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Do You Dare to Compare?

*The Effects of Comparative Advertising on Consumer Responses
Towards the Advertised and Attacked Brands - A Case Study of Arla
Foods and Oatly*

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Abstract

In 2014, a long-stretched feud began between dairy company Arla Foods and oat milk company Oatly, and is continuously ongoing. The rivalry between the two companies includes advertising where the companies target one another, in different ways. This public communication can be classified as Comparative Advertising (CA); a marketing technique through which advertisers assert their company's superiority, by explicitly or implicitly making comparative claims towards a targeted competitor. There are differing opinions about how effective CA is and whether it is a favourable marketing strategy. Therefore, the purpose of this study is to investigate how consumer responses to CA are affected by (1) the advertised and attacked brands' market positions, (2) the perception of the CA as an attack and (3) the experienced advertising value. Furthermore, the investigated consumer responses include; perceived product quality, others' attitude towards the brand (cognitive responses), brand and product attitude (affective responses), brand advocacy, purchase and recommendation intention (conative responses). The subject is investigated through a deductive approach, using a mixed method of a qualitative case study and a quantitative survey, arranged in an exploratory sequential design. The present paper shows that all three moderating factors affect cognitive, affective and conative consumer responses to CA. The results show that consumer responses to CA are more positive towards a new brand than an established one. In addition, a new brand can benefit from CA, both when they are the advertised and attacked brand, while an established brand does not. Further, if the CA is perceived as an attack affects consumer responses towards the advertised brand negatively, and towards the attacked brand positively. Lastly, effects of advertising value on consumer responses to CA are of considerable magnitude for the advertised brand. However, effects of advertising value for the attacked brand are limited and somewhat lacking significance. Practically, the findings from this study can provide guidance for marketers considering to incorporate CA into their marketing strategies, by demonstrating its potential effects. Theoretically, the findings contribute by 1) extending research on moderating factors to consumer responses, 2) examining effects both for the advertised and attacked brand and 3) specifically investigating the Swedish market and digital advertising.

Keywords: *Comparative Advertising, Market Position, Advertising Value, Malicious Comparative Advertising, Hierarchy of Effects.*

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1. Introduction

1.1. Background

In 2014, Swedish oat milk company Oatly decided to reposition their brand (Nordgren 2020). As a part of this, they launched a series of provocative marketing campaigns addressing the milk industry. The campaigns included statements such as *“It’s like milk, but made for humans”* and *“No milk. No soy. No badness”*, among others. This was the inception of a long-stretched feud between Oatly and the Swedish dairy giant Arla Foods (Arla).

Following Oatly’s provocative marketing campaigns, trade organisation LRF Mjölken decided to sue Oatly in the Swedish Marketing Court in 2014, for attacking dairy products in their advertisements (Nordgren 2020). While Oatly was found guilty in court, the attention the feud received also resulted in a significant sales uplift for Oatly of 37%, compared to the previous year (Berg 2014). Ingmar Kroon, Press Manager at Axfood in 2014, said that the intensifying competition and harsh communication between the two companies, and the attention it received, was providing Oatly with free PR (Olsson 2014).

During the seven years that have passed since the feud between Oatly and Arla began, the communication back and forth between the two companies has received a lot of attention from media. Both sides have received alternating praise and blame from individuals, companies and organisations engaged in the question. Some consumers appreciate the humorous tone in the communication, while others find it to be an attack (Arla Forum Konsumentkontakt 2018, Oatly Facebook 2019). Further, some organisations and companies have taken a stand in the matter, either in favour of Oatly or of Arla (Olsson 2015b, Englund 2019).

The most recent campaigns in the series are *“Spola Mjölken”* [Eng. “Ditch milk”] by Oatly and *“Bara mjölk smakar mjölk”* [Eng. “Only milk tastes like milk”] by Arla. Oatly’s campaigns aimed to question the milk consumption norms in Sweden by conveying the

message that the oat milk has a 75% smaller CO₂ impact compared to cow milk (Hallman 2019) while Arla stated that no plant-based dairy substitutions taste as good as milk.

The phenomenon observed between Oatly and Arla is what Wilkie and Farris (1975) and McDougall (1977) would classify as Comparative Advertising (CA). By definition, CA is advertising which “(1) compares two or more specifically named or recognisably presented brands of the same generic product or service class and (2) makes such a comparison in terms of one or more specific product or service attributes” (Wilkie, Farris 1975). Later research has broadened the definition by including comparisons on any dimension, such as price, market standing or company status, and not limiting the definition to explicit comparisons (McDougall 1977, Ash, Wee 1983). In summary, CA is a marketing technique through which a company highlights its products’ or services’ strengths, on any dimension, relative to those of its competitors. Advertisers can assert their company’s superiority either by explicitly or implicitly targeting a chosen competitor.

Comparative Advertising is not an unfamiliar concept and it occurs regularly in advertisements between competing brands. History provides us with some examples of this, such as Hertz versus Avis, which commenced with the underdog issuing their famous tagline “We try harder” (Stevenson 2013), and Samsung versus Apple who have been at war over smartphone dominance for decades (Cain 2020). Based on this, a curiosity was stimulated to investigate what effects CA has on consumer responses. The concept of how CA is perceived by consumers has been examined in prior research, but certain moderators of the relationship remain unexplored or require further investigation, to be updated or tested under new circumstances. In prior research on the effects of market position on consumer responses towards CA, the conclusions somewhat differ (Grewal, Kavanoor et al. 1997, Murphy II, Amundsen 1981). The same applies to the effects of whether the CA is perceived as an attack on a competitor (James, Hensel 1991). Therefore, these factors are to be investigated further in this study. To the best of the authors’ knowledge, the effects of advertising value (Ducoffe 1995) on consumer responses towards CA remain unexplored by research and will therefore also be studied in this investigation. These three factors will henceforth be studied as the independent variables in this investigation.

The consumer responses are studied according to the Hierarchy of Effects model, originally presented by Lavidge and Steiner (1961), through which implications of, and consumer responses to, advertising can be categorised and analysed (Grewal, Kavanoor et al. 1997). The model is a favourable framework to adopt for setting advertising objectives as well as for categorising and analysing the effects of advertising (Beard 2008). The consumer responses investigated in this study are perceived product quality, others' attitude towards the brand (cognitive responses), brand and product attitude (affective responses), brand advocacy, purchase and recommendation intention (conative responses).

Firstly, the cognitive component of advertising refers to intellectual or rational states, and effects can be measured by the customers attention, awareness and knowledge after seeing an advertisement. Secondly, the affective component refers to emotional states, such as liking and preference, and effects can be measured through ad and brand evaluations. Lastly, the conative component is a striving state. Through advertising, marketers can strive to stimulate conation in order to create purchase intentions and desire for the exhibited product (Grewal, Kavanoor et al. 1997). Research furthermore indicates that Comparative Advertising stimulates all three of these functions (Lavidge, Steiner 1961). Henceforth, these dimensions will be measured as the dependent variables in the study, in order to analyse the effects of CA.

1.2. Purpose & Question of Issue

The purpose of this thesis is to investigate how 1) the market position of the advertising/attacked brand, 2) the perception of the CA as an attack and 3) the experienced advertising value affects cognitive, affective and conative consumer responses to CA. Furthermore, the thesis aims to contribute with extended knowledge to the research area of CA.

Based on the background and purpose, a question of issue was formulated:

How does Comparative Advertising affect cognitive, affective and conative consumer responses?

Further, three sub-questions were formulated:

- I. *How are consumer responses to Comparative Advertising affected by the respective market positions of the advertising and attacked brand?*
- II. *How does consumers' perception of Comparative Advertising as an attack affect consumer responses?*
- III. *How does advertising value affect consumer responses to Comparative Advertising?*

In order to answer the question of issue, a method was formed based on a deductive approach, consisting of an initial qualitative case study followed by a quantitative survey. The case study consisted of an interview supported by case research of relevant literature on the topic of CA as well as the specific case between Oatly and Arla. This part of the method was conducted to gain a better understanding of the events and to facilitate the construction of the survey. Subsequently, the quantitative study was conducted in order to investigate consumer responses to the events.

1.3. Scope & Delimitations

This thesis will examine the phenomenon of CA between the two companies Oatly and Arla specifically on the Swedish market. The study includes a convenience sample of the Swedish population who are exposed to advertising (see 3.5.2. *Participants*). Previous research within the field tends to limit the investigation to a certain geographic area due to varying marketing laws between countries, and thereby also varying norms and general attitudes of its inhabitants.

The study aims to examine the effects of CA published online, between two companies in the positions of established company and challenger respectively. Furthermore, the product group in focus in the study is a staple product in the category of fast moving consumer goods. In summary, the results of the investigation might therefore not be applicable to content published in other media, between companies of different character or within other product categories than the one in focus in this investigation.

1.4. Expected Research Contribution

The following study aims to draw further scientific attention to the field of CA, which is highly relevant in our time where practitioners are conducting it to a great extent and the public is commonly debating it. Therefore, this research can hopefully shed some objective light on currently relevant events. CA is a subject area which has been previously explored by the academic world (see 2. *Theoretical Framework*), but which may require updated research and has the potential to be extended into new areas.

Firstly, to the authors' knowledge, much of previous research within the field dates back to the late 70s, 80s and mid 90s, in a time where technological development had not evolved to the point we see today. Research from this time was mostly based on print media, by studying slogans or commercial images. Thus, none of the research is based on findings specifically derived from an online or digital communication environment. In this study, the commercial displayed in the quantitative study was motion media, in the form of two different videos. Further, an online environment encourages a higher involvement among consumers and increases their propensity to react and engage. Also, it exposes consumers to opinions and behaviour of others'. Much of the communication in the specific case studied has occurred in an online environment, why the consumer responses are likely to be enhanced compared to prior studies. Therefore, this study contributes to the research area of CA by studying motion media, as opposed to print media, in an online environment.

Secondly, previously conducted research often revolves around case studies of relevant companies, whereby findings from the studies will be closely linked to the geographical market on which they were conducted. This is of interest since countries have differing marketing laws and thereby also varying norms and general attitudes of its inhabitants. As a result, consumer responses to CA may vary depending on which geographical market the study is conducted. To the authors' knowledge, no case from the Swedish market has been studied in prior research. This study will therefore investigate a case on the Swedish market, in order to distinguish the effects on that specific market. The study does not aim to compare

the effects between markets, but to contribute an additional, and to date unexplored perspective on the subject.

Thirdly, prior research has looked at how consumer responses are affected by the companies' market positions and whether the advertising is perceived as an attack. However, conclusions from these studies either somewhat differ or could benefit from being tested under new circumstances. Therefore, this phenomenon will be examined, in order to either challenge or strengthen previous conclusions.

Lastly, the current study contributes to existing research by investigating new areas within the research field which, to the authors' knowledge, has not been examined previously. First of all, several moderating factors have been examined in prior research in relation to CA and its effects. However, none have looked closely at how the advertising value of the comparative ads may affect the consumer responses towards the CA. Second of all, previous research has exclusively focused on effects of CA towards the issuer. Therefore, this study will look at the effect of advertising value on consumer responses as well as consider the effects for both the attacked and the advertised brand,

These are the currently identified gaps in prior research, which in the opinion of the authors require updating and will therefore be investigated in this study. To summarise, this research can act as a guideline for advertisers on how to design and enunciate CA in general. More specifically, the study can contribute to research by providing updated insights to how the phenomenon of CA might behave in an online environment and on the Swedish market in particular. Based on the insights from this study, marketers can gain a better understanding of how their position and actions affect consumer responses and potentially adjust them, in order to achieve desired outcomes.

2. Theoretical Framework

In the following chapter, key findings from the case study are compiled in combination with conclusions from previous research and theories, which are of relevance for the subsequent investigation and analysis. The case study consists of an interview with Linda Nordgren, Head of Communication at Oatly, and of supporting research on the case. The results from the case study and the literature review are categorised into three areas of interest; market position, the perception of CA as an attack and advertising value. The hypotheses will be presented sequentially, in conjunction with their related theories.

Figure 1 illustrates an overview of the independent and dependent variables investigated.

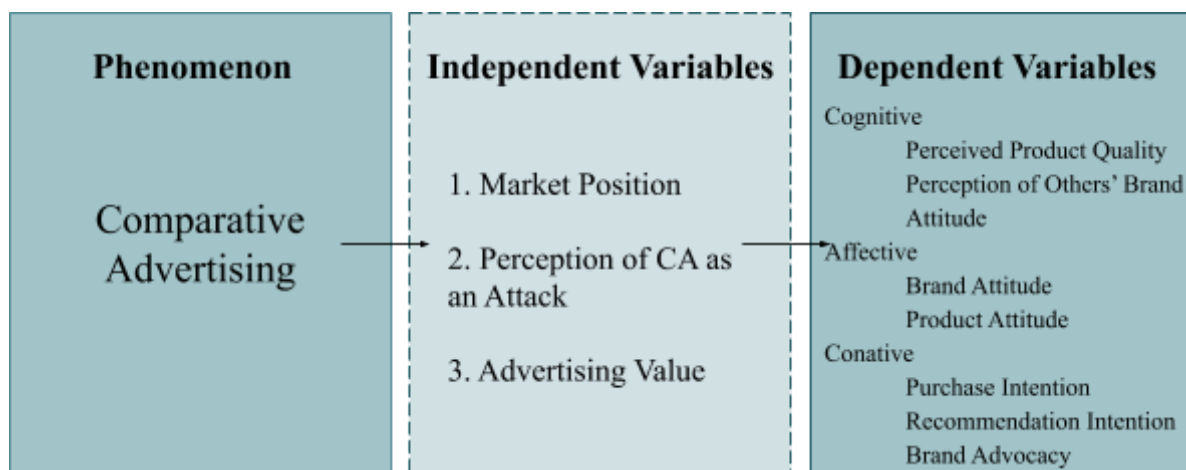


Figure 1. Overview of the investigated independent and dependent variables.

2.1. Market Position

The case study highlighted the potential effects of the companies market positions on how CA is perceived by consumers. According to Nordgren, one potential factor that could affect consumer responses to Oatly's CA is the market position of the company. Nordgren addressed the fact that consumers might be more acceptant towards a small company, whereas as the company grows, their actions will be more closely examined and potentially questioned. A possible explanation to this could be that as the company grows, they become a bigger threat, as a competitor, and their actions thereby have greater consequences (Nordgren

2020). This reasoning stimulated a strive to investigate whether market position has an effect on consumer responses towards CA.

The magnitude of the effects that CA brings is seen to vary as a result of the advertised brand's market position, relative to that of its targeted competitor. New brands are seen to benefit more from CA than established brands (Grewal, Kavanoor et al. 1997). When new brands compare themselves to established brands it receives more attention, than when the roles are reversed, because notions of established brands are of interest to many consumers and thereby deemed as more informative. Therefore, new brands can use CA to enter a new market rapidly, by highlighting favourable characteristics otherwise associated with a market leader or other established, familiar brands. Conversely, the study also showed that there seems to be no advantages for established brands in comparing themselves to new brands (Grewal, Kavanoor et al. 1997).

On the contrary, however, other research findings may suggest that CA is in fact not a favourable method for new brands. Murphy II and Amundsen (1981) found indications that noncomparative advertising, without claims of superiority, is more effective than CA when new brands are competing with dominant brands. However, this study was directed towards consumers who initially used and preferred the dominant brand (Murphy II, Amundsen 1981). This leaves room for CA to nevertheless be a superior strategy for new brands in some scenarios.

Based on Nordgren's belief that consumers are more acceptant towards smaller companies and that prior research predominantly highlights the benefits of CA for new brands, the hypotheses H1a and H1b were formulated. In comparison to prior research, a further dimension is included in these hypotheses - covering the effects for both the advertised and the attacked brand.

***H1a.** If the advertised brand is a new brand, cognitive, affective and conative consumer responses towards the advertised brand will be more positive than if the advertised brand is an established brand, in the context of Comparative Advertising.*

***H1b.** If a new brand is attacked by an established brand, cognitive, affective and conative consumer responses towards the attacked brand will be more positive than if an established brand is attacked by a new brand, in the context of Comparative Advertising.*

2.2. Perception of Comparative Advertising as an Attack

The case study drew attention to whether consumers' perception of the Comparative Advertising as an attack affects consumer responses.

CA can be interpreted as malicious attacks on competitors. The case study research has demonstrated that consumers often perceive CA as attacks (Arla Forum Konsumentkontakt 2018, Oatly Facebook 2019). However, both Oatly and Arla communicate that their ads are not intended to be maliciously perceived (Nordgren 2020, Arla Forum Konsumentkontakt 2018). Instead, the companies claim that they use CA in order to position their products in relation to their competition (Nordgren 2020, Westin 2019). This objective is aligned with previous research, highlighting the advantages of CA, by saying "*What better way to give consumers decision-relevant information than directly comparing the products among which they have to choose?*" (Schwaiger, Rennhak et al. 2007).

From Arla's perspective, they argue that their intention is not to point out other options on the market as inferior (Arla Forum Konsumentkontakt 2018). On the contrary, their actions indicate that they strive to position their products, in relation to their competition, by claiming that other options on the market are inferior to Arla's product when it comes to taste. In a debate against Oatly in 2019, Category Manager for milk at Arla, Kristina Hammerö, claims that the taste of milk is a core strength which other options on the market cannot measure against - no other products taste as good as milk does (Westin 2019). This communication has evoked discontent among consumers. In public forums, Arla's commercials are heavily criticised for being unnecessary attacks on modern milk substitutes, describing Arla as "desperate", "ridiculous" and "childish" (Arla Forum Konsumentkontakt 2018). These words were chosen as they represent the tone of the communication accurately.

From Oatly's perspective, the advertisements in question were not intended to be perceived as an attack on Arla. Oatly's main objectives with issuing CA were rather to; 1) clarify the market position of their small, rebranded company and 2) describe to potential customers in what situations their products are applicable and which dairy products they can substitute (Nordgren 2020). However, many consumers have railed against Oatly as a result of some of their comparative campaigns. For instance, "*Spola Mjölken*" [Eng. "Ditch milk"] received a lot of criticism, describing the ad as "slander of other manufacturers", "seeking to create conflict" and "talking badly about competitors in order to put themselves in a good light" (Oatly Facebook 2019). These quotes were chosen since they were deemed to give a representative picture of the consumers' comments on the CA as a whole. Furthermore, oat farmers have expressed their concern about Oatly's offensive campaigns, saying that Oatly are referring negatively to milk products, instead of highlighting the positive aspects of their own product (Hagberg 2019).

These findings stimulated further investigation into whether CA is perceived as an attack and how this perception may affect consumer responses, both towards the advertised and attacked companies.

Previously, the strategy of malicious or negative Comparative Advertising has been widely and successfully implemented in the political sphere (James, Hensel 1991). However, prior research on the topic of CA of products and services, indicates that negative claims towards competitors, and attempts to discredit or attack them, should be avoided or implemented with great caution (James, Hensel 1991, Muehling 1987). James and Hensel (1991) render that "the competition should be fairly and properly identified but never in a manner or tone of voice that degrades the competitive product or service", originally said by Burton (1983).

The line between what is simply a comparative ad and when it becomes an attack is a fine one. Previous research provides some insight to what differentiates the two types of advertising and define it as (1) to what extent the targeted competitor is identifiable, (2) whether the claim of comparison is dissociative or associative and (3) to what extent a consumer perceives the ad as an attack or ad with a malicious intent (James, Hensel 1991, Beard 2008).

Based on the findings from the case study, the communication between Oatly and Arla seems to be considered as attacks or advertising with a malicious intent. Combined with the conclusions from James and Hensel (1991) and Muehling (1987), stating that negative claims towards competitors should be avoided or implemented with great caution, hypothesis H2a was formulated. In addition, this study investigates the effects for the attacked brand. What is perceived as an attack by the advertised brand, is believed to evoke sympathy for the attacked brand. Based on this, hypothesis H2b was formulated.

***H2a.** If consumers perceive the Comparative Advertising as an attack, cognitive, affective and conative consumer responses towards the advertised brand will be negatively affected.*

***H2b.** If consumers perceive the Comparative Advertising as an attack, cognitive, affective and conative consumer responses towards the attacked brand will be positively affected.*

2.3. Advertising Value

The case study emphasised the potential effect of advertising value on how CA is perceived by consumers. For Oatly, the image they wish to convey and the associations they strive to awaken, through their advertising, is being genuine, credible and personal towards their customers. They also strive to be informative, and aid customers in making informed and aware consumption decisions. Lastly, they aim to entertain with their advertisements (Nordgren 2020). The humoristic aspect of CA is something that has been a common argument why this type of advertisement is used, both from Oatly and Arla. Kristina Hammerö, on behalf of Arla, highlighted the large portion of humor included in the CA (Westin 2019). For example, when one of the biggest festivals in Sweden, Way out West, eliminated dairy products completely from the festival area, in favour of Oatly's products, Arla responded by launching a humoristic commercial. The commercial said "Förbjuden mjölk smakar bäst. Ha så kul på Festivalen!" [Eng. "Prohibited milk tastes best. Have fun at the festival!"] (Olsson 2015a). These findings, from the case study, highlight the importance

for the companies of being entertaining, informative, credible and genuine in their ads. These aspects are covered within the concept of advertising value. Therefore, this awakened a curiosity to investigate the effect of advertising value on how CA is perceived by consumers.

Robert H. Ducoffe has further studied how the perceived value of advertising to consumers serves as a determinant of consumer response. Advertising value is defined as “*a subjective valuation of the relative worth or utility of advertising to consumers*” (Ducoffe 1995). In the study, four factors were used to account for how consumers assess the value of advertising. These four included informativeness, deceptiveness, irritation and entertainment.

Informativeness addresses whether relevant information is included and provided to consumers in time. Deceptiveness includes measuring whether ads are deemed as deceptive, dishonest or if it excludes relevant information. Entertainment addresses to what extent the advertisement is perceived to be entertaining, enjoyable and pleasing. Lastly, irritation assesses whether the advertisement is irritating, insulting to people's intelligence and if there is an excessive amount of advertising (Ducoffe 1995).

Based on these theories, it can be concluded that advertising value is a favourable method to categorise how consumers assess advertising, as a determinant of consumer response. On the one hand, two of the aspects included are of positive nature, whereby associations with these should have positive effects for the advertised brand and negative effects for the attacked brand. Based on this, hypotheses H3a and H3b were formulated. On the other hand, the other two components are of negative nature. Associations with these should therefore have negative effects for the advertised brand, and positive ones for the attacked brand. Based on this, hypotheses H3c and H3d were formulated.

***H3a.** If the Comparative Advertising is perceived as entertaining, this will have positive effects on cognitive, affective and conative consumer responses towards the advertised brand and negative effects on consumer responses towards the attacked brand.*

H3b. *If the Comparative Advertising is perceived as informative, this will have positive effects on cognitive, affective and conative consumer responses towards the advertised brand and negative effects on consumer responses towards the attacked brand.*

H3c. *If the Comparative Advertising is perceived as deceptive, this will have negative effects on cognitive, affective and conative consumer responses towards the advertised brand and positive effects on consumer responses towards the attacked brand.*

H3d. *If the Comparative Advertising is perceived as irritating, this will have negative effects on cognitive, affective and conative consumer responses towards the advertised brand and positive effects on consumer responses towards the attacked brand.*

3. Method

In this section, the method of the thesis is described. Initially, the scientific approach and method design is presented as well as founding assumptions made. Subsequently, the case study method is described in further detail, including a compilation of the interview content and a description of the case research and data analysis. This is followed up by a description of the dependent and independent variables tested in the study. Lastly, the quantitative method is elaborated on, including how the method was designed, who participated and how the data was collected.

3.1. Choice of Scientific Approach and Method Design

For this thesis, a deductive approach was used. Initially, the case study in combination with theory research was conducted. The case study consisted of a qualitative interview and case research. Based on findings from this process, hypotheses were formulated. Subsequently, the theories and hypotheses drove the process of gathering data in the quantitative study. The findings generated by the data collection subsequently provided support to either confirm or reject the hypotheses. Lastly, the conclusions from the study were connected to the initially presented theory (Bryman, Bell 2015).

As a part of the deductive approach, a mixed method design was used. This entails that a combination of two research methodologies was conducted, in this case a qualitative case study and a quantitative survey. More specifically, the mixed method was arranged as an exploratory sequential design, where the collection of qualitative data was conducted prior to the collection of the quantitative data (Bryman, Bell 2015). The qualitative data thereby facilitated the design of the survey and acted as preparation for the quantitative data collection. Figure 2 illustrates an overview of the method design.

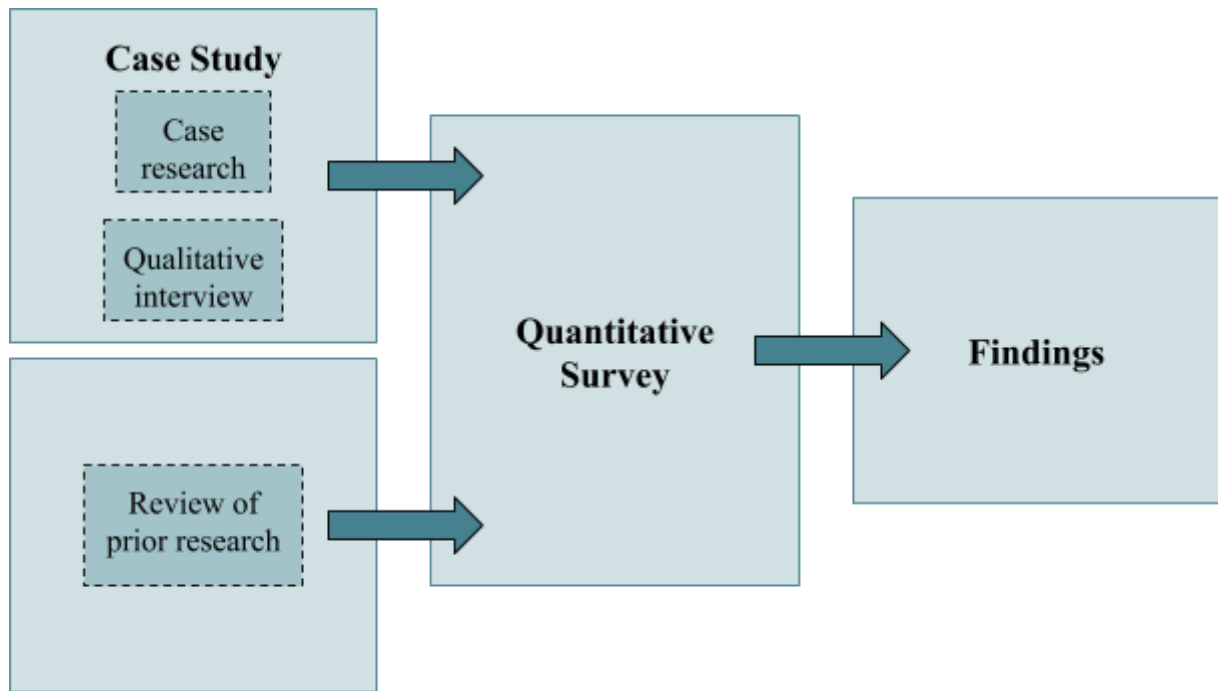


Figure 2. Illustration of the methodology.

3.2. Assumptions

The current study relied on two main assumptions. Firstly, an assumption was made regarding the two companies' market positions. Arla was assumed to be an established brand, while Oatly was assumed to be a new brand. This assumption was validated in the quantitative study in order to make sure that the respondents had the same perception of the companies' market positions. Secondly, an assumption was made that the communication between Oatly and Arla are attacks which would be identified as negative or malicious CA, and that the two companies specifically target one another. This assumption was also validated in the quantitative study.

3.3. Case Study

The first part of the methodology consisted of a case study, which entails that a detailed analysis of a specific case was made (Bryman, Bell 2015). The case study investigated the communication between the two companies Oatly and Arla and was intended to allow a better understanding of the phenomenon of interest; Comparative Advertising. This case was chosen based on three factors; 1) its topicality and dissemination in Sweden, 2) the two companies' different market positions and 3) that the communication has been published in

digital media in an online communication environment. The market positions were an important aspect to include, since this was one of the independent variables tested. The fact that the communication has been digital increases the relevance of the case and complements prior research.

In order to investigate and describe this specific case, a combination of methods were used. Firstly, the method consisted of a *semi-structured interview*, which both Oatly and Arla were invited to participate in. Oatly chose to participate in the study but Arla did not, due to lack of availability. Further, the case study consisted of complementing digital research.

3.3.1. Semi-structured Interview

A semi-structured interview (Bryman, Bell 2015) was held with Linda Nordgren, Head of Communication at Oatly. Nordgren was considered suitable for the interview due to her high degree of involvement in the ongoing communication between Oatly and Arla. Due to convenience and the spread of the COVID-19 virus, the interview was held via digital sources. The interview was held between 11:30-12:15 on the 6th of March 2020.

Ahead of the interview, the interviewers Håkansson and Norberg had designed an interview schedule consisting of 14 questions (see *Appendix 9.1.*). The purpose of the schedule was to provide guidelines for the interview and to make sure that all topics of interest were covered. The questions were general and open, which enabled the interviewee to widely discuss specific topics. This resulted in the interviewee covering topics of scheduled questions, before they were asked, why the sequence of the questions had to be adapted. Also, the interviewers were able to construct and ask follow-up questions along the way, outside of the interview schedule, depending on what Nordgren answered to previous questions.

The interview schedule consisted of three blocks. Firstly, Nordgren was asked general questions about Oatly, their brand identity and overall marketing strategy. Secondly, she was asked more specific questions regarding the rivalry between Arla and Oatly. In this block, questions concerned Oatly's objectives with, and perceived advantages of, using CA. Furthermore, Nordgren was asked what potential factors might influence how recipients

perceive Oatly's CA. In the third and last block, Nordgren was asked about the desired and actual effects of CA on consumer responses.

3.3.2. Case Research

As a part of the case study, digital research was conducted by an investigation of web articles, TV debates, social forums and the two companies' respective websites. The purpose of this research was to complement the interview and to get an overall picture of the ongoing communication between Oatly and Arla. This complement was essential both in order to also cover Arla's perspective of the case as well as to make sure that Oatly's perspective was determined by more than the words of one employee.

3.3.3. Data Analysis

Upon agreement with Nordgren, the interview was recorded to facilitate an analysis of the data. The purpose of this was to minimise the risk of the interviewers distorting the answers and thereby introducing error, which might be the case if the answers are instead written down (Bryman, Bell 2015). The interview was transcribed by Håkansson posterior to its completion. Subsequently, in the analysis phase, the two interviewers separately coded the interview to determine what theory the item of data was connected to and what the item of data implied (Bryman, Bell 2015). The authors' codings were thereafter discussed in order to make sure that the answers were interpreted in the same way. Any differences between the two codings were noted and discussed in order to draw conclusions from it. The collected data from the interview was supplemented by data from the case research. The different perspectives were analysed in combination, in order to get an accurate view of the case.

3.5. Quantitative Study

3.5.1. Choice of survey design

The quantitative study consisted of a *self-completion questionnaire* (Bryman, Bell 2015), where respondents anonymously answered a set of questions. This method was deemed suitable for the current investigation and many advantages could be identified. First of all, self-completion questionnaires can easily be distributed to large quantities of respondents.

Second of all, the absence of an interviewer when the questionnaire is being completed, in combination with the fact that the questionnaire is anonymous, will minimise the risk that the responses are distorted or adjusted. Lastly, self-completion questionnaires are convenient for respondents, since they will be able to complete the survey at desired speed, place and time (Bryman, Bell 2015).

The survey consisted of seven blocks and in total 22 questions. The questions were written in Swedish, due to the fact that it is the native language of the studied sample. Further, in all the questions where respondents were asked to rate to what extent they agreed with a specific statement, a scale from 1-10 was used. The purpose of this was to eliminate the middle alternative, and thereby the option to choose a neutral approach, which forces the respondents to take a stand on the issue.

In the first block, the respondents were shown one of two selected commercials; one issued by Arla (Arla Sverige 2019) and one issued by Oatly (B-Reel Films 2019). These specific commercials were chosen since they are representative of most of the Comparative Advertisements between the companies. The commercial issued by Arla emphasised the advantages of their product, cow milk, and the disadvantages of other dairy substitutes. The commercial issued by Oatly emphasised the opposite, namely the advantages of their product, oat milk, and the disadvantages of cow milk. The commercials were 30 seconds and 45 seconds respectively. The respondents were asked to look at the video carefully and pay attention. After seeing the video, the respondents were asked to name a specific competitor brand which they thought the commercial might be addressing.

The second block consisted of two sets of questions regarding the commercial. In the first set of questions the respondents were asked to grade to what extent they experienced the advertising to be; *entertaining, informative, pleasant, reliable, kind, ethical, fair, genuine* and *transparent*. These words were chosen in order to cover the four factors determining the total advertising value; entertaining, informative, deceptive and irritating. The second set of questions, consisting of three sub-questions, aimed to investigate whether the CA was perceived as an attack.

The third block commenced with a question where respondents were asked to grade to what extent they agreed that the company was *popular, of high esteem, of high status, innovative, new on the market and a challenger* (Chaudhuri 2002). This question aimed to validate the assumption made regarding the companies' market positions.

The fourth and fifth blocks consisted of six questions each, regarding the respondents' attitudes and intentions towards the advertising and attacked brands. The fourth block addressed the advertised brand while the fifth focused on the attacked brand. The first three questions investigated the respondents' own attitudes towards the brand and product, as well as their perception of others' attitudes towards the brand. The latter question was aimed to distinguish potential third person effects. The second three questions investigated the respondents' purchase and recommendation intentions as well as brand advocacy.

Furthermore, the fourth block was finished off with a question regarding how the respondent would value the product in the commercial in comparison to the attacked competitors' products. The purpose of this last question was to determine the perceived product quality.

The sixth block aimed to identify the demographics of the respondent, including age and gender. Additionally, the respondents were asked "*Have you consumed the product in the commercial, or bought other products from the brand, before seeing the ad today?*" with answer alternatives 1) *Yes*, 2) *No* and 3) *Don't know*. Also, the respondents were asked "*Have you previously encountered the Comparative Advertising, between the two companies in question, before seeing the ad today?*" with the same answer alternatives as the previous question.

The seventh and last block consisted of one control question where the respondents were asked "*What product was shown in the commercial?*" given the three answer options 1) *cars*, 2) *dairy products or dairy substitutes* and 3) *coffee*. This question aimed to certify that only the respondents who had apprehended the focus of the survey correctly were included in the following analyses. Hence, the control question supports the study's validity.

3.5.2. Variables

The following section aims to describe the independent and dependent variables investigated in the quantitative study. Furthermore, the sections will elaborate further on what variables were measured by each one of the specific questions in the survey.

3.5.2.1. Independent Variables

The three independent variables in this study were defined as 1) the market positions of the advertised and attacked brands, 2) the perception of CA as an attack and 3) the experienced advertising value.

The independent variable market position consists of six dimensions. Chaudhuri (2002) investigates brand reputation through five measures; the brand's status, reputation, how well-known the brand is, how popular it is and if it is of high esteem. When designing the measurement of the companies' market positions in the current study, inspiration was taken from the brand reputation measures. As a result, the following measures were used; *popular*, *high esteem*, and *high status*. Furthermore, three additional measures were added, unrelated to the measures of brand reputation, which are; *innovative*, *new on the market*, *a challenger*. These were added to be able to validate the market positions of both companies included in the case study. The market position variable was tested in the survey by asking "To what extent do you agree that the advertised brand is...?" and providing the six above mentioned words. The levels of agreement were assessed on a ten point scale, ranging from *don't agree at all* (1) to *agree completely* (10).

For the independent variable perception of Comparative Advertisement as an attack, an index was created. In the survey, the variable was tested by asking "To what extent do you agree that the advertising you just saw is...?" and providing the descriptions (1) *an attack*, (2) *a negative representation of a competitor* and (3) *an insult*. Three sub-questions, measuring the same aspect, were included in order to ensure validity. Again, the level of agreement was assessed from *don't agree at all* (1) to *agree completely* (10). These three questions were merged into an index, describing the respondents aggregated perception of the ad as an attack. Moreover, to ensure internal reliability, a Cronbach's Alpha test was conducted for the

three questions. The value was 0,891, which was above the accepted level of 0,7. Furthermore, after seeing the ad, respondents were asked to “*Name the company you think is being targeted in the advertisement*” in an open question. This acted as a control question, to ensure validity of the study by securing that the respondents had perceived which the competing companies were. The choice of these questions to measure whether the CA is an attack was supported by findings from James and Hensel (1991) and Beard (2008) (see 2.2 *Perception of Comparative Advertising as an Attack* above).

As previously mentioned, advertising value consists of four different aspects; entertaining, informative, deceptiveness and irritation (Ducoffe 1995). In order to measure the two first components of advertising value, the respondents were asked “*to what extent do you agree that the commercial is...?*” (1) *entertaining* and (2) *informative*, from *don't agree at all* (1) to *agree completely* (10).

In order to measure the two latter components of advertising value, deceptiveness and irritation, the respondents were asked “*to what extent do you agree that the commercial is...?*” (1) *pleasant*, (2) *kind*, (3) *genuine*, (4) *reliable*, (5) *ethical*, (6) *fair* and (7) *transparent*, from *don't agree at all* (1) to *agree completely* (10). In order to simplify the analysis of the data, and to be able to merge multiple value words, only words of positive nature were used. Subsequently, these words lay the foundation for creating two indexes, for deceptiveness and irritation. These two indexes are therefore created from their respective opposite words. Irritation includes *pleasant*, *kind* and *genuine*, as opposed to irritating, insulting and excessive. Deceptiveness includes *reliable*, *ethical*, *fair* and *transparent*, as opposed to deceptive, dishonest and excluding of relevant information (Ducoffe 1995).

Rankings of these indexes are oppositely directed compared to the first two components. For deceptive and irritation, a low value indicates a high degree of agreement with the words. It is crucial that this be kept in mind while reading the results. Again, as a test of internal reliability, the Cronbach's Alpha value was measured. The results showed a value of 0,865 for the index deceptive and 0,833 for the irritation index; both above the accepted level of 0,7.

3.5.2.2. Dependent Variables

The concept of consumer responses has been divided according to the Hierarchy of Effects model into three categories of responses; cognitive, affective and conative.

In this study, cognitive responses include perception of others' brand attitude and perceived product quality. Perception of others' brand attitude is measured in order to determine whether there is a third person effect present. Third person effect is defined as that individuals (first person) believe that others (third person) are influenced by advertisements to a greater extent than themselves. This in turn can affect how the first person chooses to act (Davison 1983, Dahlén, Sjödin et al. 2013). In order to investigate the perception of others' brand attitude, in the survey, respondents were asked "*How do you think that the commercial you just saw has affected others' attitude towards the..? (1) advertised brand and (2) attacked brand.*" The effect on perception of others' brand attitude was assessed on a ten point scale, ranging from *very negatively* (1) to *very positively* (10).

Perceived product quality refers to how the consumer values the advertised product in relation to the competitors product after seeing the ad (Dahlen, Thorbjørnsen et al. 2020). This consumer response was measured by asking: "*How would you value the product being promoted in the advertising in relation to the attacked competitor's product?*". Again, this was assessed on a ten point scale, ranging from *worse than competitors* (1) to *better than competitors* (10).

In this study, affective responses include brand attitude and product attitude. Firstly, in order to investigate the respondents' brand attitudes, after seeing the commercials, they were asked "*How has the commercial affected your attitude towards the..? (1) advertised brand and (2) attacked brand.*" Secondly, respondents were asked "*How has the commercial affected your attitude towards the..? (1) promoted product and (2) attacked product.*" Again, this was measured on a scale from *very negatively* (1) to *very positively* (10).

Further, conative responses include purchase intention, recommendation intention and brand advocacy in this study. Brand advocacy is when a customer conveys positive Word-of-Mouth

about a brand or a product, by actively supporting or defending it (Evrenos, Lundberg 2014). In order to investigate the respondents intentions towards the brand behind the commercial, the survey included the questions: *“How has the commercial affected your intention to (1) purchase the product promoted in the commercial, (2) recommend the product promoted in the commercial to friends and (3) actively support the brand behind the commercial and their message?”*. Similarly, respondents were asked: *“How has the commercial affected your intention to (1) purchase the product attacked in the commercial, (2) recommend the product attacked in the commercial to friends and (3) actively defend the brand being attacked in the commercial?”*. These questions were measured on a scale from (1) *reduced my intention* to (10) *increased my intention*.

3.5.3. Participants

The population consisted of Swedish people who consume commercials. Due to the limitations of reaching all the individuals belonging to the population, a convenience sample has been used (Bryman, Bell 2015). The authors published the survey on their personal social media, including Facebook and LinkedIn. Also, the survey was sent privately to close friends and family. Therefore, the survey primarily reached out to people in the authors’ networks. Although, the survey was further distributed through the authors’ close friends and family, which facilitated a further reach beyond the immediate networks of the authors.

In total, 245 people answered the survey. Nine of these answered the control question incorrectly, why these respondents were excluded from the data. Further, respondents were asked to name the targeted competitor. The 16 respondents who did not name either Oatly or Arla as the attacked brand, were excluded from the analysis. This resulted in a total of 220 respondents that were included in the further analysis. Oatly’s commercial was shown to 45,3% of the respondents and this group will henceforth be referred to as Oatly. Arla’s commercial was shown to 54,7% of the respondents and this group will henceforth be referred to as Arla.

There is an overall equal gender distribution in the sample. However, there is an uneven age distribution in the sample since the respondents are predominantly in the ages between 15 and 24 (see 7. *Limitations and Future Research* below). Age and gender distributions are equal

between the two groups of respondents. See gender and age distributions of the sample in *Figure 3* and *Figure 4* below.

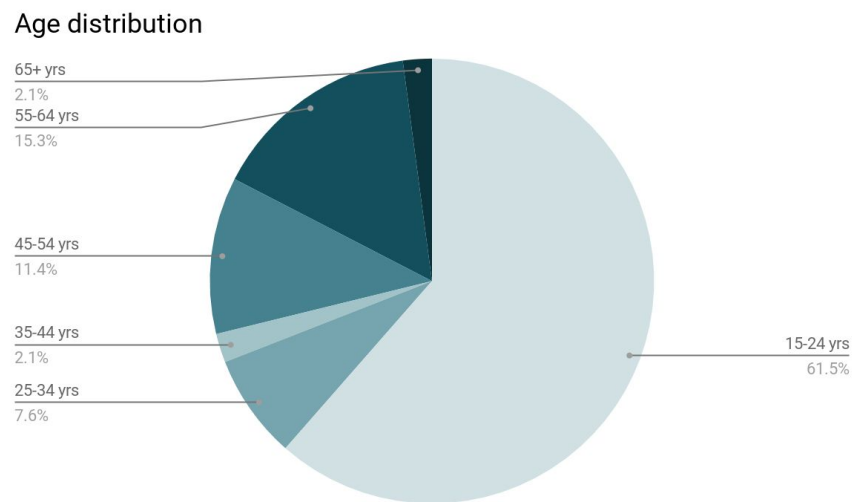


Figure 3. Age distribution of the sample.

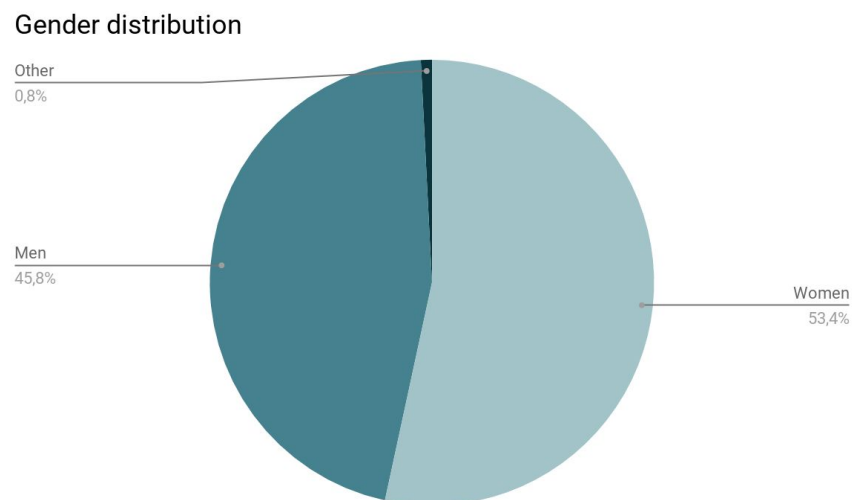


Figure 4. Gender distribution of the sample.

The data shows that 94,9% of the respondents in the Arla group had previously consumed products from Arla and 88,2% of the respondents in the Oatly group had previously consumed products from Oatly, before taking the survey. Further, 58,5% of the Arla respondents, and 38,5% of the Oatly respondents, had encountered the CA between the two companies before taking the survey.

3.5.4. Data Collection

The questionnaire was sent out the 10th of March 2020 and was open for two weeks, until the 24th of March. The survey was primarily distributed via public forums, such as Facebook and LinkedIn. A risk with self-completion surveys is that respondents could get confused and not understand certain questions (Bryman, Bell 2015). In order to minimise the risk of this to happen, a selected group of five people were asked to complete the survey and give feedback on its structure and content, before the survey was sent out. Feedback from this test group was incorporated into the final survey design. This way, errors or potential difficulties finishing the survey were identified and eliminated, and reliability was ensured.

4. Results

The following section aims to summarise the results from the investigation, in order to either accept or reject the tested hypotheses. The results will be presented according to the independent variables tested.

The independent variables tested are; (1) market position of the two companies, (2) perception of the CA as an attack and (3) experienced advertising value. The dependent variables, or consumer responses, tested have been divided according to the Hierarchy of Effects model into cognitive, affective and conative responses. Firstly, the cognitive response is measured through perceived product quality and third person effect. Secondly, the affective responses are measured through brand attitude and product attitude. Third and last, the conative responses are measured through purchase intention, recommendation intention and brand advocacy.

The statistical analyses conducted include independent sample t-tests, paired sample t-tests and Pearson correlation analyses. In these tests a confidence interval of 95% was used, meaning a significance level of 5% was defined as acceptable (Bryman, Bell 2015). In the presented results, a “*” implies a 5% significance level and “**” implies there is a 1% significance level.

4.1. Market Position

***H1a.** If the advertised brand is a new brand, cognitive, affective and conative consumer responses towards the advertised brand will be more positive than if the advertised brand is an established brand, in the context of Comparative Advertising.*

***H1b.** If a new brand is attacked by an established brand, cognitive, affective and conative consumer responses towards the attacked brand will be more positive than if an established brand is attacked by a new brand, in the context of Comparative Advertising.*

In this thesis, an assumption was made regarding the market position of the two investigated companies, Arla and Oatly. The assumption entailed that Arla is an established brand and that Oatly is a new brand. This assumption was validated by results from the survey, where respondents perceive Oatly as innovative, a challenger and a new actor on the market, whereas Arla is not associated with any of these three dimensions. Further, respondents perceive Arla as a brand of higher esteem, higher status and more popular than Oatly. These results imply that the assumption regarding the companies' market positions can be determined. With this as a foundation, the differences between the two groups, with regard to the dependent variables, will now be compared.

The following two tables summarise the results compiled below.

Consumer responses towards advertised brand					
	Arla		Oatly		
	Mean	Std. deviation	Mean	Std. deviation	P-value
Cognitive					
<i>Perceived Product Quality</i>	5,41	2,635	5,52	2,620	0,751
<i>Perception of others' Brand Attitude</i>	4,46	1,528	5,36	2,062	0,000
Affective					
<i>Brand Attitude</i>	4,69	1,959	5,55	2,104	0,002
<i>Product Attitude</i>	5,14	1,669	5,59	2,036	0,071
Conative					
<i>Purchase Intention</i>	4,80	1,879	5,37	2,166	0,036
<i>Recommendation Intention</i>	4,44	1,989	5,20	2,148	0,007
<i>Brand Advocacy</i>	4,14	2,307	5,02	2,371	0,006

Table 1. Mean comparison of the cognitive, affective and conative consumer responses between the two groups, towards the advertised brand.

Consumer responses towards attacked brand					
	Arla		Oatly		
	Mean	Std. deviation	Mean	Std. deviation	P-value
Cognitive					
<i>Perception of others' Brand Attitude</i>	5,59	1,520	4,77	1,448	0,000
Affective					
<i>Brand Attitude</i>	5,75	1,680	5,28	1,518	0,035
<i>Product Attitude</i>	5,58	1,671	5,13	1,651	0,047
Conative					
<i>Purchase Intention</i>	5,50	1,796	5,15	1,765	0,144
<i>Recommendation Intention</i>	5,55	1,875	5,11	1,734	0,072
<i>Brand Advocacy</i>	5,71	1,975	5,12	2,041	0,029

Table 2. Mean comparison of the cognitive, affective and conative consumer responses between the two groups, towards the attacked brand.

Firstly, the cognitive responses, including perceived product quality and perception of others' attitude towards the brand, were compared between Oatly and Arla. Regarding perceived product quality both average rankings were close to the mean, indicating that the respondents find the products to be relatively equivalent and of similar quality. Moreover, regarding perception of others' attitude towards the advertised brand, Arla demonstrates a lower ranking than Oatly. Regarding others' attitude towards the attacked brand, the ranking is higher for Arla than for Oatly. This means that cognitive responses towards Oatly are more favourable than for Arla, both when Oatly are the advertised and the attacked brand. (see *Tables 1 and 2* above).

Secondly, regarding the affective responses, including brand and product attitudes towards the advertised brand and its products, Oatly demonstrates a more positive attitude than Arla on both measurements. In the same way, the respondents' brand and product attitudes towards the attacked brand were compared between the two groups, where Arla demonstrated higher levels than Oatly. This means that affective responses towards Oatly are more favourable than for Arla, both when Oatly is the advertised and the attacked brand. (see *Tables 1 and 2* above).

Thirdly, conative responses, including purchase intention, recommendation intention and brand advocacy, were compared between Arla and Oatly. Regarding intentions towards the advertised brand, Oatly demonstrates higher levels than Arla on all three dimensions. Regarding intentions towards the attacked brand, Arla demonstrates higher levels than Oatly on all three dimensions. One notation is that the difference is not statistically significant for purchase intention, for the attacked brand. This means that conative responses towards Oatly are more favourable than for Arla, both when they are the advertised and the attacked brand (see *Tables 1 and 2* above).

When combining the cognitive consumer response, perception of others' attitude towards the brand, and the affective response of brand attitude, one can discern the third person effect. Towards the advertised brand, no third person effect can be detected. This means that there is no statistical difference between how respondents perceive others' attitude compared to their own. However, towards the attacked brand, a third person effect can be detected for Oatly. This means that after seeing Oatly's ad, respondents value others' attitude towards Arla to have decreased more than their own attitudes had (see yellow coloured cells in *Table 2* above).

Hypothesis H1a is accepted because cognitive, affective and conative consumer responses towards the advertised brand are more positive when the advertised brand is a new brand, than when it is an established brand.

Hypothesis H1b is accepted because cognitive, affective and conative consumer responses towards the attacked brand are more negative when the attacked company is an established brand, than when it is a new brand.

4.2. Perception of Comparative Advertising as an Attack

H2a. *If consumers perceive the Comparative Advertising as an attack, cognitive, affective and conative consumer responses towards the advertised brand will be negatively affected.*

H2b. *If consumers perceive the Comparative Advertising as an attack, cognitive, affective and conative consumer responses towards the attacked brand will be positively affected.*

An assumption was made that the CA between Oatly and Arla are attacks and that the two companies specifically target one another. To investigate these aspects, the respondents were asked 1) to what extent they agreed that the CA was an attack and 2) to name what competitor they thought Arla and Oatly referred to in their respective ads.

In general, the respondents agreed that the commercial was an attack to the level of 6,9 on a ten point scale. More specifically, group Arla graded the question to 7,13 and group Oatly to 6,68. Furthermore, out of the respondents that were shown Arla's ad, 90,7% named Oatly as the competitor targeted in the ad. 95,3% of the respondents who saw Oatly's ad were able to name Arla as the targeted competitor. The fact that the respondents perceive the ads as attacks and are able to name the specific targeted competitor indicates that the ads are in fact of attacking and malicious nature.

Correlations between attack variable and consumer responses towards advertised brand		
	Arla	Oatly
Cognitive		
<i>Perceived Product Quality</i>	-0,162*	-0,245**
<i>Perception of others' Brand Attitude</i>	-0.334**	-0,294**
Affective		
<i>Brand Attitude</i>	-0,242**	-0,389**
<i>Product Attitude</i>	-0,153*	-0,274**
Conative		
<i>Purchase Intention</i>	-0,206*	-0,289**
<i>Recommendation Intention</i>	-0,279**	-0,234**
<i>Brand Advocacy</i>	-0,322**	-0,324**

Table 3. Summary of correlations between attack variable and cognitive, affective and conative consumer responses towards the advertised brand.

Whether the CA is perceived as an attack correlates negatively with all cognitive, affective and conative consumer responses towards the advertised brand. Hence, if the respondents considered the Comparative Advertising to be an attack, this would result in lower perceived

product quality, decreased perception of others' brand attitude, brand attitude, product attitude, purchase intention, recommendation intention and brand advocacy towards the advertised brand (see *Table 3* above).

Correlations between attack variable and consumer responses towards attacked brand		
	Arla	Oatly
Cognitive		
<i>Perception of others' Brand Attitude</i>	0,180*	0,239**
Affective		
<i>Brand Attitude</i>	0,220**	0,282**
<i>Product Attitude</i>	0,370**	0,326**
Conative		
<i>Purchase Intention</i>	0,246**	0,336**
<i>Recommendation Intention</i>	0,270**	0,323**
<i>Brand Advocacy</i>	0,365**	0,248**

Table 4. Summary of correlations between attack variable and cognitive, affective and conative consumer responses towards the attacked brand.

Conversely, whether the CA is perceived as an attack correlates positively with all cognitive, affective and conative consumer responses towards the attacked brand. Hence, if the respondents considered the Comparative Advertising to be an attack, this would result in improved perception of others' brand attitude, brand attitude, product attitude, purchase intention, recommendation intention and brand advocacy towards the attacked brand (see *Table 4* above).

Hypothesis H2a is accepted because cognitive, affective and conative consumer responses towards the advertised brand are negatively affected if consumers perceive the Comparative Advertising as an attack.

Hypothesis H2b is accepted because cognitive, affective and conative consumer responses towards the attacked brand are positively affected if consumers perceive the Comparative Advertising as an attack.

4.3. Advertising Value

***H3a.** If the Comparative Advertising is perceived as entertaining, this will have positive effects on cognitive, affective and conative consumer responses towards the advertised brand and negative effects on consumer responses towards the attacked brand.*

***H3b.** If the Comparative Advertising is perceived as informative, this will have positive effects on cognitive, affective and conative consumer responses towards the advertised brand and negative effects on consumer responses towards the attacked brand.*

***H3c.** If the Comparative Advertising is perceived as deceptive, this will have negative effects on cognitive, affective and conative consumer responses towards the advertised brand and positive effects on consumer responses towards the attacked brand.*

***H3d.** If the Comparative Advertising is perceived as irritating, this will have negative effects on cognitive, affective and conative consumer responses towards the advertised brand and positive effects on consumer responses towards the attacked brand.*

The results show that neither Oatly's nor Arla's ads are found to be informative, and both are deemed irritating and deceptive. However, the respondents found both advertisements to be entertaining. These conclusions are drawn based on whether the components are ranked above or below average, on the ten point scale. Furthermore, the advertising value was compared between Oatly's and Arla's ads. The results show that Oatly's ad has a higher advertising value than Arla's. Hence, Oatly's advertisement is deemed to be more entertaining and informative as well as less deceptive and irritating than Arla's ad. However, the identified difference, between the two groups, on the deceptive dimension was not statistically significant.

Cognitive consumer responses towards advertised brand				
	Arla		Oatly	
	<i>Perceived Product Quality</i>	<i>Perception of others' Brand Attitude</i>	<i>Perceived Product Quality</i>	<i>Perception of others' Brand Attitude</i>
<i>Entertainment</i>	0,125	0,249**	0,373**	0,478**
<i>Informative</i>	0,162*	0,286**	0,290**	0,388**
<i>Deceptive</i>	0,295**	0,467**	0,526**	0,581**
<i>Irritation</i>	0,258**	0,493**	0,414**	0,611**

Table 5. Correlations between advertising value and cognitive consumer responses towards the advertised brand, for both groups.

All four components of advertising value correlate positively with cognitive consumer responses towards the advertised brand, for both Oatly and Arla. However, the correlation between perceived product quality and *entertainment* is not significant for Arla. In addition, all relations are stronger for Oatly, than for Arla. To summarise, these results indicate that a high, positive advertising value will contribute to a high perceived product quality and perception of others' brand attitude, for the advertised brand (see Table 5 above).

Cognitive consumer responses towards attacked brand		
	Arla	Oatly
	<i>Perception of others' Brand Attitude</i>	
<i>Entertainment</i>	0,055	-0,133
<i>Informative</i>	-0,152*	0,137
<i>Deceptive</i>	-0,071	-0,010
<i>Irritation</i>	-0,097	0,034

Table 6. Correlations between advertising value and cognitive consumer responses towards the attacked brand, for both groups.

Regarding cognitive consumer responses towards the attacked brand, only one component of advertising value demonstrates significant correlation. Informative correlates negatively with perception of others' brand attitude for Arla, towards the attacked brand. This means that if

Arla's ad is perceived as informative, the perception of others' brand attitude towards Oatly will decrease, and vice versa if Arla's ad is not perceived as informative brand attitude towards Oatly will increase (see *Table 6* above).

Affective consumer responses towards advertised brand				
	Arla		Oatly	
	<i>Brand Attitude</i>	<i>Product Attitude</i>	<i>Brand Attitude</i>	<i>Product Attitude</i>
<i>Entertainment</i>	0,429**	0,235**	0,624**	0,526**
<i>Informative</i>	0,301**	0,102	0,429**	0,446**
<i>Deceptive</i>	0,629**	0,377**	0,745**	0,632**
<i>Irritation</i>	0,618**	0,380**	0,715**	0,719**

Table 7. Correlations between advertising value and affective consumer responses towards the advertised brand, for both groups.

Furthermore, all four components of advertising value have a positive correlation with affective consumer responses towards the advertised brand. However, the correlation between product attitude and *informative* is not significant for Arla. Moreover, all correlations are stronger for Oatly than for Arla. This means that an ad that is perceived as entertaining, informative, and not deceptive nor irritating, will improve consumers' brand and product attitudes towards the advertised brand (see *Table 7* above).

Affective consumer responses towards attacked brand				
	Arla		Oatly	
	<i>Brand Attitude</i>	<i>Product Attitude</i>	<i>Brand Attitude</i>	<i>Product Attitude</i>
<i>Entertainment</i>	-0,002	0,043	-0,131	-0,217*
<i>Informative</i>	-0,135	-0,108	-0,088	0,091
<i>Deceptive</i>	-0,232**	-0,175*	-0,236**	-0,202*
<i>Irritation</i>	-0,111	-0,269**	-0,160*	-0,199*

Table 8. Correlations between advertising value and affective consumer responses towards the attacked brand, for both groups.

Moreover, the results show that deceptiveness and irritation, two of the advertising value components, have significant effects on product and brand attitude towards the attacked brand, for both groups. The exception is the correlation between *irritation* and brand attitude,

for Arla, which is not significant. These results indicate that if the consumer perceives either of the ads as deceptive, the attitudes towards the attacked brand and product will improve. Vice versa, if the ad is not perceived as deceptive, the attitudes towards the attacked brand and product will decrease. The same reasoning applies for irritation, for both affective responses, except brand attitude for Arla.

In addition, entertainment correlates negatively with product attitude towards the attacked brand, for Oatly. This means that if Oatly's ad is perceived as entertaining, the product attitude towards Arla will decrease, and vice versa if Oatly's ad is not perceived as entertaining the product attitude towards Arla will instead improve (see *Table 8* above).

Conative consumer responses towards advertised brand						
	Arla			Oatly		
	<i>Purchase Intention</i>	<i>Recommendation Intention</i>	<i>Brand Advocacy</i>	<i>Purchase Intention</i>	<i>Recommendation Intention</i>	<i>Brand Advocacy</i>
<i>Entertainment</i>	0,251**	0,212*	0,290**	0,627**	0,591**	0,568**
<i>Informative</i>	0,288**	0,254**	0,332**	0,434**	0,423**	0,411**
<i>Deceptive</i>	0,480**	0,403**	0,523**	0,686**	0,657**	0,715**
<i>Irritation</i>	0,452**	0,461**	0,513**	0,700**	0,661**	0,734**

Table 9. Correlations between advertising value and conative consumer responses towards the advertised brand, for both groups.

Furthermore, the results show that all four components of advertising value have a positive correlation with all three conative consumer responses towards the advertised brand. This means that high advertising value contributes to purchase intention, recommendation intention and brand advocacy for the advertised brand, for both groups. However, all correlations are stronger for Oatly (see *Table 9* above).

Conative consumer responses towards attacked brand						
	Arla			Oatly		
	<i>Purchase Intention</i>	<i>Recommendation Intention</i>	<i>Brand Advocacy</i>	<i>Purchase Intention</i>	<i>Recommendation Intention</i>	<i>Brand Advocacy</i>
<i>Entertainment</i>	-0,035	0,008	-0,026	-0,229**	-0,180*	-0,139
<i>Informative</i>	-0,007	0,032	0,019	-0,029	-0,031	-0,121
<i>Deceptive</i>	-0,199*	-0,159*	-0,174*	-0,235**	-0,193*	-0,256**
<i>Irritation</i>	-0,124	-0,189*	-0,229**	-0,221*	-0,218*	-0,312**

Table 10. Correlations between advertising value and conative consumer responses towards the attacked brand, for both groups.

Furthermore, the results show that deceptiveness and irritation correlate negatively with conative consumer responses, towards the attacked brand, for both groups. The exception is the correlation between *irritation* and purchase intention, for Arla, which is not significant. These results indicate that if the consumer perceives either of the ads as deceptive, the intentions towards the attacked brand will improve. Vice versa, if the ad is not perceived as deceptive the intentions towards the attacked brand will decrease. The same reasoning applies for irritation, for all conative responses, except purchase intention for Arla.

In addition, entertainment correlates negatively with purchase intention and recommendation intention towards the attacked brand, for Oatly. This means that if Oatly's ad is perceived as entertaining the intentions towards Arla will decrease, and vice versa if the ad is not perceived as entertaining the intentions towards Arla will increase (see Table 10 above).

Hypothesis H3a is partially accepted because the advertising value entertaining has 1) positive effects on cognitive, affective and conative consumer responses towards the advertised brand and 2) negative effects on affective and conative consumer responses towards the attacked brand. However, the effect of entertainment on cognitive consumer responses towards the attacked brand cannot be accepted due to lack of significance.

Hypothesis H3b is partially accepted because the advertising value informative has 1) positive effects on cognitive, affective and conative consumer responses towards the

advertised brand and 2) negative effects on cognitive consumer responses towards the attacked brand. However, the effect of informative on affective and conative consumer responses towards the attacked brand cannot be accepted due to lack of significance.

Hypothesis H3c is partially accepted because the advertising value deceptive has 1) negative effects on cognitive, affective and conative consumer responses towards the advertised brand and 2) positive effects on affective and conative consumer responses towards the attacked brand. However, the effect of deceptiveness on cognitive consumer responses towards the attacked brand cannot be accepted due to lack of significance.

Hypothesis H3d is partially accepted because the advertising value irritating has 1) negative effects on cognitive, affective and conative consumer responses towards the advertised brand and 2) positive effects on affective and conative consumer responses towards the attacked brand. However, the effect of irritation on cognitive consumer responses towards the attacked brand cannot be accepted due to lack of significance.

5. Discussion

This section aims to interlace the theoretical framework with the results from the quantitative study, and thereby answer the overall question of issue: *How does Comparative Advertising affect cognitive, affective and conative consumer responses?* The study has demonstrated that Comparative Advertising affects cognitive, affective and conative consumer responses through each of the three independent variables; 1) market position, 2) perception of the CA as an attack and 3) experienced advertising value. The following discussion is divided into three parts, each answering one of the three sub-questions.

5.1. Market position

How are consumer responses to Comparative Advertising affected by the respective market positions of the advertising and attacked brand?

This study has demonstrated that the market position of the advertising and attacked brand affects cognitive, affective and conative consumer responses towards CA.

Nordgren (2020) addressed the fact that consumers might be more accepting towards CA from a small company, whereas as the company grows, their actions will be more closely examined and potentially questioned. Furthermore, prior research has indicated that the market position, of a company using CA, may affect how it is received by consumers. Grewal et al. (1997) claimed that new brands are seen to benefit more from CA than established brands. Conversely, the study also showed that there seems to be no advantages for established brands in comparing themselves to new brands (Grewal, Kavanoor et al. 1997).

On the contrary, another study instead indicated that CA is in fact not a favourable method for new brands, comparing themselves to established brands (Murphy II, Amundsen 1981). However, this study was limited to measuring the relevance of CA as opposed to noncomparative and was only directed towards consumers who initially used and preferred the dominant brand.

The current study has demonstrated that CA has more positive effects on cognitive, affective and conative consumer responses when the advertised brand is a new brand, in this case Oatly, than when it is an established brand, in this case Arla. When Oatly is the advertised brand, and in capacity of a new brand, cognitive and affective consumer responses increase. However, conative responses are below average and thereby decrease. When Arla is the advertised brand, and in capacity of an established brand, all of the cognitive, affective and conative consumer responses decrease.

Furthermore, the study has demonstrated that CA has more positive effects on cognitive, affective and conative consumer responses towards the attacked brand, when an established brand attacks a new brand compared to vice versa. When Arla attacks Oatly, all cognitive, affective and conative responses towards Oatly increase. Conversely, when Oatly attacks Arla, all consumer responses towards Arla decrease. In addition, after seeing Oatly's ad, a negative third person effect towards Arla can be detected. This means that respondents value others' attitude towards Arla to have decreased more than their own attitudes had. This in turn can affect how the recipient (first person) chooses to act towards the attacked brand, since they might want to please what they perceive to be the general attitude of others' (third person) (Davison 1983).

In accordance with Grewal et al. (1997) and Nordgren (2020), and in contrast to Murphy II and Amundsen (1981), this study has thereby demonstrated that a new brand can benefit from using CA, both in terms of improving responses towards their own brand and worsen responses towards competing brands. Furthermore, the current study also confirms findings from Grewal et al. (1997), by demonstrating that an established brand does not benefit from CA against a new brand.

To conclude, the effects of CA on consumer responses are more positive towards the new brand than the established one. In addition, the new brand can benefit from CA, both when it is the advertised and attacked brand, while the established brand does not. This could have implications for companies, since it enables them to proactively assess whether they could potentially benefit from CA, given their market positions in relation to competitors. This way,

they can decide in advance whether it is a suitable marketing strategy for their specific company.

5.2. Perception of Comparative Advertising as an Attack

How does consumers' perception of Comparative Advertising as an attack affect consumer responses?

This study has demonstrated that whether consumers perceive the advertising as an attack affects cognitive, affective and conative consumer responses towards Comparative Advertising.

Nordgren claimed that Oatly's advertisements were not intended as attacks on competitors in the dairy industry, such as Arla, although she admits they are of comparative character (Nordgren 2020). Further, Arla does not perceive their advertising to be comparative and did not intend to point out competing options as inferior (Arla Forum Konsumentkontakt 2018).

This investigation has shown that a vast majority of the respondents who viewed Arla's ad identified Oatly as the targeted competitor and vice versa. In general, the results showed that respondents perceived the ads as attacks. Here, there was a detectable difference between the two companies, where Arla's ad was perceived as more of an attack, than Oatly's. In accordance with James et al. and Beard it can therefore be concluded that both advertisements would in fact be classified as attacking CA, since the ads target an identifiable competitor and that consumers perceive the ads as attacks or ads with a malicious intent (James, Hensel 1991, Beard 2008).

Another interesting aspect in the results is that Arla's ad is perceived as more of an attack than Oatly's. However, this difference does not seem to contribute to the magnitude of effects on consumer responses. This because there is no pervading pattern demonstrating that the effects are greater for Arla than for Oatly, despite the fact that it is perceived as more attacking. Hence, whether the ad is perceived as an attack may be a binary variable; either it is an attack or it is not.

Our study has confirmed that comparative ads, which are perceived as attacks, have negative effects on cognitive, affective and conative consumer responses towards the advertised brand, for both Oatly and Arla. Further, the study has shown that if the advertising is perceived as an attack, cognitive, affective and conative responses towards the attacked brand will be positively affected, for both Oatly and Arla. These results are aligned with prior research, stating that negative claims towards competitors, and attempts to discredit or attack them, should be avoided or implemented with great caution (James, Hensel 1991, Muehling 1987). The study demonstrated that CA which is perceived as an attack, will be beneficial for competitors and unfavourable for the own brand. However, if brands can ensure that competition is fairly addressed, and not in a degrading manner, comparative claims can nevertheless be implemented.

To conclude, whether the CA is perceived as an attack affects consumer responses towards the advertised brand negatively, and towards the attacked brand positively. For companies that decide to implement CA into their marketing strategies, these findings highlight the importance of avoiding that they are perceived as attacks. More specifically, competitors should not be identifiable and consumers should not detect a malicious intent with the ad.

5.3. Advertising Value

How does advertising value affect consumer responses to Comparative Advertising?

This study has demonstrated that advertising value affects cognitive, affective and conative consumer responses towards Comparative Advertising.

Both Oatly (Nordgren 2020) and Arla (Westin 2019) express the intention of being entertaining and including humor in their advertisements. In addition, Nordgren (2020) highlights Oatly's strive to be informative. However, it has emerged that consumers have negative opinions about the CA between the two companies as well (Arla Forum Konsumentkontakt 2018, Oatly Facebook 2019). Based on this, it was found that consumers' perceptions of the advertisements could be classified through advertising value, where the

two positive components are entertaining and informative, and the two negative components are irritating and deceptive.

To the authors' knowledge, prior research has not investigated the correlation between advertising value and consumer responses to CA. Since advertising value is "a subjective valuation of the relative worth or utility of advertising to consumers" (Ducoffe 1995), this is thought to potentially have an interesting link with how consumers respond if the ad is of comparative nature.

All four components of advertising value demonstrate significant correlations, for the advertised brand, with consumer responses to CA; the two positive components correlate positively, and the two negative correlate negatively.

In general, for the attacked brand, the two positive components correlate negatively, and the two negative components correlate positively, with consumer responses. However, there were some exceptions to this pattern. The effects of advertising value on cognitive consumer responses only demonstrated significance in the case of informative, and not in regard to entertainment, deceptiveness and irritation. Further, informative did not demonstrate significant correlations with affective and conative consumer responses. A potential explanation for this lack of significance, for the attacked brand, could be that advertising value assesses the subjective valuation of the advertised brand's commercial. Hence, the concept is by definition not immediately linked to the attacked brand. Since all four hypotheses refer to these relations, they can only be accepted partially, and hence require further investigation.

Both Oatly and Arla demonstrate low advertising value; both ads were perceived as entertaining on the positive side, and as both irritating and deceptive on the negative side. In addition, none of them were considered informative. Connecting this to the identified correlations, the lack of informativeness and presence of irritation and deceptiveness, in Oatly's and Arla's ads, contributes with negative effects on consumer responses for the advertised brand. However, since both ads are deemed entertaining, this contributes positively. For the attacked brand, effects would be limited.

To conclude, advertising value affects cognitive, affective and conative consumer responses to CA. For the advertised brand, effects of advertising value on consumer responses are significant and of considerable magnitude. Therefore, this part of the hypotheses are accepted. However, effects of advertising value for the attacked brand are limited and somewhat lacking significance. Hence, the effects for the attacked brand require further investigation. Since advertising value to a great extent affects the own brand, and not the competing brand as much, this is an important aspect for marketers to take into account.

6. Conclusion

The purpose of this thesis was to investigate how 1) the market position of the advertising/attacked brand, 2) the perception of the CA as an attack and 3) the experienced advertising value affects cognitive, affective and conative consumer responses to CA. Furthermore, the thesis aimed to contribute with extended knowledge to the research area of CA.

The results showed that the effects of CA on consumer responses are more positive towards the new brand than the established brand. In addition, the new brand can benefit from CA, both when they are the advertised and attacked brand, while the established brand does not. Further, whether the CA is perceived as an attack affects consumer responses towards the advertised brand negatively, and towards the attacked brand positively. Lastly, effects of advertising value on cognitive, affective and conative consumer responses to CA are significant and of considerable magnitude, for the advertised brand. However, effects of advertising value for the attacked brand are limited and somewhat lacking significance.

Based on the conclusions drawn above, it can be argued that Comparative Advertising affects cognitive, affective and conative consumer responses, through the three independent variables tested; 1) market position, 2) the perception of the CA as an attack and 3) advertising value. In most cases, significant effects are detected for both the advertised and attacked brand. Lastly, this study has shed some light on the familiar and regularly occurring concept of Comparative Advertising between competing brands. The authors hope that conclusions from this investigation can contribute with valuable insights for companies, about the effects of CA as a marketing strategy, and encourage future research within the field.

7. Limitations and Future Research

One identified limitation with the case study is the absence of Arla's perspective of the ongoing rivalry between the two companies. This poses a risk that the results from the interview will influence the author's presentation of the communication between Oatly and Arla, in a favourable way for Oatly. In order to compensate for this one-sided perspective of the situation, solid research was made to cover Arla's perspective of the situation as well. Also, the interview with Oatly provided a basis for the covered topics in the study, for several questions in the survey and for the hypotheses. However, this was also compensated with topics covered in the literature and from several news articles and public discussions between Oatly and Arla. Furthermore, the investigation mainly relies on the results from the quantitative study, where the qualitative study simply acted as preparation for the quantitative study. Through this, the results are not affected by the findings from the qualitative study in any other way than influencing which moderating factors were studied. Nevertheless, future research could benefit from including all involved companies, for their specific cases, in the case study.

Moreover, future research could explore how the effects of CA on consumer responses varies as a result of some demographic variables or personality traits. Examples of this could be age, gender and personal values such as environmental engagement. Such research would give a more profound understanding of how individual differences may affect perception of CA.

Further, the study aimed to include the Swedish population that consumes commercials, preferable with a representative distribution of age and gender. However, the majority of the respondents were between the age of 15-24. The age distribution in the survey is therefore not representative for the Swedish population. This uneven age distribution might be caused by the fact that the survey was primarily sent out to people in the authors' networks. Another potential explanation is that a convenience sample was used. To ensure improved validity in future research, a stratified random sample is favourable. Further, age distribution should preferably be a realistic representation of the entire population.

Another identified limitation in the study is that many of the respondents have consumed both the products and the commercials from the two companies before taking the survey. This implies that these respondents most likely have a preconception of the CA between the two companies and a preference for either Arla or Oatly. This might affect how the respondents answer the questions in the survey. For future similar studies, an additional survey could be distributed, investigating the predisposed consumer mindsets without stimulation from a specific commercial. These respondents would then act as a control group and the results can be compared to those of the main study, where respondents have been exposed to CA. By doing this, conclusions regarding how a specific commercial contributes to consumer responses would be strengthened.

One general limitation with the current study is that it, to a great extent, focuses on only one case. Future research could strive to make the conclusions from this study more generally applicable, by studying several different cases simultaneously. An example of this could be to study whether Comparative Advertising always seems to be associated with a certain advertising value. Is CA always considered deceptive and irritating, not informative yet with a high degree of entertainment?

Furthermore, with regard to advertising value, all four hypotheses were only partially accepted in this study. The missing link was how the components of advertising value affects consumer responses towards the attacked brand. Therefore, future research should study these relationships in further detail.

Lastly, future research should also further investigate whether the perception of CA as an attack is a binary variable. This issue was highlighted in the discussion of the current study, as a potential explanation to why no differences were identified between the customer responses towards the two companies, despite demonstrating different levels of perceived attack. Future research should thereby investigate whether the level of perceived attack contributes to consumer responses, or if the variable is binary.

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9. Appendices

9.1. Qualitative Interview Questions

General questions

1. Could you describe Oatly's primary target group?
2. In what way is this specific target group considered when you create your commercials and campaigns?
3. How would you describe your brand identity?
4. What is your overall marketing strategy?
 - a. What feelings and associations do you strive to awaken among customers, through your advertising?
5. Describe shortly the history of Oatly from start until now. Highlight the most important events.
 - a. By what pace has your sales increased?
 - b. How rapidly have you managed to attract new customers?
 - c. What are some key events which have characterised important successes or setbacks?

Comparative Advertising: Oatly vs Arla

6. Shortly describe the communication between Oatly and Arla
7. What is your strategy/purpose of using Comparative Advertising?
 - a. Which are the desired effects?
 - b. Which KPI:s are evaluated in order to identify the effects of the commercials, and which effects have you identified so far?
8. What do you perceive as the pros/cons with using Comparative Advertising, instead of only highlighting the own products strengths?
9. We perceive Oatly as a challenger on a traditional market. How do you think that this market position has affected the perception of the Comparative Ads?
 - a. Both the ones you have issued and the ones in which you are attacked?
10. Arla issued TV commercials with the message "only milk tastes like milk", and stated that alternatives, called *brölk*, *pjölk* and *trölk*, taste worse. As a response to this, you changed the design of your packages and the product name was exchanged for these words. What was the purpose of doing so? What were the desired outcomes? What were the actual results?
11. Do you see, or believe, that the effects and perception of the comparative advertising differs depending on demographic variables, or depending on customer segment?
 - a. Gender?
 - b. Age?
 - c. Socioeconomic group?
 - d. Environmental engagement?

Questions about consumer behaviour and brand effects

12. Have you seen any effects on consumer behaviour as a result of the Comparative Advertising?
 - a. Purchase intentions?
 - b. Actual purchases?
 - c. Customer engagement?
 - d. Customers preferences for your company and products compared to competitors?
13. Have you seen any effects on your brand as a result of the Comparative Advertising?
 - a. Top of mind?
 - b. Consideration set?
 - c. Brand associations?
14. As a whole, would you say that the effects of the Comparative Advertising between you and Arla have contributed positively or negatively for your company?