measure the ad attitude, brand attitude and purchase intention. The scales used are similar to those applied by Ang and Low (2000) and Holbrook and Batra (1987). For ad and brand attitude, the measurement takes place through simple 7-point Likert scale (Dislike – Like; Bad – Good; Negative – Positive) questions which ask the respondent to indicate his or her feeling towards the ad or brand. Purchase, and adjacent, intentions are measured by asking the respondents to rate statements about their likely behaviour on a 7-point Likert scale (Strongly disagree – Strongly agree).

Due to the insignificant results in the pre-test, the creativity dimension questions for divergence and relevance were deleted from the main survey. Instead, a different approach was taken and, following signalling theory and specifically the work of Dahlén, Rosengren, & Törn (2008), three question were inserted asking the respondent to give his or her perception of the time, money and skill (Very little – Very much) required to make the advertisement.

The questions measuring the respondents' perception of the level of creativity and the boundary condition remained, as did the question of whether or not the respondent is familiar with the brand or not.

Finally, four demographics questions were added, measure gender, age, education and occupation.

3.8.4 DISTRIBUTION

The main survey, as the pre-test, was not sent out before being tested on a number of people. Again, these people were both professionals in the fields of marketing and statistics, as well as members from the population. After implementing the recommendations made by these colleagues, the survey was ready to be sent out.

Finally, the survey link was distributed mainly through three channels:

- First of all, we contacted study associations and faculty members at the three faculties of Rotterdam School of Management, Tilburg School of Economics and Management and Utrecht School of Economics.
 - The study associations replied that they could not facilitate our request since many of their last year students are doing thesis research and they do not want the overload their members with survey requests. Faculty members, however, were more interested and distributed the link amongst their students.
- Secondly, the link was posted in student and alumni groups of these faculties on the professional network website LinkedIn.
- Finally, the link was distributed via Facebook, mainly again through groups of students and alumni of the aforementioned faculties, but also through individuals at or related to these institutes.

In all three cases, the only information accompanying the survey link was the purpose - master thesis - and main subject - advertising - of the research which it was executed for. This way the respondents would not know the finer goals of the survey and therefore answer honestly.

4. RESULTS AND ANALYSES

fter the data pool reached critical mass, a series of analyses on the statistical package SPSS followed. Specifically T-Tests were run, to test our hypotheses. In those T-Tests, the mean of the creative ads and their corresponding effects are compared to the means of the non-creative ads and their corresponding effects. We consider the difference in means to be significant at a significance value below 0.1 (10%) since the T-Tests were two-tailed and our hypotheses describe a one-sided effect. Thus, the hypotheses-testing is granted with higher validity.

Further, univariate analyses were run, in order to demonstrate the between-subject interaction of the variables. Specifically, the brand position variables (brand attitude, brand attitude and purchase intention) were cross-referenced with the creativity variables (non-creative or creative). This analysis provides an 'interaction term'; if the latter is below 0.1 (significance at 10%), the effect of advertising creativity is significantly different from one brand position to another.

DEMOGRAPHICS

The questionnaires were sent out over the World Wide Web, mainly to students who study in Dutch universities. Moreover, the sample primarily included business or economics students. For the pre-tests, there were 26 respondents for the high-low innovation boundary condition, 30 respondents for the budget-premium condition and 33 for the utilitarian-hedonic condition. For the main survey, the number of respondents reached the quite satisfying value of 621. However, not all of those respondents had answered all the corresponding questions; SPSS though, considers for every question only the valid answers. Therefore, there was a different number of respondents for each question.

The fact that the respondents were predominantly students has maybe influenced the results. For example, students are asked to fill in questionnaires on a daily basis; this can lead them to pay reduced attention to the questions and consequently hinder their ability to provide thought-through answers.

THE RESULTS ARE PRESENTED BELOW, BY BOUNDARY CONDITION.

4.1 Manipulation check

Before analysing the results of the survey, a check needs to be performed on the perception of the creativity and variations in the boundary condition.

4.1.1 CONDITION A

A significant difference (1.747, sig. = 0.000) was found between the creative (sample mean =4.105) and non-creative (sample mean = 2.359). This means that the advertisements were perceived to be non-creative and creative respectively, as they were expected to. Also between the 'premium' (sample mean = 4.709) and 'budget' (sample mean = 3.309) variations of the boundary condition a significant difference (1.400, p-value = 0.000) was found. These findings indicate that the priming texts worked well and indeed made the respondents look at the ads with a different mind-set.

4.1.2 CONDITION B

Boundary condition b, entails a hedonic and a utilitarian brand; both brands were tested using one non-creative and one creative ad. The respondents clearly perceived, as expected, the distinction between the creative and the non-creative ad, with the former producing a mean of 5.143 and the latter 3.225 accounting for a mean difference of 1.918, which is significant at 1%. The differentiation between the utilitarian and the hedonic brand was not very clear though since the mean difference was 0.483 (utilitarian = 4.463 and hedonic = 3.98); this accounts for an insignificant difference (sig. = 0.106), which means the priming of the advertisements did not influence the respondents enough. This was possible to happen because the priming texts and the ads projected contradicting meanings, when for example the hedonic priming text was followed by a non-creative ad.

4.1.3 CONDITION C

Respondents in this group were exposed to advertisements that were either creative or noncreative, and were accompanied by a priming text that presented either a high- or lowinnovative brand image. Respondents perceived the creative ad (sample mean = 5.000) significantly different (sig. = 0.000) from the non-creative ad (sample mean = 3.462), and the difference (1.539) was positive towards the creative ad, meaning that it was indeed perceived more creative. For the perceived innovativeness of the brand the results are different. The

low-innovative ad (sample mean = 4.232) perceived more innovative, with a difference of 0.289 on a 7-point scale, than the innovative ad (sample mean = 3.943). Although this result is not significant (sig. = 0.354), it certainly shows that the priming in the case of the innovativeness dimension failed.

4.1.4 Consequences of the manipulation results

The results of the manipulation checks vary a great deal between the conditions, and between the dimensions. The creative dimension was found to be perceived significantly different under all conditions. Therefore we can state that this manipulation was successful.

When it comes to the boundary conditions, condition A performed well. The difference between the budget and premium brands was perceived correctly and it was significant. Therefore we see no reason not to continue with these results.

For condition B, however, the results were less positive. Although the difference between the hedonic and utilitarian variations was perceived correctly, the difference was not significant. Therefore the results cannot be assumed correct and further analysis and discussion have no academic value. Nevertheless, because the direction was correct, and the test value was so close to the threshold, we have decided to analyse and discuss the results of condition B with the intent to identify possible interesting directions for further research in the future.

For condition C the results were very disappointing. The difference between the low and high innovative variations of the ad were not only insignificant, but also the difference was perceived in the opposite direction, meaning that the respondents perceived the low innovative ad as higher in innovativeness. Therefore we decided not to analyse or discuss these results any further.

4.2 CONDITION A

As mentioned in the previous section, the manipulation results for this condition showed good results. Therefore we will continue the analysis of these results below, and discuss how these results relate to the studied literature, in the next chapter.

4.2.1 BUDGET BRAND

In section 2.4.1, the following hypotheses were proposed for the budget brand:

- Ha1 Advertising creativity has a significantly positive effect on ad attitude: **CONFIRMED**
- Ha2 Advertising creativity has a significantly positive effect on brand attitude: **CONFIRMED**
- На3 Advertising creativity has a significantly positive effect on brand purchase INTENTION: REJECTED

Budget subsa	mple			
		Mean	Difference	Sig. (2- tailed)
Ad attitude	Non-creative ad	2,813		
	Creative ad	4,269	1,456	0**
Brand attitude	Non-creative ad	3,571		
	Creative ad	4,078	0,507	0,095*
Purchase intention	Non-creative ad	2,982		
	Creative ad	3,548	0,567	0,122

Table 6 T-Test for the budget brand position

In order to test these hypotheses, a test was run on the subsample of subjects that saw the 'budget brand' advertisement. Within this subset, we tested if there was a significant difference between the respondents that saw the non-creative and crea-

tive variation of the ad. A summary of the data within this subsample is given by table 4.

For the hypotheses to hold, the difference in the last column of the table has to be significant. This is the increase in the dependent variable when creativity is added to the advertising.

As expected, in all three cases the effect of advertising is positive. However, the results show that the effect of advertising creativity for the budget brand is significant on ad attitude (sig. = (0.000) and brand attitude (sig. = $(0.095)^3$), but not for purchase intention (sig. = (0.122)). Therefore Ha3 is rejected, while Ha1 and Ha2 are confirmed.

³ Since the test applied is a one-sided t-test.

4.2.2 PREMIUM BRAND

The hypotheses for the premium brand strategy were presented as follows:

Ha4 Advertising creativity has a significantly positive effect on ad attitude: **CONFIRMED**

Ha5 ADVERTISING CREATIVITY HAS A SIGNIFICANTLY POSITIVE EFFECT ON BRAND ATTITUDE: **REJECTED**

На6 Advertising creativity has a significantly positive effect on brand purchase INTENTION: REJECTED

Premium subsample				
		Mean	Difference	Sig. (2- tailed)
Ad attitude	Non- creative ad	3,600		
	Creative ad	4,827	1,227	0**
Brand attitude	Non- creative ad	5,381		
	Creative ad	5,427	0,046	0,848
Purchase intention	Non- creative ad	4,523		
	Creative ad	4,650	0,127	0,657

Table 5 - T-Test for the premium brand position

The same test was run as in the previous section, but this time on a subsample of respondents that saw the 'premium brand' advertisement. Again, a summary of the results is shown in table 5.

The table tells us that again, hypothe-

sised, the direction of the effect of advertising creativity is positive. In this case however, only the effect it has on ad attitude (sig. = 0.000) is significant. In the case of brand attitude (sig. =0.848) and purchase intention (0.657) the effect is not significant. Therefore Ha5 and Ha6 are rejected and Ha4 is confirmed.

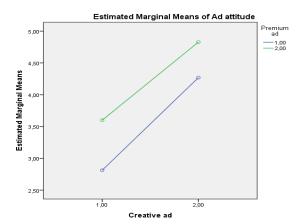
4.2.3 CAUSAL RELATIONSHIP

Although not covered by the hypotheses, it is interesting to check the difference in effects between the two variants of the boundary condition. For ad attitude, the increase between the budget brand ads is larger than the increase between the premium brand ads (1.456>1.227), as well as for brand attitude (0.507>0.046) and even for purchase intention (0.567>0.127) although the last three values proved insignificant. Nevertheless, this could hint towards an advantage of using advertising creativity in a budg-

et brand strategy.

The graph to the left shows a plot with advertising creativity (1 = low; 2 = high) on the horizontal axis and the means of the ad attitude variable on the vertical axis. The two lines represent the different boundary condition variations, green is the premium ad and blue the budget ad.

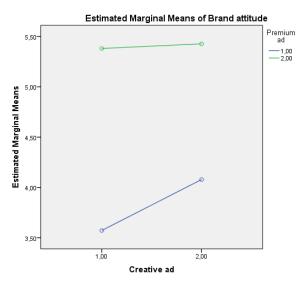
For ad attitude, this plot tells us that for both the budget as well as the premium brand, advertising



Graph 1 - The effect of advertising creativity on ad attitude under Condition A

creativity increased ad attitude. It also shows that the ad attitude is, in both cases, higher for the premium brand ad. Last of all, since the lines run almost parallel, it is likely that there is no significant interaction effect between brand strategy and advertising creativity. Indeed, when running a 'Test of between-subjects effects' on these two variables, the interaction term

proves insignificant (sig. = 0.652).

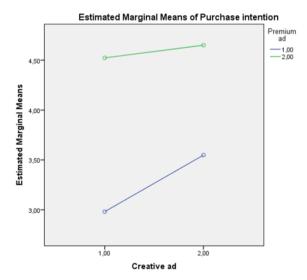


Graph 2 - The effect of advertising creativity on brand attitude under Condition A

Looking at the brand attitude plot, the results are similar. Advertising creativity has an effect on both, but it is larger for the budget brand ad. This is not unexpected, since in sections 4.1.1 and 4.1.2 it is shown that for brand attitude, the positive effect of advertising creativity is only significant for the budget brand ad. Here too, the values for the premium brand are always higher than for the budget brand, but the effect seems to be larger for the budget brand. The direction of the lines shows greater divergence than for the ad attitude, but the

test results tells us that there is no significant interation between the two dimensions (sig. = 0.228)

Finally, the plot for the purchase intention shows that there are no large differences between the other two dependent variables. Both lines are ascending, which indicates that advertising creativity has an effect on purchase intention for both the premium as well as the budget brand ad. As above, purchase intention is always reported higher for the premium brand, both under high and low advertising creativity. Finally, the shape of the lines suggests that there is no significant interaction between dimensions, and this is confirmed by the statistical test (sig. = 0.333).



Graph 3 - The effect of advertising creativity on brand purchase intention under Condition A

4.3 CONDITION B

As mentioned in section 4.1, the priming results for this condition proved to be insignificant for the hedonic-utilitarian dimension. Therefore we decided to analyse the results, but treat the outcomes as indications for further research at most. We do not believe, or claim, them to present any other value to the academic field beyond that.

4.3.1 UTILITARIAN BRAND

The following hypotheses are tested.

- Hb1 ADVERTISING CREATIVITY HAS A SIGNIFICANTLY POSITIVE EFFECT ON AD ATTITUDE: **CONFIRMED**
- Hb2 ADVERTISING CREATIVITY HAS A SIGNIFICANTLY POSITIVE EFFECT ON BRAND ATTITUDE: REJECTED

Hb3 Advertising creativity has a significantly positive effect on brand purchase INTENTION: REJECTED

Utilitarian subsample				
		Mean	Difference	Sig. (2- tailed)
Ad attitude	Non- creative ad	4,218		
	Creative ad	4,905	0,687	0,078*
Brand attitude	Non- creative ad	4,617		
	Creative ad	4,979	0,362	0,188
Purchase intention	Non- creative ad	3,846		
	Creative ad	4,411	0,565	0,139

Table 6 - T-Test for the utilitarian brand position

In the case of the utilitarian brand, advertising creativity did not affect the respondents' perceptions significantly on all cases. That can be seen from the comparison between the means of ad attitude, brand attitude and purchase intention that derived from the noncreative ad and the respective

means that derived from the creative ad. In this case, creativity has a positive effect on all the variables, but not always a statistically significant one.

Specifically, for ad attitude, the non-creative ad averaged at 4.218 and the creative one at 4.905; the mean difference of 0.687 (sig. = 0.078) suggests a statistically significant positive effect. Hence, Hb1 is confirmed.

For brand attitude, the non-creative ad averaged at 4.6173 and the creative one at 4.9792; the mean difference of 0.362 (sig. = 0.188) suggests a positive, yet statistically insignificant effect. Hence, Hb2 is rejected.

For purchase intention, the non-creative ad averaged at 3.846 and the creative one at 4.4113; the mean difference of 0.565 (sig. = 0.139) suggest a positive, yet statistically insignificant effect. Hence, Hb3 is rejected

4.3.2 HEDONIC BRAND

The following hypotheses are tested.

Hb4 Advertising creativity has a significantly positive effect on ad attitude: **CONFIRMED**

Hb5 ADVERTISING CREATIVITY HAS A SIGNIFICANTLY POSITIVE EFFECT ON BRAND ATTITUDE: REJECTED

Hb6 Advertising creativity has a significantly positive effect on brand purchase INTENTION: CONFIRMED

Hedonic subsample				
		Mean	Difference	Sig. (2- tailed)
Ad attitude	Non-creative ad	4,130		
	Creative ad	5,138	1,008	0,009**
Brand attitude	Non-creative ad	4,512		
	Creative ad	4,792	0,280	0,293
Purchase intention	Non-creative ad	3,289		
	Creative ad	4,083	0,795	0,020*

Table 7 - T-Test for the hedonic brand position

Applying the same comparisons to the case of the hedonic brand, it is evident that advertising creativity affected the respondents' perceptions more than in the case of the utilitarian brand, since a

stronger effect is demonstrated by high differences

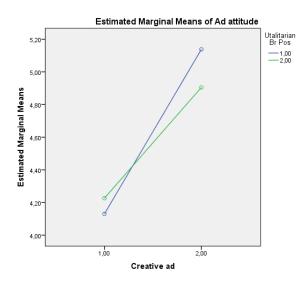
in means.

For ad attitude, the non-creative ad averaged at 4.13 and the creative one at 5.138; the mean difference of 1.008 (sig. = 0.009) suggests a stark and statistically significant positive effect. Hence, Hb4 is confirmed.

For brand attitude, the non-creative ad averaged at 4.512 and the creative one at 4.792; the mean difference of 0.280 (sig. = 0.293) suggests a positive yet statistically insignificant effect. Hence, Hb5 is rejected.

For purchase intention, the non-creative ad averaged at 3.289 and the creative one at 4.083; the mean difference of 0.795 (sig. = 0.02) suggests a statistically significant positive effect. Hence Hb6 is confirmed.

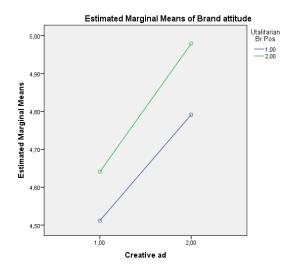
4.3.3 CAUSAL RELATIONSHIP

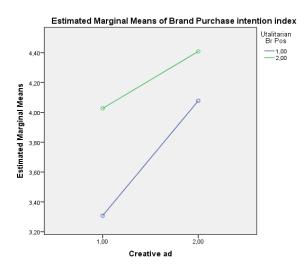


Graph 4 - The effect of advertising creativity on brand purchase intention under Condition B

The following graphs serve as visual aids the analysis of the results. Below, the effect of advertising creativity in respect to the certain brand position is shown and compared. It is clear that advertising creativity has a positive effect on all cases, however not always statistically significant as proven above. Furthermore, since the green line represents the utilitarian brand position it is obvious that brand

attitude and especially purchase intention is higher for the utilitarian brand position, while ad the hedonic brand has scored better in ad attitude. Regarding the difference in the effects, the interaction term calculated in the univariate analysis shows whether there is a significant difference in how strongly creativity influences the two brands. As it shown in graphs 4, 5 and 6, in which the lines are close to parallel, advertising creativity, will affect a utilitarian and a budget brand in the same degree. This is also supported by the interaction term, which is 0.535 for ad attitude, 0.879 for brand attitude and 0.449 for brand purchase intention (Appendix II.II)





Graph 5 - The effect of advertising creativity on brand purchase intention under Condition B

Graph 6 - The effect of advertising creativity on brand purchase intention under Condition B

4.4 CONDITION C

The manipulation check for condition C showed that the respondents did not perceived any difference between the low and high innovative variations of the ads. Therefore we decided that no further analysis or discussion of these results will be conducted, as this would have no academic value whatsoever.

4.5 Hypotheses index

Effect of Crea- tivity on	Brand Posi- tion	Hypo thesis	Direction of Effect (expected)	Direction of Effect (actual)	Hypothesis Confirmed
Ad attitude	Budget	Ha1	Positive	Positive	
Brand Attitude	Budget	Ha2	Positive	Positive	
Brand Purchase Intention	Budget	Ha3	Positive	Positive	7
Ad attitude	Premium	Ha4	Positive	Positive	
Brand Attitude	Premium	Ha5	Positive	Positive	7
Brand Purchase Intention	Premium	Ha6	Positive	Positive	()
Ad attitude	Utilitarian	Hb1	Positive	Positive	()
Brand Attitude	Utilitarian	Hb2	Positive	Positive	5
Brand Purchase Intention	Utilitarian	Hb3	Positive	Positive	5
Ad attitude	Hedonic	Hb4	Positive	Positive	\$
Brand Attitude	Hedonic	Hb5	Positive	Positive	G ³
Brand Purchase Intention	Hedonic	Hb6	Positive	Positive	()
Ad attitude	Low- innovation	Hc1	Positive		Invalid re- sults
Brand Attitude	Low- innovation	Hc2	Negative		Invalid re- sults
Brand Purchase Intention	Low- innovation	Hc3	Negative		Invalid re- sults
Ad attitude	High- innovation	Hc4	Positive		Invalid re- sults
Brand Attitude	High- innovation	Hc5	Positive		Invalid re- sults
Brand Purchase Intention	High- innovation	Hc6	Positive		Invalid re- sults

Table 10 – Hypothesis index

5. DISCUSSION OF RESULTS

n this chapter the results are discussed in relation to what was expected in the beginning of this research, based on theory and logic. Also, possible reasons that lead to the verification or contradiction of our projected results are deliberated.

Regarding the significance level of the results, it is noteworthy that advertising has relatively low potential to affect brand purchase intention and medium-to-high potential to affect brand attitude (Percy, 2007; Keller, Apéria, & Georgson, 2008). Thus, the low significance value of the advertising creativity's effect, which is the cause for the rejection of several hypotheses, can be caused by the relative weakness of the mean -advertising- through which creativity is delivered. Hence, creativity does not necessarily account for the low significance levels and it could have stronger effects if delivered through mean.

5.1 BUDGET - PREMIUM

The previous chapter revealed some interesting results. If we look at the hypotheses, we see that advertising creativity increases ad attitude for both the budget as well as the premium brand advertisement. This is consistent with results from previous research (e.g. Smith et al., 2007; Stone, Besser, & Loran, 2000). What is also shown by these results is the absence of an effect as predicted by congruency theory. As discussed, familiar brand that apply incongruence advertising could suffer in ad liking. The hypotheses predicted this result to be subordinate to the effect of advertising creativity in increasing ad attitude, and this seems to be confirmed since Ha1 was not rejected.

For brand attitude the results were slightly different. For the budget brand ad a significant positive effect of advertising creativity was found. For the premium brand ad, however, this hypothesis was rejected, based on an insignificant P value. The direction of the effect, although relatively small, was positive as expected.

In the case of the brand attitude the results again do not match the predictions by congruency theory. The familiar premium brand should benefit from advertising creativity as it makes its brand stand out by challenging consumers' established schemas. The unfamiliar budget brand should not benefit from it since there are no schemas to challenge, and therefore the creative advertisement is at most confusing to the consumer. Yet we see that advertising creativity has a significant positive effect for the budget brand and, although positive, an insignificant effect for the premium brand.

If we look at the more traditional theory on advertising creativity, it would agree with the results from this study. The effects on brand attitude are smaller and less significant than those for ad attitude, as for instance found by Smith et al. (2007).

The final dependent variable is the one found to be least affected by advertising creativity (Smith et al., 2007; Ang & Low, 2000). The results of this research confirm this, as both for the budget as well as the premium brand the effect is positive yet insignificant. The fact that the purchase intention is larger for the budget brand than for the premium brand may be an indicator that indeed brand attitude has a direct influence on these variables, since for brand attitude the effect was significant for the budget brand, but not for the premium brand.

Between the premium and budget brand strategies there is a clear difference in effects. Ad attitude is influenced relatively equally by advertising creativity, but the variables brand attitude and purchase intention show differences in effect, although these are not statistically significant. Nevertheless, we have seen that for both variables the increase due to advertising creativity is much larger for the budget brand than for the premium brand. A simple explanation for this observation would be that in both cases the absolute values for the budget brand are lower, so there is 'more room for improvement,' while the premium brand may have reached a certain level of saturation.

In any case, the results indicate the absence of any reverse signalling effects. If these were present, the budget brand should suffer from advertising creativity, rather than benefit, as it would signal unwanted product quality, which the consumer associates with high price.

At the same time the high relative results for the budget brand indicate that also congruency theory has no effect here. The effects of advertising creativity on ad attitude are positive and significant, while for brand attitude the budget brand show significant effects and the premium brand does not.

Altogether this research has found results that comply with previous research on the effect of advertising creativity on ad attitude, brand attitude and purchase intention. At the same time they dismiss the possible influence of reverse signalling or congruency. Finally, and this is interesting for the practitioners in the field, the budget brand seems to benefit from advertising creativity more than the premium brand, and especially for the communication objectives of brand attitude and purchase intention, which are traditionally more difficult to affect.

5.2 UTILITARIAN - HEDONIC

In the comparison between utilitarian and hedonic brands, the advertisement level equivalents of informational (utilitarian) and emotional (hedonic) were used. Based on previous research (Yoo & MacInnis, 2005), section 2.4.2 discussed that both types would be positively affected by creativity. The effect would be largest, however, for the emotional subgroup, consistent with the findings of Chandy et al., (2001).

It is true that the respondents of the survey did not perceive a significant difference between the utilitarian and the hedonic ad at a five per cent significance level. The result was so close however - P was 0.106 where 0.100 would have been significant, since the test applied was a one-sided test - that we feel confident to discuss the results and draw conclusion based upon them.

First of all, for ad attitude, neither of the hypotheses is rejected. The effects of advertising creativity are positive and significant. This is consistent with expectations and previous research.

This consistency is lost when analysing the brand attitude effects. For both the utilitarian as well as the hedonic subgroup the effect of advertising creativity is positive, but neither of the effects is significant. Therefore Ha2 and Hb2 are both rejected, which is contrary to the findings in e.g. Yoo and MacInnis (2005).

Little is written about the direct effects of advertising creativity on purchase intention, for emotional of informational advertisement. We do know that brand attitude affects purchase intention, and therefore expect similar results for between these variables. After considering the data on purchase intention, we find that although the effect is positive in both cases, it is only significant for the hedonic brand. This is inconsistent with our expectations in two ways. First of all, theory suggests a positive effect through the predicted positive effect on brand attitude. This is confirmed only for the hedonic brand. Secondly, the findings for the brand attitude variable would suggest both effects on purchase intention to be insignificant, yet for the emotional ad the effect is significant, meaning that we fail to reject Hb6. This finding could indicate that there is a direct effect of advertising creativity on purchase intention, which is stronger in emotional advertising formats.

Section 2.4.2 finishes with the suggestion that the effects of advertising creativity will be stronger for the emotional advertising format than for the functional format. The discussion above confirms this, given that the purchase intention effect is significant for the hedonic brand but not for the utilitarian brand. The plots presented in section 4.2.3 also confirm this for ad attitude and purchase intention, but show an opposite effect for brand attitude. These unexpected effects, however, are both insignificant. Another interesting observation is that in all three cases, the informational ad is always assessed higher than the emotional ad. The ad attitude is the only one for which advertising creativity causes the emotional ad to receive a higher assessment.

In conclusion, it seems that advertising creativity as a tool is more useful for utilitarian brands than for hedonic brands, although in all cases there was a positive effect. This is an answer to the dilemma posed by Smith and Yang (2009), who argue that on the one hand creativity may be better at triggering feelings, which would benefit emotional advertising, but on the other hand the increased attention effects it triggers would cause the arguments of informational advertising to be better processed. In our research the latter effect is found to be stronger.

6. CONCLUSIONS

his scholarly endeavour aims at answering the following research question: What are the effects of advertising creativity on ad attitude, brand attitude and brand purchase intention under different boundary conditions i.e. Premium visà-vis Budget, Hedonic vis-à-vis Utilitarian and Low-Innovation vis-à-vis Highinnovation?

The research question is answered below by the answers to six sub-questions.

To check what distinct effects advertising creativity brings to the table, one must first establish when it is substantially effective and when it is not. Thus the following sub questions were set. The answers to them are in accordance with the results of the equivalent T-Tests, which are displayed in chapter four.

SubQ1 Does advertising creativity make a statistically significant difference on ad attitude under all boundary conditions?

Advertising creativity stimulated a positive effect on all cases. Furthermore, the effect was statistically significant in all subsamples except one, the low-innovation subsample.

Thus, it is suggested that advertising creativity almost always has a positive effect on ad attitude.

SubQ2 Does advertising creativity have a statistically significant positive effect on brand attitude under all boundary conditions?

Advertising creativity stimulated a positive effect on all cases except one that of the highinnovation brand which, as stated above, is subject to inconsistencies. However, only for one brand position, the budget one, this effect was significant.

Thus, it is suggested that advertising creativity almost always has a positive, yet insignificant effect on brand attitude.

SubQ3 Does advertising creativity have a statistically significant positive effect on brand purchase intention under all boundary conditions?

Advertising creativity stimulated a positive effect on all cases except one, that of that of highinnovation brand. However, like in the case of brand attitude, only for one brand position, the hedonic one, this effect was significant.

Thus, it is suggested that advertising creativity almost always has a positive, yet insignificant effect on brand purchase intention.

To sum up, two important conclusions can be made.

1. Advertising creativity does not always have a significant effect.

2. It is highly probable that advertising creativity will present a positive effect.

Further, to establish whether there is a diversified causal relationship between advertising creativity and different types of brands when it is applied on different brand strategies the following questions were set. The answers to the below questions derive from the univariate analyses, which can be found on chapter four.

SubQ4 What are the effects of advertising creativity on ad attitude under different brand strategies, i.e. Premium vis-à-vis Budget, Hedonic vis-à-vis Functional and Low-Innovativeness vis-à-vis High-innovativeness?

Within the last two boundary conditions there were differences in the effect. Both hedonic as well as high-innovation brands seem to benefit more from applying advertising creativity, than their respective counterparts.

What are the effects of advertising creativity on brand attitude under different SubO5 brand strategies, i.e. Premium vis-à-vis Budget, Hedonic vis-à-vis Functional and Low-Innovativeness vis-à-vis High-innovativeness?

The only significantly different effect was found in condition C, which is obvious since the direction of the effects there, differs. If the results are correct, advertising creativity should not be applied to increase brand attitude by innovative brands. Within condition A, advertising creativity seems be more beneficial for the budget brand, while under condition B the effects seem to be roughly equal.

SubQ6 What are the effects of advertising creativity on brand purchase intention under different brand strategies, i.e. Premium vis-à-vis Budget, Hedonic vis-à-vis Functional and Low-Innovativeness vis-à-vis High-innovativeness?

Within the conditions, the differences are more pronounced for purchase intention than for the other variables. Within condition A, the budget brand, seems to benefit more from advertising creativity. Within condition B, this is the case for the hedonic brand, while within condition C the innovative brand, again, will suffer from applying advertising creativity.

From the answer to our sub questions three important conclusions arise:

- 3. When ad attitude is the goal, advertising creativity has a positive effect on lowinnovation brands and a significantly positive effect on all other brands.
- 4. When brand attitude is the goal, advertising creativity has a positive effect on premium, utilitarian and low-innovation brands, a significantly positive effect on budget and hedonic brands and bares a negative effect on high-innovation brands.
- 5. When brand purchase intention is the goal, advertising creativity is has a significantly positive effect on hedonic brands, bares negative effects on high-innovation brands and has a positive effect on all other brands.

The five conclusions together, answer the research question.

6.1 Managerial implications

The conclusions discussed above have some substantial and some minor implications to practitioners in the marketing, brand management and advertising fields.

As we suspected, different brands react differently to advertising creativity stimuli. Thus, brand managers, marketers and agency executives and creatives should adjust their designs and approaches accordingly.

First of all, of course it is important to realise that in this research the advertisements used were modified specifically to highlight certain cues and thereby isolate the effects of these. Although all the ads used are real ads, this is a situation which is not likely to occur in the marketplace, as brands can take on different features at the same time, which we tested separately.

That being said, some generalisations can be drawn from these conclusions.

The first take-away is that advertising creativity renders positive effects on the variables we have discussed often, but not always. Therefore, practitioners should always consider applying this tool to their advertising, but should also be aware of the features of their brand, and the interaction of these features with advertising creativity.

At the same time, practitioners should be clear on their communication objectives. If advertising creativity has a price, and the goal of the advertising campaign is to increase purchase intention, the limited expected increase may not be worth the investments. However, if the goal is to be noticed in the clutter, and brand attitude is already strong, advertising creativity can be very (cost-) effective.

Moreover, our research has shown that there is a difference in the effects of advertising creativity between types of brands and brand characteristics. For agencies and corporations it would be beneficial to integrate this notion in their structure and processes. Different approaches, using different levels or types of creative advertising, can be developed for different brand types. Where these approaches already exist, creativity as a tool should be integrated in them where it is most effective, and blocked where it could be harmful.

Lastly, hedonic and budget brands have benefited the most from creative advertising, so an advice to brand managers of such brands, would be to create very creative ads.

6.2 Critique

This study has been conducted in the setting of our Master of Science (MSc) degree. Hence there were some limitations regarding both time and resources that held us from conducting a full-extent study on how advertising creativity individually influences all possible advertising effects. Instead we focused only on three.

Accordingly, this paper does not examine the effects of advertising creativity on all possible brand strategies; it does so for six in particular.

Furthermore, more respondents in the conducted survey would increase the external validity of the research, which would also have more external validity if the advertisements were strictly unchanged.

Last of all, the last boundary condition we set entailed two brands, one that had assumed a low-innovation positioning and one that had assumed a high-innovation positioning. The ads the respondents saw had been enriched with corresponding priming texts, which served the cause of providing the viewer with a disposition about what kind of brand they were looking at. However, the respondents' ratings of the brands were not significantly different between the low and high innovation ads.. Advertising creativity had positive effects in all cases except this. However, due to this statistical discrepancy, the results can be questioned.

6.4 FURTHER RESEARCH

The current paper deliberates the subject of advertising creativity and its causal relationship with certain brand strategies. Creativity, as it has been mentioned before, is a social construct that in the case of the current paper is viewed upon, not from a humanitarian but from a marketing and advertising point of view and it mingled with aspects of both brand management and behavioural studies. Although this paper's goal is to establish which brand-related circumstances advertising creativity provides maximal effectiveness, the presented results only cover an insignificant amount of the possible circumstances. Thus, extended research from various angles needs to be conducted to reach that goal.

There is a descent amount of literature on advertising creativity, not only from advertising journals and books but also from behaviour, brand management, psychology and sociology publications. Further, elements such as brand attitude, which are entailed in the current research, are borrowed from brand management and once more, behavioural research. Evidently, the deliberated subject is a one that needs expertise and knowledge from various academic perspectives. Thus, this study has the fundamental potency to stimulate further research in several fields such as marketing, advertising, advertising creativity, branding, consumer behaviour, sociology, psychology and more.

Since the research of causal relationship between advertising creativity and various brandrelated variables is a new field, a lot of further research is required. Some explicated recommendations regarding each field follow. However, to establish the optimal circumstances for advertising creativity requires a lot of steps and some of the latter are not yet coined and therefore not cited in the following paragraphs.

6.4.1 FURTHER RESEARCH WITHIN THE FIELDS OF ADVERTISING, ADVERTISING **CREATIVITY AND BRAND MANAGEMENT**

ADVERTISING CREATIVITY AND OTHER OBJECTIVES

This research investigates advertising creativity in relation to certain variables namely, ad attitude, brand attitude and brand purchase intention. Although all the latter are prominent advertising creativity desired effects, others prominent goals exist such as brand recall and recognition (Percy, 2007; Keller, Apéria, & Georgson, 2008)

Advertising creativity and brand portfolio

In the field of brand management, further research could reveal more on the relationship of advertising creativity and certain brands from a portfolio point of view. For example, the relationship between advertising creativity and a brand that has assumed the role of a cash-cow brand within a portfolio is expected to diverge from the relationship between advertising creativity and a high-end prestige brand (Keller, Apéria, & Georgson, 2008).

ADVERTISING CREATIVITY AND BRAND POSITIONS

Similarly, brands that are diversely positioned, for example a centrally positioned brand vis-àvis a niche brand, in a given market, might react differently to advertising creativity's stimuli (Keller, Apéria, & Georgson, 2008).

ADVERTISING CREATIVITY AND BRAND ELEMENTS

Also, different brand elements, i.e. the brand logo, the brand character, the brand slogan and et cetera (Keller, Apéria, & Georgson, 2008), can be differently influenced by advertising creativity.

ADVERTISING CREATIVITY AND BRAND EQUITY

Here, it is suggested that the fluctuations of a given brand's brand equity ((Keller, Apéria, & Georgson, 2008), are investigated, with relation to how creative this brand's advertisements were over a long time-period. This way the relationship between advertising creativity and brand equity could be explored.

COMMUNICATION OBJECTIVES

This paragraph refers to research from a brand management perspective nly. It has been mentioned before that advertising creativity always aims to fuel a specific, desired effect. Percy (2007), mentioned four main objectives: Category awareness, brand awareness, brand attitude and brand purchase intention. More can be revealed regarding the above objectives by further research; this, would light the way for advertising creativity researchers and render them able to more efficiently accommodate targeted advertising creativity to achieve its desired effects. Specifically, although it is proven that there is a causal relationship between advertising creativity and different brands, the statistical significance of this differences is not shown in this thesis. Further surveys and analyses should be conducted in order to reveal the exact nature of each causal relationship.

6.4.2 FURTHER RESEARCH WITHIN OTHER FIELDS

COMMUNICATION OBJECTIVES

The aforementioned Percy's (2007) communication objectives could be deliberated by scholars of other disciplines too such as sociologists and psychologists.

The ontology of creativity could be further deliberated from the perspective of sociology and psychology, in order to better understand how human brains decide whether a cue they are exposed to is creative or not. For example, different societies or different types of personalities could be tested, resulting in information regarding how people conceive creativity and especially creativity in advertisement. This would greatly help practitioners to make more creative ads.

CREATIVITY AND NEUROLOGY

Since the establishment of neuromarketing, special equipment has been used to record how the human brain reacts to certain stimuli like colours, sounds, pictures and more. Neuromarketing could be used to establish how the human brain reacts to creative advertisements. Afterwards a comparison could be made to check if other parts of the brain are stimulated when the same human subjects are exposed to less creative cues. Accordingly, the subjects can be exposed to a products creative and later exposed to its less creative equivalent, thus directly and indisputably establishing the effects of advertising creativity.

REFERENCES

- Amabile, T. (1983). The social psychology of creativity: a componential conceptualization. *Journal of Personality and Social Psychology*, 357-376.
- Amabile, T., Conti, R., Coon, H., Lazenby, J., & Herron, M. (1996). Assessing the work environment for creativity. Academy of Management Journal, 1154-1184.
- Ambler, T., & Hollier, E. A. (2004). The waste in advertising is the part that works. Journal of advertising research, 375-389.
- Andriopoulos, C. (2001). Determinants of Organizational Creativity: A Literature Review. Management Decision, 834-840.
- Ang, S. H., & Low, S. Y. (2000). Exploring the dimensions of ad creativity. Psychology & *Marketing*, 835-854.
- Babin, B. J., Darden, W. R., & Griffin, M. (1994). Work and/or fun: Measuring hedonic and utilitarian shopping value. Journal of consumer research, 644-656.
- Baregheh, A., Rowley, J., & Sambrook, S. (2009). Towards a multidisciplinary definition of innovation. Management Decision, 1323-1339.
- Batra, R., & Ahtola, O. T. (1991). Measuring the hedonic and utilitarian sources of consumer attitudes. Marketing letters, 159-170.
- Besemer, S. P., & O'Quinn, A. K. (1986). Analyzing creative products: Refinement and test of a judging instrument. Journal of Creative Behaviour, 115-126.
- Besemer, S. P., & Treffinge, D. J. (1981). Analysis of creative products: Review and synthesis. Journal of Creative Behaviour, 158-178.
- Bryman, A., & Bell, E. (2003). Business research methods. New York: Oxford university press.
- Calder, J. B., Phillips, W. L., & Tybout, M. A. (1982). The Concept of External Validity. Journal of Consumer Research, 240-244.
- Campbell, D. T., & Stanle, J. C. (1966). Experimental and Quasi-experimental designs for Research. Chicago: Rand McNally.

- Chandy, R. k., Tellis, G. G., MacInnis, D. J., & Thaivanich, P. (2001). What to say when: Advertising appeals in evolving markets. *Journal of marketing research*, 399-414.
- Chattopadnyay, A., & Nedungadi, P. (1992). Does attitude toward the ad endure? The moderating effects of attention and delay. Journal of consumer research, 26-33.
- Cook, T. C., & Campbell, D. T. (1976). The Design and Conduct of Quasi-experiments and *True Experiments in Field Settings.* Chicago: Rand McNally.
- Cook, T. C., & Campbell, D. T. (1979). Quasi-experimentation: Design and Analysis Issues for Field Settings. Chicago: Rand McNally.
- Cummings, B. A. (1984). The Benevolent Dictators: Interviews with the Advertising Greats. Chicago: Crain Publishing.
- Dahlén, M., & Lange, F. (2004). To challenge or not to challenge: Ad-brand incongruency and brand familiarity. *Journal of marketing theory and practice*, 20-35.
- Dahlén, M., Rosengren, S., & Törn, F. (2008). Advertising creativity matters. Journal of advertising research, 392-403.
- Ekvall, G. (1997). Organizational conditions and levels of creativity. Creativity and Innovation Management, 194-205.
- El-Murad, J., & West, D. C. (2004). The definition and measurement of creativity: What do we know? J. Advertising Res., 188-201.
- Fletcher, W. (1990). The Management of Creativity. *International Journal of Advertising*, 1-37.
- Gardner, R. C. (1985). Social Psychology and Second Language Learning: The Role of Attitudes and Motivation. London, GB: Edward Arnold.
- Gibbons, M., Limoges, C., Nowotny, H., Scott, P., Simon, S., & Trow, M. (1994). The New Production of Knowledge: The Dynamics of Science and Research in Contemporary Societies. Sage Publications Ltd.
- Gourville, T. J. (2006). Eager Sellers, Stony Buyers: Understanding the Psychology of the New-Product Adoption. Harvard Business Review, 99-106.
- Greenwald, A. G. (1968). Cognitive learning, cognitive responses to persuasion and attitude

- change. New York: Academic Press.
- Haberland, G. S., & Dacin, P. A. (1992). The development of a measure to assess viewer's judgments of the creativity of an advertisement: A preliminary study. Advances Consumer Research, 817-825.
- Holbrook, M. B., & Batra, R. (1987). Assessing the role of emotions as mediators of consumer responses to advertising. Journal of consumer research, 404-420.
- Holbrook, M. B., & Hirschman, E. C. (1982). The experiential aspects of consumption: Consumer fantasies, feelings and fun. Journal of consumer research, 132-140.
- Jackson, P., & Messick, W. S. (1965). The person, the product, and the response: Conceptual problems in the assessment of creativity. Journal of Personality, 309-329.
- Keller, K. L., Apéria, T., & Georgson, M. (2008). Strategic brand management. Upper Saddle River, NJ: Pearson Prentice-Hall.
- Kirmani, A. (1990). The effects of perceived advertising costs on brand perceptions. *Journal* of consumer research, 160-171.
- Kirmani, A., & Roa, A. R. (2000). No pain, no gain: A critical review of the literature on signalling unobservable product quality. *Journal of marketing*, 66-79.
- Kirmani, A., & Wright, P. (1989). Money talks: Perceived advertising expense and expected product quality. Journal of consumer research, 344-353.
- Koslow, S., Sasser, L. S., & Riordan, A. E. (2003). What is Creative to Whom and why? Perceptions on Advertising Agencies. Journal of Advertising Research, 96-100.
- Kover, A. J., Goldberg, S. M., & James, W. L. (1995). Creativity vs. effectiveness? An integrated classification for advertising. Journal of advertising research, 29-40.
- Lange, F., & Dahlén, M. (2003). Let's be strange: brand familiarity and ad-brand incongruency. Journal of product and brand management, 449-461.
- Lavidge, R. J., & Steiner, G. A. (1961). A model for predictive measurements of advertising effectiveness. Journal of Marketing, 59-62.
- MacInnes, D. J., & Jaworski, B. J. (1989). Information processing from advertisements: Towards an integrative framework. *Journal of marketing*, 1-23.

- Malhotra, N. K., & Briks, D. F. (2007). Marketing Research: An Applied Approach (7th ed.). Harlow: Prentice-Hall / Financial Times.
- Mitchell, A. A., & Olson, J. C. (1981). Are product attribute beliefs the only mediator of advertising effects on brand attitude? Journal of marketing research, 318-332.
- Modig, E. (2012). Understanding advertising creativity. Doctoral dissertation: Stockholm School of Economics.
- Olson, J. C. (1977). Price as an informational cue: Effect on product evaluations. In A. G. Woodside, J. N. Sneth, & P. D. Bennet, Consumer and industrial buying behaviour (pp. 267-286). New York: Elsevier North-Holland.
- Otnes, C., Oviatt, A. A., & Treise, D. M. (1995). Views on Advertising Curricula from Experienced Creatives. Journalism Educator, 21-30.
- Percy, L. (2007). Strategic Integrated Marketing Communications. Oxford: Elsevier.
- Porter, M. E. (1980). Competitive strategy. New York: Free press.
- Rank, J., Pace, V., & Frese, M. (2004). Three avenues for future research on creativity, innovation, and initiative. Applied Psychology: An International Review, 518-528.
- Reid, L., & Rotfeld, H. (1976). Toward an Associative Model of Advertising Creativity. Journal of Advertising, 24-29.
- Reid, L., King, K., & Delorme, D. (1998). Top-Level Creatives Look at Advertising Creativity Then and Now. *Journal of Advertising*, 1-16.
- Rogers, E. M. (1962). Diffusion of innovations. New York: Free Press.
- Rogers, E. M. (1995). Diffusion of innovations (4th ed.). New York: Free Press.
- Rotfeld, H. J., & Rotzoll, K. B. (1976). Advertising and product quality: Are heavily advertised produuts better? The journal of consumer affairs, 33-47.
- Schumpeter, A. J. (1943). Capitalism, Socialism and Democracy (6th ed.). London: Routledge.
- Sherry, J. F. (1990). Dealers and dealing in a periodic market: Informal retailing in etnographic perspective. Journal of retailing, 174-200.
- Smith, R. E., & Yang, X. (2004). Towards a general theory of creativity in advertising:

- Examining the role of divergence. *Marketing theory*, 31-58.
- Smith, R. E., & Yang, X. (2009). Beyond attention effects: Modeling the persuasive and attention effects of advertising creativity. Marketing science, 935-949.
- Smith, R. E., Chen, J., & Yang, X. (2008). The impact of advertising creativity on the hierarchy of effects. Journal of advertising, 47-61.
- Smith, R. E., MacKenzie, S. B., Yang, X., Buchholz, L. M., & Darley, W. K. (2007). Modeling the determinants and effects of creativity in advertising. *Marketing science*, 819-833.
- Stone, G., Besser, D., & Loran, L. E. (2000). Recall, Liking, and Creativity in TV Commercials: A New Approach. Journal of Advertising Research, 7-18.
- Subin, I., & Workman, P. J. (2004). Market Orientation, Creativity, and New Product Performance in High-Technology Firms. Journal of Marketing, 114-132.
- Tellis, G. J. (1998). Advertising and Sales Promotion Strategy. Reading, MA: Addison-Wesley Publishing.
- The Creative Group. (2013). Retrieved April 15, 2013, from The Creative Group Web site: http://www.creativegroup.com/salary-center
- Thorson, E., & Zhao, X. (1997). Television viewing behavior as an indicator of commercial effectiveness. Measuring Advertising Effectiveness, 221-237.
- Till, B. D., & Baack, D. W. (2005). Recall and persuasion: Does creativity matter? Journal of Advertising, 49.
- Törn, F., & Dahlen, M. (2008). Effects of brand incongruent advertising in competitive settings. European advances in consumer research, 234-239.
- Vaughn, R. (1980). How advertising works: a planning model. Journal of advertising research, 27-33.
- Verganti, R. (2008). Design, Meanings, and Radical Innovation: A Metamodel and a Research Agenda. The Journal of Product Innovation Management, 436-456.
- West, D. C., Kover, A. J., & Caruana, A. (2008). Practicioner and customer views on advertising creativity: Same concept, different meaning? Journal of Advertising, 35-

45.

- West, D. C., Kover, A. J., & Caruana, A. (2008). Practitioner and customer views of advertising creativity. Journal of advertising, 35-45.
- White, A., & Smith, B. L. (2001). Assessing advertising creativity using the creative product semantic scale. Journal of advertising research, 27-34.
- White, G. E. (1972). Creativity: The X Factor in Advertising Theory. Journal of Advertising *Research*, 24-28.
- Wilson, A. (2006). Marketing Research: An Integrated Approach (2nd ed.). Harlow: Financial Times / Prentice Hall.
- Yi, Y. (1990). The effects of contextual priming in print advertisements. Journal of consumer research, 215-222.
- Yi, Y. (1993). Contextual priming effects in print advertisements The moderating tole of prior knowledge. Journal of Advertising, 1-10.
- Yoo, C., & MacInnis, D. (2005). The brand attitude formation process of emotional and informational ads. Journal of business research, 1397-1406.
- Zinkan, M. G. (1993). Creativity in Advertising. Journal of Advertising, 1-3.

APPENDIX I. ADVERTISEMENTS USED IN THE MAIN STUDY

I.I ADS



Ad used in boundary condition A: non-creative, budget.



Ad used in boundary condition A: non-creative, premium.



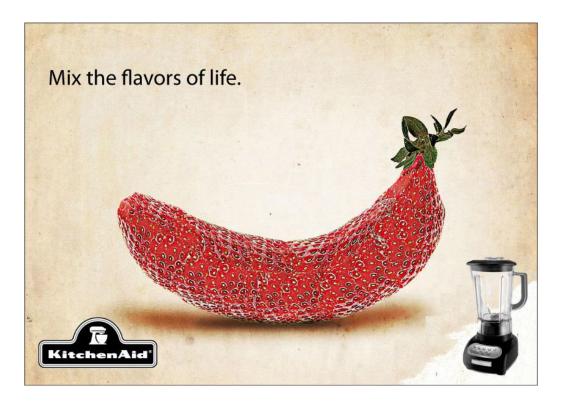
Ad used in boundary condition A: creative, budget.



Ad used in boundary condition A: creative, premium.



Ad used in boundary condition B and C: non-creative.



Ad used in boundary condition B and C: creative.

I.II PRIMING TEXTS

DMEGC, a relatively new player in the battery market, has recently launched a new battery, which will be the cheapest option on the market and aims to increase its revenues through increased num-

Priming text for the budget brand ad from condition A.

Duracell has recently launched a new battery, which will offer more endurance but will be sold on a higher price than the existing ones, thus increasing Duracell's revenues through price premiums. Please, watch carefully (for a few seconds) its new advertisement.

Priming text for the premium brand ad from condition A.

Kitchenaid is a kitchenware brand. Its products have always been simple and easy-to-use, quiet, hardly ever defective and very hard to break, even after intensive long-term usage.

Please, watch carefully (for a few seconds) its new advertisement.

Priming text for the utilitarian brand ad from condition B.

Kitchenaid is a designer kitchenware brand. It focuses on delivering beautiful hand-made products from aluminum, which are designed and decorated by famous designers such as Rob Doyle, that totally change the user's experience.

Priming text for the hedonic brand ad from condition B.

Kitchenaid has been producing kitchenware since 1927. Although its quality standards have been increased, It has not changed its line of products for the last 20 years, since it has always focused on delivering simple and familiar products.

Priming text for the low-innovation brand ad from condition C.

Kitchenaid is a pioneering kitchenware brand. It focuses on delivering state-of-the-art products with novel, ground-breaking features and materials that allow new functions and substantially more power efficiency.

Priming text for the high-innovation brand ad from condition C.