Stockholm School of Economics Master Thesis – Consumer Marketing Spring 2008

# UNBUNDLING CREATIVITY

In today's media landscape advertisers find it ever more challenging to break through the clutter of competing ads in order to shape consumers' attitudes and intentions and move them to purchase. An alternative strategy to greater advertising spending may be more creative advertising, which has been proposed to promote advertising effectiveness. However, researchers have neither agreed on a model of advertising creativity nor conclusively linked ad creativity to key measures of effectiveness. Based on a sample of twenty reallife campaigns from ten different categories, and a panel of 4,398 consumer responses, this thesis provides strong support for a model of ad creativity based on novelty, meaningfulness, humor, positiveness, and well-craftiness. It concludes that creative ads are more effective in promoting ad and brand attitudes, brand interest, purchase intentions, ad and brand WOM intentions, as well as perceived ad expenditure and effort. Results hold even among consumers with a negative general attitude towards advertising. A test of the relative effect of ad creativity and media expenditure on sales value produces inconclusive results, however. Finally, the study shows that creativity award-winning ads are considered more creative among consumers and are more effective than other ads.

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Presentation: May 30, 2008 SSE Room C606

#### Many thanks to

Micael Dahlén, Professor of Marketing, Stockholm School of Economics

Sveriges Reklamförbund • The Advertising Association of Sweden

Sveriges Annonsörer • The Association of Swedish Advertisers

Nordisk Media Analys

Market Direction

SIFO • Research International

A number of Swedish marketing departments and advertising agencies

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# 1. Introduction

"An invasion of armies can be resisted, but not an idea whose time has come."

Victor Hugo

#### **1.1 BACKGROUND**

In 1758, Dr. Samuel Johnson noted: "Advertisements are now so numerous that they are very negligently perused" (Earl and Potts 2000). Since then it has become ever more challenging for advertisements to break through the clutter of competing ads in order to gain consumers' attention, shape their attitudes, and let alone move them to purchase. Today, consumers are exposed to thousands of commercial messages every week (Speck and Elliott 1997; Blackwell, Miniard, and Engel 2005), making it difficult for each advertiser to stand out as unique and persuade consumers to patronize their offer (Weilbacher 2003). The general trend is reflected in a consistent growth of advertising spending. In Sweden, total investments in marketing communication surpassed 60 billion SEK in 2006, up 10% since the previous year, and investments in media have grown by about 50% since ten years ago (IRM 2007).

One strategy of breaking through the clutter is to outspend the competition by running more and larger campaigns than other brands (Pieters, Warlop and Wedel 2002). Leaders in advertising media spending, as measured by share of voice, are awarded greater brand salience (Miller and Berry 1998) and suffer less from brand confusion (Brengman, Geuens, and De Pelsmacker 2001). Indeed, Schroer (1990) maintains that greater and more consistent advertising spending than competitors is a key factor behind the larger market share of leading firms. This game is not for the faint of heart, however: to advance market share ahead of similar competitors, most firms would need to at least double their main rival's advertising expenditure and maintain this level for years (ibid.). While one avenue towards achieving advertising objectives is to maximize share of voice, few firms have the ability to outspend competition to this extent. And should we consider the cost-effectiveness of such ad spending, businesses of all kinds seem to face remarkable challenges. It has been estimated that 70–85% of new product introductions fail (Iyer, LaPlaca, and Sharma 2006) and empirical evidence points to marketing as a key factor behind the phenomenon (Calantone and Cooper 1979). Senior managers in the U.S. believe that close to 90% of all advertising fails to meet its objectives (Rogers 1995; El-Murad and West 2003). Many markets are affected by higher costs, greater competition, and flattening demand, further fueling the need to improve the effectiveness of marketing expenses (Keller 1993).

There may be a more cost-effective route to share of market. While ad spending is the way to share of voice, ad creativity may lead directly to "share of heart" (El-Murad and West 2003). Eastlack and Rao (1986) promote the creative component of advertising, claiming it has been found to be far more important than actual spending rates or patterns. Some say it is creativity that "pushes the message into viewers' minds" (Kover, Goldberg, and James 1995). A few studies have attempted to connect advertising creativity to varying measures of advertising effectiveness (i.e. Kover, Goldberg, and James 1995; Ang and Low 2000; Stone, Besser, and Lewis 2000; Pieters, Warlop, and Wedel 2002; Till and Back 2005; Ang, Lee, and Leong 2007). However, although recognized as important, the link between advertising creativity and advertising effectiveness is far from extensively researched (Till and Baack 2005) and among the studies to date, researchers agree that findings are inconclusive or even conflicting (Stone, Besser, and Lewis 2000; Koslow, Sasser, and Riordan 2003; El-Murad and West 2004).

#### **1.2 PROBLEM AREA**

- "Kreativ reklam är lönsam."
- Pia Grahn Brikell

Ad agency professionals have long promoted creativity as one of the most important elements in advertising, perhaps even significant in its own right (Helgesen 1994; Kover, James, and Sonner 1997). The central figure in the production of advertising is titled a "creative" (Till and Baack 2005) and the major advertising awards focus on creativity. However, many of these have been criticized as "beauty contests" (Moriarty 1996), focusing on industryspecific criteria rather than on the actual effectiveness of ads (Kover, James, and Sonner 1997; White and Smith 2001). Nevertheless, some view creativity as necessary for advertising effectiveness (Kover, Goldberg, and James 1995, p. 29) or even that creativity *is* effectiveness (Kover 1995). The CEO of the Advertising Association of Sweden indeed presented the 2007 edition of advertising creativity contest Guldägget by claiming, "Creative advertising is profitable" (Reklamförbundet 2007).

Although creativity is widely accepted as important to advertising, researchers disagree on what main factors of ad execution contribute to ad creativity (e.g. cf. Amabile 1996; Lee and Mason 1999; Ang and Low 2001; White and Smith 2001). And although some equate creativity to effectiveness, the link between them has not in fact been researched at length (Till and Baack 2005). Major reviews of the conceptual space of creativity lack any significant reference to advertising (Smith and Yang 2004) and within advertising research only a small number of studies deal explicitly with creativity (Zinkhan 1993). Among these, few have produced results that are both significant and unambiguous. Some findings are inconclusive. Often cited Kover, Goldberg, and James (1995) found that ads classified as creative by consumers also produced the strongest liking and purchase interest—yet the authors admitted that they could merely "examine trends and indications rather than look for statistically significant differences." Other findings are in conflict with one another. For example, while some authors find a positive effect of ad creativity on brand

attitude and purchase intentions (e.g. Ang and Low 2000), others do not (Till and Back 2005). Finally, there is a complete lack of research in a number of areas of advertising effectiveness. No study has attempted to link ad creativity to brand interest, perceived ad expenditure, perceived ad effort, or sales value, and the influence of general advertising attitude on the effectiveness of creative advertising is unknown.

The lack of agreement and conclusive findings suggest opportunities to continue exploring the dimensions and effectiveness of advertising creativity. Several basic questions lack definite answers and some have not even been posed: What main dimensions of ads contribute to their perceived creativity? Do creative ads promote psychological effectiveness measures such as positive attitudes, increased purchase intentions, or greater word-of-mouth? Do creative ads have any measurable effect on sales value? In sum, researchers are undecided on the nature and effects of advertising creativity, and practitioners are in the dark as to whether this is a strategy worth pursuing. Answering these questions would expand the knowledge of advertising creativity and provide advertisers and ad agencies with the tools to more effectively develop and evaluate advertising strategy.

#### **1.3 PURPOSE**

This thesis has the primary purpose to determine the main dimensions of advertising creativity and to establish whether advertising creativity significantly improves several key measures of advertising effectiveness.

Secondary purposes are to decide to what extent each dimension of advertising creativity impacts each effect measure, to determine if advertising creativity retains effectiveness among consumers with a negative general ad attitude, and to conclude whether creativity award-winning ads are perceived as more creative among consumers and are more effective than other ads.

#### **1.4 DELIMITATIONS**

We have focused on creative advertising execution and not, e.g. creative media choice. Most studies of advertising creativity have relied on experimental research designs, using variants of mocked-up ads as stimuli. To avoid repeating these we based our advertisement selection on real-life campaigns. We limited the study to the Swedish advertising market, which we believe is a representative one. The major global consumer goods suppliers are represented in Sweden, and deploy local adaptations of multinational campaigns. This is complemented by a vibrant national advertising scene. Our focus has been on consumer advertising and we chose to test ads from television, print, or outdoor media. Therefore our findings may not be directly applicable to B2B or public service campaigns, or to such media as web-based advertising. The campaign pool spans from January 2005 through May 2007, to produce a representative enough sample size while keeping material as up to date as possible. While the age difference of campaigns might risk skewing perceived creativity, confirmation checks determined that this was not the case. Most previous creativity studies have tested ads from one product or service category. We did not want to repeat this method and so included several categories for testing, representing products and services as well as offerings of low to high involvement. We expect this choice to improve the general applicability of our findings. Finally, the total number of campaigns within these categories was limited to twenty, to balance the need for a large number of campaigns and a great number of respondents per campaign.

The choice of who should judge the creativity of ads, whether consumers, creative professionals, or strategists, has differed in previous studies. We focused on the perceptions of consumers, for reasons developed in *3.2.5*. To obtain proper reference, however, we have also accounted for the voice of advertising agency creatives and strategists as well as award show juries (with creativity awards as a proxy). Finally, in delimiting which effectiveness measures to test we have focused on consumer persuasion and response: ad and brand attitudes, brand interest, purchase intentions, ad and brand word of mouth intentions, perceived ad expenditure and effort, and sales value growth. The effects of ad creativity on information processing measures such as attention and memory have produced unambiguous results in previous studies; we have no interest in repeating these and exclude the variables altogether. We have also related ad creativity to general advertising attitude and media expenditure. There is one notable limitation to the comparison between creativity and media expenditure. From this we may draw conclusions only for each ad exposure and not for the aggregated frequency or breadth of exposures in the market. Note that this concerns the effects on psychological effect variables but not sales value growth.

#### **1.5 EXPECTED KNOWLEDGE CONTRIBUTION**

The field of advertising creativity is an interesting and valuable one, in some areas largely unexplored. We hope to improve upon existing research on the nature of ad creativity and aim to contribute new knowledge in a number of areas of relevance to ad effectiveness.

Previous studies have differed greatly in what dimensions of creativity to include. Consequently, there is no agreed-upon model of the main dimensions of advertising creativity. We aim to evaluate all dimensions that have been proposed in theory and may warrant inclusion. Through a meta-analysis of 24 major studies related to advertising creativity, we derive the dimensions of creativity most generally accepted. We then test these with a large-scale consumer panel and a sample of twenty real-life advertising campaigns (and for reference, run the same test through a panel of ad agency professionals).

Most studies of creative ad execution have tested mock-up ads, in one product category, with consumer judgments of creativity approximated by undergraduate student samples. This thesis tests twenty real-life campaigns, in different product or service categories, using a panel of thousands of actual consumers. We hope this will be helpful in arriving at conclusions for the effects of ad creativity that may be generalized to a greater extent than previously possible. Also, we introduce a couple of new psychological effect variables to the study of ad creativity, which should provide valuable insights to practitioners and researchers in the field. These are perceived ad expenditure, perceived ad effort, general advertising attitude, and brand interest. The two latter measures have been tested in a study of creative media choice (Friberg and Nilsson 2006) but not in the context of creative ad execution. Finally, we include data on media expenditures and sales, which marks a first attempt to bridge the gap from intentions to sales in the research of ad creativity.

#### **1.6 DISPOSITION**

The thesis is divided into five main chapters. Following this introductory chapter, the second chapter examines the current state of theory. It reviews the possible dimensions of ad creativity and proposes several advertising effects to which ad creativity may contribute: ad and brand attitude, brand interest, intentions, perceived ad expenditure and effort, and sales value. Also discussed is the role of general advertising attitude, the relative effectiveness of ad creativity and media expenditure, as well as the relevance of creativity award shows. Hypotheses are developed throughout the chapter on theory.

The third chapter outlines the method used, reviewing the initial work, research design (the choice of campaign period, campaigns, advertising media, product categories, and creativity judges), survey design (the scales and measures, questionnaire, and sample), external data, reliability and validity, and instruments and methods of analysis. The fourth chapter is dedicated to the analyses and results from hypothesis testing. This primarily aims to establish the significant dimensions of ad creativity and the effect measures to which ad creativity actually contributes. Finally, the fifth chapter discusses the results, reviews potential critique of the study, suggests avenues for further research, and draws implications for advertising theory and practice.

## 2. Theory

"Some men see things as they are and ask why. Others dream things that never were and ask why not."

- George Bernard Shaw

#### 2.1 CREATIVITY IN ADVERTISING

Before developing the hypotheses related to the dimensions and effects of ad creativity, the reader will be aided by a brief introduction to the concept of creativity; its role in general, in strategy, marketing, and advertising; and the various definitions of the term.

An Introduction to Creativity. The significance of creativity is suggested by the scope of research activity conducted to understand its nature and application in diverse fields. These include art, music, science, education, management, and advertising (El-Murad and West 2004, pp. 188–189). Early work on creativity is typified by the "aha" definition in Parnes (1975) and simple discussions and definitions of creativity (White and Smith 2001). Beginning in the late 1980s this trend was broken and more sophisticated definitions of creativity were introduced (ibid.). Creativity can be conceptualized as personal trait, environment, process, and product (e.g. advertising) (Mumford and Gustafson 1988).

Zinkhan (1993) maintains that creativity is vital to the business strategy process. While strategic planning is concerned with the allocation of resources among the possibilities of what's to be done, creativity plays an important role in generating or identifying what could be done—i.e. to do the right thing rather than just doing things right. Marketing researchers have asserted the importance of creativity in marketing programs, of which advertising is a central element, to build meaningful differentiation from competing alternatives. This in turn stimulates customer satisfaction and loyalty, and reduces the risk of price wars (Andrews and Smith 1996; Im and Workman 2004). For new products, marketing program novelty is at least as important as product novelty "to add enough value to the strange service to counterbalance the pain of the new idea" (Wasson 1960). Indeed, products can rise from anonymity to market-leader status without offering groundbreaking product innovation. The Swedish pain-killer Ipren is identical to the several competing alternatives on the market, uses the same active substance, and for years bore an anonymous product name and advertising. So for years it occupied an anonymous share of the market. Then, a short and blue-clad mascot was introduced in advertising, called the "Ipren man," who sang a silly but highly memorable song about "Ipren, the intelligent pain-killer." In a short period of time, sales and value share surged. Ipren is still the exact same pill, yet today has become a leader in its painkiller segment, even entertaining a higher price point than the competition.<sup>1</sup> Advertising may be the only profession where the central figure in the business process is titled a "creative," illustrating the focus placed on creativity within the field (Till and Baack 2005). Some even view advertising creativity as significant in its own right (Helgesen 1994; Kover, James, and Sonner 1997) and indeed major advertising awards focus on creativity rather than effectiveness.

**Definitions of Creativity.** The Oxford American Dictionary defines creativity as "the use of the imagination or original ideas, esp. in the production of an artistic work." Creativity in advertising differs from this common notion, and unfortunately the interpretation of it varies a great deal. Although Taylor, Hoy, and Haley (1996) suggest that definitions of advertising creativity vary across cultures, certain key elements seem universal. Not unlike from definitions in psychology, creativity in advertising is regarded as a means of problem solving. Attention psychology researcher Daniel Lundqvist, co-developer of creativity-judge criteria for a major Swedish advertising award show, maintains that creative thinking comes around when "there's a goal set, but no known path to the goal" (The Association of Swedish Advertisers 2005, p. 11). To build this path, most definitions suggest that creativity relies on two central aspects: *novelty* and *meaningfulness*. For example, Amabile (1996) ar-

<sup>&</sup>lt;sup>1</sup> By way of source, one of the authors has worked in marketing at Pfizer's consumer goods division, the marketer of Ipren (purchased in 2006 by Johnson&Johnson/McNeil).

gues that a "product or response will be judged creative to the extent that it is a novel and appropriate, useful, correct, or valuable response to the task at hand." The "task at hand" in advertising is the advertising objective, i.e. the psychological and behavioral response of target consumers. Amabile argues that both novelty and meaningfulness must be included in the definition of creativity, because the target audience may perceive ideas as weird or bizarre if they are novel or unique but carry no meaning for the audience.

Additional definitions align with and elaborate on this notion. Creative advertising is that which communicates in a "playful but relevant way," in the words of one creativity judge from a Swedish advertising award show (The Association of Swedish Advertisers 2005, p. 30). Similarly, Marra (1990) defines creativity in advertising as "being new and relevant with your ideas" (White and Smith 2001), and Smith and Yang (2004) believe that creative ads are those that are perceived to be divergent and relevant. Leo Burnett defined advertising creativity as "the art of establishing new and meaningful relationships between previously unrelated things in a manner that is relevant, believable, and in good taste, but which somehow presents the product in a fresh new light" (El-Murad and West 2004).

According to Parnes (1975), the essence of creativity is the notion of "aha," which is "the fresh and relevant association of thoughts, facts, and ideas, into a new configuration which pleases, which has meaning beyond the sum of the parts, which provides a synergistic effect" (White and Smith 2001). Tellis (1998) defines creativity as "productive divergence." Holtzman (1984) offers a similar interpretation of creativity: "divergent thinking that yields some kind of highly valued product or idea." These definitions suggest that creativity must provide value added (Ang and Low 2000).

A number of other dimensions have been suggested as part of advertising creativity, and thus implicitly or explicitly included in the definition: notably *humor* (Weinberger and Spotts 1989; Lee and Mason 1999), *positiveness* (Ang and Low 2001; Smith and Yang 2004), and *well-craftiness* (Besemer and Treffinger 1981; Besemer and O'Quinn 1986; White and Smith 2001; Koslow, Sasser, and Riordan 2003). As a purpose of this thesis is to determine the main

dimensions of ad creativity, we will not set out to choose or construct any one definition beforehand.

#### 2.2 DIMENSIONS OF AD CREATIVITY

Although creativity is valuable subject matter for advertising, it is not obvious how to operationalize it. Gordon White (1972) noted that creativity "is the X factor in advertising theory, it escapes the scientific probe of the researcher and the decision-maker." While there has been much research in the field, and some consensus, several facets of creativity are interpreted differently, and results from similar interpretations may be ambiguous.

The simplest way is to measure creativity on a single-item scale (e.g. Amabile 1982; Stone, Besser and Lewis 2000). For example, Amabile (1982) circumvented the problems of both the definition and the measurement of creativity by letting experts assess the "creativity" of creative products using their own individual criteria and definitions of creativity. Amabile proposes that if appropriate judges independently agree that a given product is creative, it can and must be accepted as such. However, even experts may disagree in their definition of creativity. Also, to fully understand creativity, one would need to expose what factors are generally held to comprise it. Such a specification would also make measures more comparable and reliable (Koslow, Sasser, and Riordan 2003). So, what factors might lie behind the concept of creativity in advertising?

#### 2.2.1 Novelty

Researchers in the field generally agree that at least one facet must be "novelty" (also referred to as "originality," "divergence," "unexpectancy," and "newness") (e.g. Haberland and Dacin 1992; Sternberg and Lubart 1993; Ang and Low 2000; Koslow, Sasser, and Riordan 2003; El-Murad and West 2004). This applies in a myriad of disciplines, from art to business. For example, in the fine arts creative artists have been said to exhibit disequilibrium in their personal lives and to reflect such deviations in their works (Ang and Low 2000). In business literature, a creative product is said to be original and the outcome of imaginative thinking that requires a conceptual formation of objects that do not exist (Ang and Low 2000). In fact, according to some researchers novelty should be the primary criterion considered when deciding a product's creativeness, regardless of other potential positive attributes (Jackson and Messick 1967; White and Smith 2001; Koslow, Sasser, and Riordan 2003).

Within the field of advertising, most definitions of creativity involve an aspect of newness, unexpectedness, or originality (e.g. Sternberg and Lubart 1993; White and Smith 2004). This notion of creativity corresponds to a divergence from the norm—a stimulus that is not expected from previous information (Haberland and Dacin 1992). Such novelty is comparable to the construct of expectancy in advertising proposed by Heckler and Childers (1992), which relates to how well information conforms to a predetermined structure evoked by the ad theme. Novelty corresponds to unexpectedness in the sense that ads inconsistent with other ads of the same product category or schema are novel (Ang and Low 2000). We thus expect the following:

H1a: Advertisement novelty promotes ad creativity

#### 2.2.2 Meaningfulness

Novelty is generally regarded a necessary but not sufficient criterion for an advertisement to be considered creative (e.g. Sternberg and Lubart 1999; El-Murad and West 2004). Consumers have certain expectations for ads within a particular category, e.g. what visuals a detergent ad should have. The more an ad deviates from expectations, the more consumers will evaluate the ad as novel. At the same time, unless the creative element conveys some meaning about the advertised product, unexpectedness does not necessarily mean creativity (e.g. Haberland and Dacin 1992; Ang and Low 2000). According to many researchers of advertising creativity, the novel ad element must also be meaningful for the ad to qualify as creative.

The combination of novelty and meaningfulness (also referred to as "relevancy," "appropriateness," "usefulness," and "the strategic component" to creativity) makes sense also from the perspective of advertising professionals and marketing strategy. The process of creativity in advertising has one central peculiarity from the process of creativity in the classical arts and sciences. The creativity needed in advertising is problem-solving creativity, constrained by marketing objectives, competition, the organizational approval hierarchy, etc. (White and Smith 2001). It is functional creativity: on demand, on a deadline, and within strict parameters (White 1972; Blasko and Mokwa 1986). From this perspective, meaningfulness complements novelty, turning creativity into an instrument of problem solving and goal attainment, in the framework of marketing strategy (Unsworth 2001; El-Murad and West 2004). Furthermore, Holtzman's (1984) definition of creativity, "divergent thinking that yields some kind of highly valued product or idea," suggests that creativity must provide value added. Meaningfulness should be central for advertising to add value. Based on the preceding discussion we hypothesize:

H1b: Advertisement meaningfulness promotes ad creativity

#### 2.2.3 Humor

While most prevalent in previous research, novelty and meaningfulness are by no means the only factors worthy of consideration for advertisement creativity. Lee and Mason (1999) did test expectancy and relevancy as variables in print ads, but tested humor as well. The authors hold the three factors to be related, all functioning as variables of "information inconguency" in advertising (p. 156). Findings suggest humor can raise the evaluation of unexpected– irrelevant ads (but not unexpected–relevant ads). Smith and Yang (2004, p. 38) also propose humor as a facet of creativity, related to the divergent qualities of ads. Finally, Weinberger and Spotts (1989) claim humor to be "one aspect of [...] advertising creativity" (p. 39). We expect that: H1c: Advertisement humor promotes ad creativity

#### 2.2.4 Positiveness

Ang and Low (2001) also discuss novelty and meaningfulness as parts of advertising creativity. As an additional factor they include valence of feelings, i.e. the "emotional direction of the ad content"—to what extent the advertisement conveys positive feelings. Why might positiveness be considered? As previous research suggests, novelty should be a core factor of creativity. Ang and Low contend that the unexpected stimulus of novelty will elicit emotional consequences, which in turn color the evaluations of novelty (p. 838). This would strongly influence whether consumers will accept the novel ad. Therefore, positiveness should play a role very much akin to meaningfulness, as a lubricant to the acceptance a of novel ad execution. Smith and Yang (2004) propose a similar relationship, in which an ad's "expression of emotion" contributes to its creativity. Note that in this fashion positiveness is not conceptualized as a measure of effectiveness, but rather as a factor complementary to, e.g. novelty. We hypothesize that:

H1d: Advertisement positiveness promotes ad creativity

#### 2.2.5 Well-Craftiness

Besemer and O'Quinn (1986) aimed to develop a semantic scale of creativity, and included the factors novelty, resolution (meaningfulness), and "elaboration/synthesis." The latter variables represent the stylistic details of ad execution; how well-crafted it is. The study built on Besemer and Treffinger (1981), which found novelty, resolution, and "attractiveness" to be criteria to explain creativity. White and Smith (2001) have built on this tradition, and included "well-craftiness" alongside measures of novelty and meaningfulness in their study of differences in creativity judgments between advertising professionals, the general public, and students. Koslow, Sasser, and Riordan (2003) include "artistry" along with originality and meaningfulness in their study of advertising creativity. Also worth noting is that Guldägget, the Swedish advertising creativity award, includes well-craftiness as a criterion (Guldägget 2008a). To review this line of creativity research, we propose:

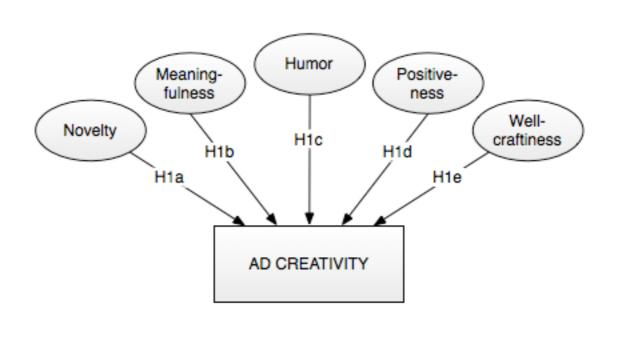
H1e: Advertisement well-craftiness promotes ad creativity

#### 2.2.6 Other Factors

Jackson and Messick (1965) ventured to introduce two other dimensions as part of creativity: "transformational" and "condensed." Transformational represents the necessity of the viewer/listener to (re)formulate their attitude towards an advertised product or service (Haberland and Dacin 1992, p. 819). Condensed refers to the degree to which a product achieves simplicity and summarizes the essence of a situation, i.e. provides richness of interpretation (ibid., p. 818). More contemporary research on advertising creativity classifies transformation as an independent construct, and actually a measure of effectiveness (Smith and Yang 2004, p. 35). Positioning effectiveness as a part of creativity itself rids its usefulness as an explanatory variable. Most advertising researchers, and arguably all advertisers, are interested in creativity with the primary motive to explain why some ads are more effective than others. They are not helped by the circular reasoning that "ads are more effective because they are creative" if they are creative, in part, because they are more effective (Smith and Yang 2004, p. 37). For this reason, we have opted to exclude these variables from our study. These constructs have not commonly been considered in creativity research and have without exception been used in combination, which further contributes to the decision.

Ang, Lee, and Leong (2007) introduce "connectedness" as a creativity variable. They rightly maintain that not only must the ad information be relevant to the product (meaningfulness), it must also be relevant to its target audience. In line with this reasoning they also separate relevance from appropriateness. We argue that relevance to the target audience is indeed important, but also that it may be regarded as part of meaningfulness: in fact, previous studies employing meaningfulness have used such bipolar measures as relevant, adequate, and appropriate to measure it. Furthermore, Ang, Lee, and Leong (2007) regard connectedness as involving empathetic qualities of an advertisement; to what extent it is able to connect with its audience, e.g. in terms of comprehension or feelings aroused. However, we believe this confounds an important creativity dimension with measures of effectiveness. In sum, we maintain the definition of meaningfulness as generally theorized in the creativity literature, and do not include the notion of connectedness.

Finally, *Figure 1* outlines the proposed dimensions of advertising creativity.



#### Figure 1. Hypotheses: Dimensions of Ad Creativity

#### 2.3 EFFECTS OF AD CREATIVITY (I)

Advertising effectiveness reflects the extent to which advertising achieves its objectives. Many such effects are linked in a sequential chain of steps—e.g. brand awareness, knowledge, favorable attitude, preference, and intentions— which ultimately lead to purchase or repurchase. However, not all advertising has the main objective to stimulate overt action. For example, products in different markets or at different points in the life cycle may differ markedly in

what advertising effects are prioritized, whether direct action or long-term behavioral attitudes (Lavidge and Steiner 1961; The Association of Swedish Advertisers 2005, p. 11).

Eastlack and Rao (1986) claim that advertising creativity is far more important than actual spending rates or patterns. They argue that "effective advertising creative" can move a brand into a new competitive structure, possibly permitting significantly higher prices. Others maintain that creativity "pushes the message into viewers' minds" (Kover, Goldberg, and James 1995). Researchers generally hold advertising creativity to be very important, and certain studies have indeed examined the relationship between creativity and effectiveness. However, these studies are in relatively short supply, and in some cases present findings that are inconclusive or that contradict other studies (Stone, Besser, and Lewis 2000; Koslow, Sasser, and Riordan 2003; El-Murad and West 2004). We will now propose several possible effects of ad creativity, and develop hypotheses as to how ad creativity may affect each.

#### 2.3.1 Ad and Brand Attitude

In consumer behavior literature *attitude* is defined as "a person's consistently favorable or unfavorable evaluations, feelings, and tendencies toward an object or idea" (Kotler 2007). As implied by this definition, attitudes are generally considered stable over time (Mitchell and Olson 1981; Machleit, Allen, and Madden 1993; Blackwell, Miniard, and Engel 2005). Holding a favorable attitude toward a good or service is one major prerequisite for consumers to hold a favorable purchase or consumption intention toward it (Blackwell, Miniard, and Engel 2005). *Brand attitude* ( $A_b$ ) is the consumer's overall evaluation of a brand, and often forms the basis of consumer behavior (Wilkie 1986; Keller 1993). *Attitude toward the advertisement* (a.k.a. *ad attitude*) ( $A_{ad}$ ) is the consumer's evaluative response to an ad during a particular exposure occasion (MacKenzie, Lutz, and Belch 1986). Importantly, ad attitude has been shown to mediate the advertisement's effect on brand attitude, such that  $A_{ad} \rightarrow A_b$  (Mitchell and Olson 1981; Shimp and Yokum 1982; MacKenzie and Lutz 1983; Moore and Hutchinson 1983; Park and Young 1986; Gardner 1985;

MacKenzie, Lutz, and Belch 1986; Homer 1990; Miniard, Bhatla, and Rose 1990; Brown and Stayman 1992; Chattopadhyay and Nedungadi 1992). The effect of ad attitude on brand attitude has been demonstrated to operate both directly and indirectly through its effect on brand cognitions (MacKenzie, Lutz, and Belch 1986; Homer 1990; Brown and Stayman 1992). In addition, it holds for both central and peripheral processing (Miniard, Bhatla, and Rose 1990) and is relevant for both low and high involvement product categories as well as high knowledge/importance and low knowledge/importance consumer segments (Gardner 1985).

MacKenzie and Lutz (1989) present a number of antecedents to ad attitude, among them ad execution. A creative ad execution thus holds the potential to positively affect attitudes (ibid.). To support this, Smith and Yang (2004) argue that creative ads may produce significantly more favorable cognitive and affective responses based on the value of divergent stimuli. Furthermore, research has shown that consumers possess internal dispositions related to creativity. For example, novelty seeking, variety seeking, incongruity seeking, exploratory drive, innovative proneness, and exploration "erg" are all examples of consumers seeking divergent stimuli (Smith and Yang 2004). There is also strong evidence from social psychology that consumers can be expected to appreciate creative ideas (Guilford 1967). Additionally, under the lower levels of involvement typical of most advertising exposure (Krugman 1965), ad creativity may work as a peripheral cue with significant effect on ad and brand attitude (Petty and Cacioppo 1986).

Some studies have tried to establish the link between advertisement creativity and attitude (Kover, Goldberg, and James 1995; Lee and Mason 1999; Ang and Low 2000; Stone, Besser, and Lewis 2000; Till and Back 2005; Ang, Lee, and Leong 2007). Many of these, however, have important caveats or produce differing results. Also, their research designs have invariably been experimental, and thus arguably have sacrificed realism. Kover, Goldberg, and James (1995) found that ads classified as creative by consumers also produced the strongest liking and purchase interest. Unfortunately, their test had limited statistical significance. Lee and Mason (1999) showed that unexpected advertisements, if also relevant, are more favorably evaluated than expected ones. However, the authors provide no explicit reference to creativity. Ang and Low (2000) found that the novelty dimension of creative ads contributed to higher ad attitude and brand attitude, with the strongest effect for unexpected, relevant, and positive-feeling ads. This study relied solely on a student sample for measuring creativity, a method that has raised significant concerns (Kover, Goldberg, and James 1995; White and Smith 2001; Till and Baack 2005). Stone, Besser, and Lewis (2000) linked advertisement creativity to likeability, but in relatively simple terms. Finally, Till and Baack (2005) studied television commercials, equating creative to award winning, but found no significant effect of creativity on brand attitude. Research and intuition suggest that the unexpectedness of novel ad execution would cause greater arousal, more elaborate processing, and in the end more favorable evaluations (Ang and Low 2000), i.e. ad and brand attitude. Additionally, meaningful, humorous, positive, and well-crafted elements of ads should all work to promote favorable attitudes toward the ad, with certain effects spilling over to the brand. In spite of this, the mixed findings above call for a more comprehensive study of the effects of ad creativity on attitudes. Based on the theoretical foundation laid out, we hypothesize the following:

H2a: Ad attitude will be greater for creative ads than for
non-creative ads
H2b: Brand attitude will be greater for creative ads than
for non-creative ads

#### 2.3.2 Brand Interest

Machleit, Allen, and Madden (1993) contend that research on attitudinal constructs generally has had an implicit focus on unfamiliar brands. For familiar brands, such as Coca-Cola, McDonald's, and Nike, when brand attitude already is well established, a boredom factor can arise even when the attitude is positive and the brand is providing adequate satisfaction. Accordingly, advertising that simply reinforces this attitude cannot be expected to provide as strong a motivational "push" to action as advertising that revives interest in the brand. This is especially relevant when fostering repeat purchasing as opposed to trial behavior. *Brand interest* is defined as "the base level of approachability, inquisitiveness, openness, or curiosity an individual has about a brand" (Machleit, Allen, and Madden 1993).

Machleit, Allen, and Madden (1993) maintain that their conceptualization of brand interest is consistent with approach, exploration, and "creative encounter" (p. 73). Advertising should strive for more than to increase brand awareness, and humorous advertising may not be sufficient. Novel and atypical methods are needed to create an ample affective reaction and thereby revive interest, especially for familiar brands (Machleit, Allen, and Madden 1993). Indeed, one study of agency creatives indicated that sameness among brands has been a key reason for improving creativity in recent years (Reid, Whitehill King, and DeLorme 1998). Creative advertising is novel by definition and so should be expected to enhance brand interest to a greater extent than noncreative advertising. And the meaningfulness dimension seems reasonably important when promoting repeat purchasing. We therefore hypothesize:

H2c: Brand interest will be greater for creative ads than for non-creative ads

#### 2.3.3 Purchase and WOM Intentions

One of the most important skills of a successful company is the ability to predict the behavior of its customers. One way of forecasting, e.g. future sales, is by looking at past behavior (Blackwell, Miniard, and Engel 2005). However, due to the fact that behavioral patterns change over time, the prevalent theoretical model of predicting behavior is to look at intentions (Warshaw 1980; Söderlund 2001; Blackwell, Miniard, and Engel 2005). Intentions are "the subjective judgments about how we will behave in the future" (Blackwell, Miniard, and Engel 2005). A number of studies have demonstrated that intentions have an explanatory effect on actual behavior (Juster 1964; Stapel 1968; Howard and Sheth 1969; Granbois and Summers 1975). But the intentions– behavior model has been shown to have some imperfections (Belk 1985; Cote, McCullough, and Reilly 1985; Notani 1998; Söderlund 2001; Dahlén and Lange 2003; Till and Baack 2005). Belk (1985) refers to several studies that show certain degrees of discrepancy between consumers' intentions and their true behavior. However, much can be done to improve the result (ibid.) and despite these limitations the intention–behavior model is generally regarded as the best method of predicting actual behavior (Dahlén and Lange 2003; Blackwell, Miniard, and Engel 2005).

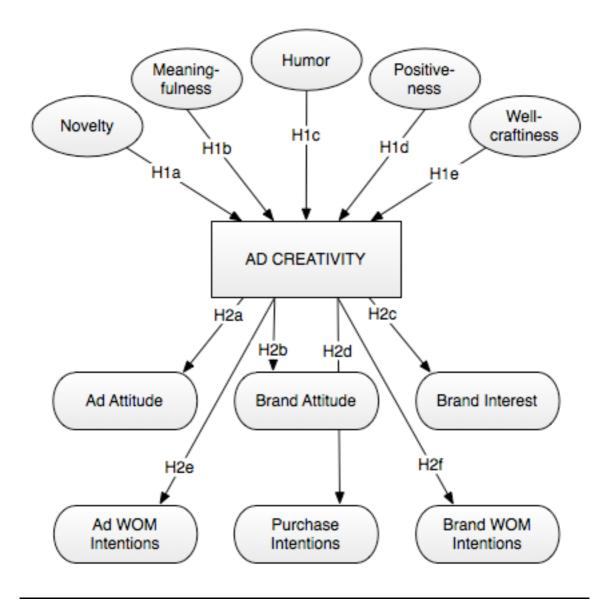
In a previous discussion we hypothesized that creative advertising should lead to more favorable ad and brand attitudes. As brand attitude promotes purchase intentions (Notani 1998; Dahlén and Lange 2003), this means creative advertising should result in greater purchase intentions. There might be direct effects of ad creativity on purchase intentions as well. For example, ad meaningfulness might illuminate the brand's link to consumer needs. And ad novelty might bring the offering into new light, moving previously neutral consumers to "want" the product. Ang and Low (2000) in fact found that unexpected, relevant, and positive advertisements (i.e. creative ads by their definition) have the highest positive impact on purchase intentions. The authors relied on a student sample and used an experimental research design with a mock-up ad as stimuli. We aim to extend the general applicability of theory in this regard—backed by a set of real-life ad campaigns and a large panel of consumer respondents, we set up the following hypothesis:

H2d: Purchase intentions will be greater for creative ads than for non-creative ads

Beside the prediction of purchase behavior, much attention has been drawn to the measurement of word-of-mouth (WOM) intentions. Research shows that WOM, "the informal transmission of ideas, comments, opinions, and information between two people" (Blackwell, Miniard, and Engel 2005), has an indirect positive effect on the performance of the firm (Dichter 1966; Gremler & Brown 1999; Söderlund 2001; Reichheld 2003). One might expect a creative ad to offer more talk fodder than a non-creative one, as people should be more prone to talk about divergent or humorous experiences. In addition, it should be easier to convey meaningful elements. Last but not least, both positiveness and well-craftiness ought to vouch for a more pleasant message, or at least reduce the effort needed to process and pass it on. In the case of creative advertising, as opposed to creative product development, the effect should be largest on ad WOM intentions, yet also affect brand WOM intentions. Also, it is not unlikely that a strong enough ad attitude would increase word-ofmouth intentions. If creative advertising results in greater ad attitude, as reasoned above, then WOM intentions should be promoted by an indirect effect as well. In sum, we present the following hypothesis:

> H2e: Ad WOM intentions will be greater for creative ads than for non-creative ads
> H2f: Brand WOM intentions will be greater for creative ads than for non-creative ads

*Figure 2* outlines the dimensions of advertising creativity and the effects of ad creativity hypothesized so far.



#### Figure 2. Hypotheses: Effects of Ad Creativity (i)

#### 2.4 EFFECTS OF AD CREATIVITY (II)

The effects discussed so far all stem from the classic advertising hierarchy-ofeffects. In an effort to further extend the knowledge of creative advertising, we will factor in also the perceived ad expenditure and effort, the role of general advertising attitude, the sales value impact of ad creativity in relation to media expenditure, as well as the relevance of creativity awards.

#### 2.4.1 Perceived Ad Expenditure and Effort

Ambler and Hollier (2004) find that perceived advertising expenditure enhances the consumer's perception of the brand. The portion of advertising expenditure that may be perceived by the target market, but which adds nothing to the functionality of the advertisement—that is, understanding the message or its persuasiveness—is referred to as "waste." This perceived extravagance of an ad contributes to its effectiveness by increasing credibility. This theory draws especially on the "Handicap Principle" in biology: animals use wasteful characteristics to signal their exceptional biological fitness. The authors maintain that excesses in advertising work in a similar way by signaling "brand fitness." They find that perceived ad expenditure is a strong indirect predictor of brand choice, through its influence on perceptions of brand quality. Interestingly, consumers tend to overestimate the amounts of advertising expenditures (Scipione 1997). The conclusions of Ambler and Hollier agree with those of Kirmani and Wright (1989) as well as Homer (1995). In addition, the latter tested perceived advertising effort, i.e. perceptions of "the amount of advertising effort expended by an advertiser," and found that it too positively influenced perceived brand quality.

A lower actual level of ad expenditures might very well be compensated for by creative ad execution, adding to its perceived expenditure. As described above, creativity "has meaning beyond the sum of the parts"—it "provides a synergistic effect" (White and Smith 2001) which may well boost the ad's perceived expenditure and effort. Such a relationship would implicate that ad creativity indirectly promotes the advertised brand's perceived quality. It's worth noting that while we do not measure perceived brand quality in this study, it should be a direct predictor of brand attitude and purchase intentions, which we do measure. In summary, we hypothesize:

> H2g: Perceived ad expenditure will be greater for creative ads than for non-creative ads

H2h: Perceived ad effort will be greater for creative ads than for non-creative ads

#### 2.4.2 General Advertising Attitude

Obermiller, Spangenberg, and MacLachlan (2005) note how the increase of ad skepticism makes it harder to inform and influence consumers through advertising. As one would expect, consumers with a generally negative attitude towards advertising would tend to evaluate any given ad less favorably than would the general public. However, the authors find that people with a negative general advertising attitude tend to be more positive towards advertising with emotional appeals, and less influenced by their general adverting attitude for products that are of interest to them. Some contrary conclusions have surfaced, e.g. MacKenzie and Lutz (1989) who found that advertising attitude had very little or no effect on ad attitude, since the specific ad or situation tends to dominate ad evaluation. Also, Friberg and Nilsson (2006) established that for ads in traditional media there is no significant difference in ad attitude between consumers with a negative general advertising attitude and the total population. But they did show that choosing a creative advertising medium significantly raises ad attitude compared to using traditional mediaand the increase is lesser for consumers with a more negative general advertising attitude. Clearly, more research about the role of general advertising attitude is needed. It's conceivable that advertisement creativity would work to mitigate the negative effect of higher skepticism, as does emotional appeal and product involvement (Obermiller, Spangenberg, and MacLachlan 2005). For this reason we hypothesize that although consumers with a general advertising attitude will evaluate ad attitude and the like lesser, creative advertising will be more effective among this group as well.

H2i: Consumers with a negative general advertising attitude will evaluate advertising objectives lesser, but among them creative ads will achieve greater objectives than non-creative ads

#### 2.5 MEDIA EXPENDITURE AND SALES VALUE

To break through the clutter of competing ads, many businesses resort to larger or longer-running ad campaigns (Pieters, Warlop and Wedel 2002). Leaders in advertising spending suffer less from consumers confusing their brand with those of competitors (Brengman, Geuens, and De Pelsmacker 2001). Media expenditures may also strengthen sales and market share by increasing brand salience in a particular category (Miller and Berry 1998). Schroer (1990) believes advertising spending to be a key factor behind the larger market share of leading firms. As a case in point, Wilcox (2001) found a positive relationship between total brand advertising expenditures and brand market share from 1977 to 1998 for eight U.S. brands of beer.

However, this strategy is expensive: to successfully raise market share ahead of similar competitors, most firms would need to at least double its main rival's outlay and maintain this level for years (Schroer 1990). Few firms have the ability to outspend competition to this extent. And most businesses face challenges in achieving cost-effectiveness at any level of spending. Indeed, most advertising is believed to fail meeting its objectives (Rogers 1995; El-Murad and West 2003). In the case of new product introductions, an estimate 70–85% fail (Iyer, LaPlaca, and Sharma 2006); empirical evidence points to marketing as a key factor behind this (Calantone and Cooper 1979). Some researchers have therefore shifted focus from ad spending to ad execution, from share of voice to "share of heart" (El-Murad and West 2003). For example, Eastlack and Rao (1986) promote the creative component of advertising, claiming it to be far more important than actual spending rates or patterns. Kover, Goldberg, and James (1995) believe creativity "pushes the message into viewers' minds."

Pitched against well-funded campaigns, which are promoted by frequency and breadth of ad exposures, we propose that creative advertising has three main advantages. First, we have demonstrated that creative ads are more effective in promoting brand attitude, brand interest, and purchase intentions in each exposure to an ad. Second, because creative ads are more novel and meaningful, and perhaps more humorous, positive, and well-crafted, they should have more "staying power" with consumers. Indeed, creative ads have been shown to be more memorable (Pieters, Warlop and Wedel 2002). To compete, non-creative campaigns need to be exposed more frequently, and well-funded campaigns certainly are. They would therefore tend to induce more negative wear-out over time (Blackwell, Miniard, and Engel 2005). Third, because creative ads generate stronger ad and brand WOM intentions, they should have greater "sharing power" with consumers. Even though greater expenditure buys exposure in more media channels and thus potentially among more consumers, a creative ad campaign may compete by more productively spreading its message through WOM, a source of demonstrated effectiveness (Dichter 1966; Gremler & Brown 1999; Söderlund 2001; Reichheld 2003) and credibility (Blackwell, Miniard, and Engel 2005). The question is which advantage-effectiveness, staying power, and sharing power, or greater scale and scope of ad exposure—is dominant in the aggregate.

The notion of an idea overpowering might is a classic one, echoing throughout art and history. In the words of Victor Hugo, an "invasion of armies can be resisted, but not an idea whose time has come." One finds a body of research on advertising creativity; a central aim of this thesis is to ascertain its effectiveness. However, no study has empirically tested the effect of creativity in relation to media expenditures. Media expenditure is an absolute measure, which is dependent on product category. It will therefore be tested within each of the three largest categories. We propose that in each category:

> H3a: Advertising creativity will contribute to advertising objectives no lesser than media expenditure

Up until now we have reviewed a number of psychological advertising objectives, all prevalent in research and business practice. One effect measure remains, however, as it deserves special attention. While several studies have linked advertising creativity to the psychological hierarchy-of-effects (Lavidge & Steiner 1961), there is currently no research relating advertising creativity to actual sales value. Assuming that advertising creativity positively influences the hierarchy-of-effects, as hypothesized—strengthening notably ad and brand attitude, brand interest, and purchase intentions, which in turn have been shown to predict consumer behavior and thus sales value (e.g. Blackwell, Miniard, and Engel 2005)—then advertising creativity should, to some degree, positively influence sales value. Such a link would prove to be a novel and quite valuable discovery. Like media expenditure, sales value is an absolute measure, dependent on product category. It will be tested together with media expenditure within each of the largest categories. We hypothesize that in each category:

H3b: Sales value growth will be greater for creative ads than for non-creative ads

#### 2.6 CREATIVITY AWARDS

The main reason for studying and improving advertising creativity is to affect consumer behavior. Consumers' judgment of creative advertising is instrumental as "domain-specific knowledge" to this end (White and Smith 2001). For this reason, consumers take center stage in our analysis. Still, professional judgments may be interesting in their own right; in this thesis we took the opportunity to account for these as well, through a special industry panel.

Among professional judgments, the case of ad creativity awards deserves special review. Award shows are highly regarded and quite likely trendsetting in the advertising community. They have been used to recognize creative advertising for decades; an estimate 500 advertising award shows run worldwide each year (Till and Baack 2005). They vary from small, focused awards within certain categories, to attention-grabbing spectacles such as the Cannes Lions or the Clios. Furthermore, creativity awards are key to several studies on advertising creativity. Indeed, many have defined creative advertising through award-winning campaigns (e.g. Kover, Goldberg, and James 1995; El-Murad and West 2003; Till and Baack 2005).

Award show juries are for the most part made up of leading advertising agency creatives, most often with a certain number of awards won. This is interesting, as creative professionals have been shown to view creativity differently from other groups. Firstly, they tend to uphold creativity as significant in its own right (Helgesen 1994; Kover, James, and Sonner 1997). Secondly, they place disproportionate emphasis on originality and artistry in creativity (Koslow, Sasser, and Riordan 2003).

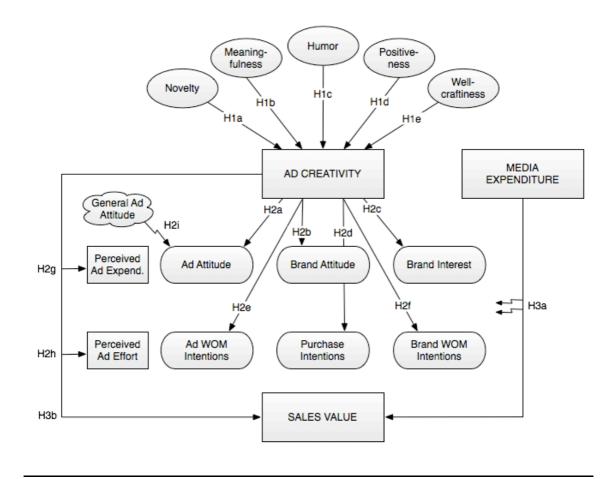
For these reasons, perhaps, advertising awards have been criticized as being too industry-specific (Kover, James, and Sonner 1997; White and Smith 2001). They have even been called "beauty contests" (Moriarty 1996). One might therefore ask: would the general consumer agree with award show juries and judge award-winning ads as more creative? Even if one holds creativity as important in its own right, a significant difference in judgment would undermine the public relevance and applicability of award show outcomes. Well, advertising award juries are after all still made up of regular people, all of them consumers themselves; their definition and evaluation of creativity should not sway too much from non-professionals. This is analogous to why a comedian in the audience at a colleague's show would lack reason to laugh any more or less than, say, a schoolteacher. Still, one study concluded that advertising professionals and the general public do judge ad creativity differently (White and Smith 2001). However, out of the dimensions testednovelty, meaningfulness, and well-craftiness-only the latter was in fact judged differently. So "the jury is still out" in the matter. We hypothesize:

H4a: Consumers will perceive creativity-award winning ads as being more creative

Consider also that, in comparison with account managers and advertisers, creative professionals are generally less risk-averse (El-Murad and West 2003, p. 658) as well as more open to major changes in strategic direction (Koslow, Sasser, and Riordan 2003, p. 108). They prefer originality and artistry to the strategic dimensions of creativity (Koslow, Sasser, and Riordan 2003). Some creative professionals even contend that creativity equals effectiveness (Kover, Goldberg, and James 1995). The Advertising Association of Sweden, which hosts the ad creativity award show Guldägget, exemplifies this position by claiming that "creative advertising is profitable" (Reklamförbundet 2007). There is no denying that the objective of advertisers is advertising effectiveness. Yet, while creative professionals espouse the effectiveness of ad creativity, their top-heavy emphasis on originality, artistry, and risk-taking raises a second question: are award-winning ads really more effective than other ads? For all the reasons we have hypothesized that ad creativity should increase ad measures of ad effectiveness, and that consumers should judge ad creativity similar to professional juries, award-winning ads would tend to be more effective. Some effect measures have previously been tested with award-winning ads. Kover, Goldberg, and James (1995) found that winners of the One Show creativity award elicited greater "purchase interest," although with a limited respondent sample. Till and Baack (2005) found that Communication Arts winners garnered greater unaided recall, but not aided recall or purchase intent, nor brand or ad attitude. The results call for further study:

H4b: Advertising objectives will be greater for creativity award-winning ads than for other ads

*Figure 3* summarizes the main hypotheses developed from theory.



#### Figure 3. Hypotheses: Effects of Ad Creativity (ii) and More

## 3. Method

"Whatever is common is despised."

- Dr. Samuel Johnson, 1758

#### **3.1 INITIAL WORK**

We held start-up discussions with experienced advertising agency professionals and marketing researchers, among them Anna Romson, Creative Director at Leo Burnett and Cannes Lions jury member, Ulf Enander, CEO of SWE, and Micael Dahlén, Professor at the Stockholm School of Economics. This led us to focus on the often problematic and questioned link between advertising creativity and advertising objectives, such as attitudes, intentions, and sales.

As part of the initial work we then conducted an exhaustive review of research on the subject, which was summarized in a meta-analysis of 24 major studies of creativity. To our surprise we found that definitions of creativity differed substantially, especially within the field of advertising. Also, research was generally limited to experimental research designs, which we wanted to move beyond in the interest of general applicability and to be able to introduce data on media expenditure and sales. Furthermore, there has been some disagreement on which of the possible groups of judges is most appropriate, yet most studies have employed only one. We believe it's necessary to focus and do so on consumer judges, although we test the judgments of ad agency professionals and creativity awards as a reference. After discussions with our advisor and meetings with representatives from the Advertising Association of Sweden (Pia Grahn Brikell, CEO) and the Association of Swedish Advertisers (Elisabeth Thörnsten, Information Officer) we decided on the problem area and purpose of the thesis.

#### **3.2 RESEARCH DESIGN**

Since our study built on previous research and the aim was to test specific hypotheses and examine relationships between creativity and effectiveness variables we chose a conclusive research design (Malhotra 2004, p. 76). This choice was also supported by the clear definition of sought-after information and the large and representative sample in the experiment (loc. cit.). We aimed to test both established and, from literature, proposed theories with quantitative research, and draw conclusions and discuss managerial implications. This also called for a conclusive research design (ibid., p. 75–76).

To be able to test how creativity ratings correlate with quantifiable effect measures, and compare different groups' ratings, we chose to conduct a quantitative study. As mentioned in Malhotra (2004, p. 137) quantitative research is recommended as complement to qualitative data and necessary when the aim is to make generalizations through statistical analysis. A quantitative study gave us the opportunity to answer the proposed hypotheses and draw significant conclusions. The first question to address was how many and which advertisings campaigns to include in our study. Secondly, we needed to examine the possible groups of creativity judges and decide on which to focus in our main testing.

#### 3.2.1 Campaign Period

The first thing we had to decide on was from which period of time the campaigns were to be selected from. In addressing a relevant time period for advertisement campaigns, there is some trade-off between using up-to-date material on the one hand, and obtaining a large and representative campaign sample on the other. There is also the issue of natural time lag in the production and collection of relevant sales data. Too recent campaign would not have had a measurable effect on the market and therefore analysis of the market impact would have been impossible. The authors discussed the timeline among themselves and with representatives of the Adverting Association of Sweden and the Association of Swedish Advertisers, as well as creatives and strategists from a number of advertising agencies. The balance was struck by basing most of the initial selection on campaign material applying to Guldägget and 100-Wattaren for the years 2006 and 2007. The former is a pure creativity contest, while the latter combines creativity and effectiveness. This delimited the potential campaigns to the period from January 2005 through May 2007. This sizable pool of ad campaigns represents considerable diversity in both execution and associated market performance. We performed tests of the final selection of twenty campaigns to see if the age difference of campaigns would skew results. A t-test between the earliest and latest half of campaigns as well as a linear regression confirmed that the time period had insignificant impact on perceived creativity.

## 3.2.2 Campaigns

We aimed to depart from the experimental research design predominant in prior studies on the effects of advertising creativity. A non-experimental design, based on a selection of actual advertising campaigns, affords greater realism to data and findings. We needed to find real campaigns where we could get access to representative advertising material along with data on media expenditure and sales value growth.

In the first phase we amassed a set of over 300 advertising campaigns, mostly based on applicants to advertising award shows Guldägget and 100-Wattaren. Basing the initial campaign set on applicants to creativity awards automatically rids it of campaigns failures. Failures, although interesting subject matter by themselves, and often the focus of case studies (what went wrong?), are outside the scope of this study. We question the ability of failed ads to show effects of relevance to our purpose, and the risk of external factors intervening is markedly higher. Finally, the base set spun across a large number of product categories, media, budgets, and periods, as well as retaining a great spread of apparent creativity.

In the second phase we delimited the material by excluding B2B and public service campaigns, in line with our delimitation on consumer advertising. Further, campaigns deemed to target a market too local were not included. Lastly, a few campaigns exhibited special external circumstances and were thus excluded (e.g. a skiing resort where success or failure might completely depend on each winter's weather conditions). From this phase remained the following material: 53 campaigns from 100-Wattaren 2006, 34 campaigns from Guldägget 2007, and 12 campaigns from Guldägget 2006. To be able to draw general conclusions and to minimize stimulus-specific effects we choose to include 20 campaigns in our study. This was also the quantity that balanced the wish of including a high number of campaigns and a high number of responses per campaign, as the limit of the study initially was set to 4,000 respondents.

In the third phase we started to contact advertisers and advertising agencies to get campaigns with suitable advertising material along with sales and media expenditure data. To make sure that respondents would be presented with a representative media sample of each selected campaign, we focused on campaigns that were dominated by one single media choice. We also delimited our selection to established brands, and excluded entirely new launches. This was important both because we wanted to measure sales in percentage increase and since the novelty rating should focus on the advertising, not new product launches. This also led to the choice of focusing on brands that are at least somewhat familiar to respondents. Our aim was also to include a number of campaigns that had been nominated to or actually had won a creativity award, to be able to test the public relevance of this form of creativity judgment. In the final selection of 20 campaigns, 4 winners of Guldägget and 5 winners or nominees of 100-wattaren are represented.

Yet awards are no definite, end-all proof of creativity or lack thereof. Nonaward-winning adverting can be highly creative and previous research emphasizes that ad creativity should be judged not dichotomously but rather on a scale (Haberland and Dacin 1992). We used a scale of 1–7 and, when choosing which additional campaigns to include alongside those pertaining to the award shows, aimed to arrive at a final selection of ads with a wide apparent range of creativity. The mean of all creativity ratings were in fact 4.33, ranging from 3.40 to 5.66, on a scale of 1–7. This indicates a good distribution between creative and non-creative ads (out of 4,398 responses, 280 were 1-ratings and 434 were 7-ratings).

#### 3.2.3 Advertisement Media

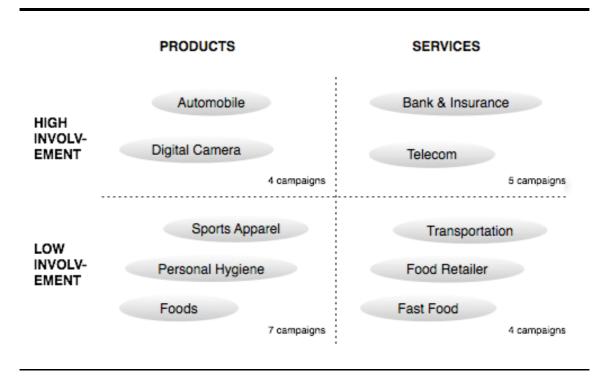
Advertisement campaigns in the initial set were either focused on one ad medium, such as television or print, or built on a mix of media. The latter was the predominant case. The survey panels at our disposal did not technically limit us to only, say, print ads; we had the ability to test executions of television, print, and outdoor advertising. This freedom had important methodological gains. It promoted our aim to execute a realistic, non-experimental research design. The ability to test our hypotheses across a real-life spectrum of media contributes to the external validity of findings (Malhotra 2004, p. 209). Furthermore, it minimizes distortion from the potential idiosyncrasies of any one medium. Of course, from campaigns using a mix of media we selected only one element for inclusion in the panel surveys, to avoid respondent fatigue. In those cases, our selection criteria was firstly based on the predominant element (recall that in the third phase of campaign selection we focused on those dominated by one single media choice) and secondly on arriving at a broad spectrum of media in the final campaign set. Out of the 20 campaigns finally chosen, 7 were represented with a movie and 13 with images.

#### 3.2.4 Product Categories

There are benefits both to focusing on one or a few product categories and to using a large number of categories. The former maximizes comparable sales and media expenditure data and the latter maximizes stimulus sampling (minimizes distortion) along with the ability to generalize (external validity). We chose the latter as our main purpose is to study the psychological dimensions and effect measures of ad creativity. Also, the difficulty in attaining high-quality advertisement media and sales data from advertisers and ad agencies limited our freedom to the advantage of this approach. The final collection of campaigns spreads over ten different categories with Bank & Insurance and Foods as the largest ones, consisting of four campaigns each.

Bank & Insurance	4 campaigns	Fast Food	1 campaign
Foods	4 campaigns	Personal Hygiene	1 campaign
Automobile	3 campaigns	Digital Cameras	1 campaign
Food Retailer	2 campaigns	Telecom	1 campaign
Sports Apparel	2 campaigns	Transportation	1 campaign

We also wanted our campaigns and categories to represent different types of purchase behavior. Hence, in addition to the customary distinction between products and services we introduced the level of involvement to our selection. This is a common way of defining different types of purchase decision processes (Blackwell, Miniard, and Engel 2005). The distinction contributes to a greater variety of stimulus sampling and as *Figure 4* shows our selection of campaigns spreads across products and services and offerings of low to high involvement.



## Figure 4. Distribution of Product Categories

## 3.2.5 Creativity Judges

Previous studies have varied in their views of who is the most appropriate judge of advertising creativity—whether *award-show juries* (Kover, Goldberg, and James 1995; El-Murad and West 2003; Till and Baack 2005), *advertising agency creatives/strategists* (Reid, King, and DeLorme 1998; White and Smith 2001; Koslow, Sasser, and Riordan 2003), *advertisers* (White and Smith 1992), or *consumers* (typically through undergraduate student samples) (Besemer and O'Quin 1986; Haberland and Dacin 1992; Lee and Mason 1999; Ang and Low 2000; Stone, Besser and Lewis 2000; White and Smith 2001; Pieters, Warlop and Wedel 2002).

The choice is not directly obvious, as the groups have different objectives and approaches to advertising creativity, and consequently may hold different perceptions of it. In advertising agencies, account executives and strategists are focused on fulfilling the client's communications goals, e.g. building brand awareness and creating favorable attitudes. The advertisement is viewed as a means to execute a given marketing strategy and achieve its market communications objectives towards consumers. Account executives have therefore been shown to prefer a strong strategy component to creativity (Koslow, Sasser, and Riordan 2003). Creatives in advertising agencies, however, might aim to demonstrate their own creative talents and express their own aesthetic viewpoints. As a result, creatives focus more on originality and artistry in determining creativity (ibid.). Some creatives even feel that creativity equals effectiveness (Kover, Goldberg, and James 1995). Creatives have also been shown to be less risk-averse than the account management team and their clients, the advertisers (El-Murad and West 2003, p. 658).

In the end, professional judgments of advertising creativity—most commonly made by agency creatives—are no guarantee that the advertising will be successful (Kover, James, and Sonner 1997; Stone, Besser and Lewis 2000). Consider the study by Stone, Besser and Lewis (2000), which showed that while 70 percent of the advertisements that consumers liked and remembered was classified by trained judges as creative, 47 percent of strongly disliked advertisements was also classified as creative by the judges. "Creative" ads that do not promote advertising objectives, or even spoil these, arguably make up a useless or even bizarre notion to marketing research and practice. Instead, Altsech (1995) promotes the consumers' judgment of creative advertising to be important and relevant as "domain-specific knowledge" (White and Smith 2001). Indeed, the main reason for studying and improving advertising creativity is to affect consumer behavior. In other words, consumers, rather than experts, "may have the last word" (White and Smith 2001). Consider also that meaningfulness is generally held to be a necessary criterion for advertisements to be creative (e.g. Sternberg and Lubart 1999; El-Murad and West 2004). In the context of advertising objectives—to affect consumer beliefs and behavior-it makes most sense to test whether ads are meaningful to the needs and expectations of target consumers, rather than to those of agency creatives. For these reasons, we opted to build the main sample of creativity judgments from consumers, and primarily report creativity findings from this group. However, even though the main analysis were to be based on consumers we wanted to include the judgment of creative professionals and strategists as a reference. We thus tested the same campaign material on consumers, ad agency creatives, and ad agency strategists, and included campaigns that had won creativity awards as well as those that had not. This opened up the possibility to report any key differences in judgment in the analysis and to examine the public relevance of creativity awards.

#### **3.3 SURVEY DESIGN**

After deciding on our research design, which included twenty campaigns and different judges of creativity, we needed to find a survey design that could be implemented in practice. After presenting our purpose and research design to other parties, such as the Advertising Association of Sweden, the Association of Swedish Advertisers, and Nordisk Media Analys (NMA), a Swedish research agency specializing in brand tracking and marketing communication, we decided to conduct two surveys that complement each other.

NMA carried out the first survey. It targeted consumers, testing both advertising creativity and measures of advertising effectiveness and therefore constituted the main study, used to answer our hypothesis. NMA is a wellestablished market research agency with major clients in both industry and academia. The agency guaranteed a random and representative sample of consumers in accordance with academic research practice (see more in *3.3.3.*). The respondents were presented an ad execution, followed by eleven questions testing six creativity dimensions, and fourteen questions testing eleven effectiveness dimensions. To decrease respondent fatigue each person rated only four campaigns (i.e. completed 104 scales/questions in total).

The second survey targeted Swedish ad industry professionals. It was conducted in cooperation with the Advertising Association in Sweden and Market Direction, a company specializing in web based surveys. This study was aimed at obtaining specific creativity ratings from creatives, strategists and advertisers. These ratings worked as a complement to the consumer study and are reported in the analysis only where specific ratings differ from consumers. Through the Advertising Association we could access to 4,273 e-mail addresses to employees within the advertising industry. We chose to delimit the number of campaigns per respondent to four, and respondents were exposed for the same eleven creativity questions used in the consumer survey. Since the sample of respondents in this survey is not representative of consumers in general, the effectiveness questions were wholly excluded from this survey. This also worked to reduce respondent fatigue. To be able to separate the different judges of creativity within the industry survey we included a question where the respondents had to pick one of the four following positions: *creative, strategist, advertiser* or *other*. We also included a question of how many years the respondent had worked in the industry. In total, each respondent completed 46 scales/questions. We used several well-proven methods from Malhotra (2004, p. 355) to improve the completion rate of this survey. To increase respondent motivation the e-mail sender was Pia Grahn Brikell, wellregarded CEO of the Advertising Association of Sweden. The respondents were also offered to get access to survey results. And we used two follow-up e-mails to non-respondents during the two weeks' survey period.

#### 3.3.1 Scales and Measures

We only used structured questions in the survey, mainly because unstructured questions are not suitable for web based surveys but also to decrease interviewer bias and coding time and cost (Malhotra 2004, p. 289). For the questions regarding respondents' position and years of experience in the industry, we chose to use multi-choice questions when there were several possible, mutually exclusive alternatives, and dichotomous questions for tworesponse alternatives. For all creativity and effect questions we used the interval scale, ranging from 1 to 7 with numerically equal distances. The respondent judged different statements or questions using bipolar labels, e.g. positive vs. negative or creative vs. non-creative. Interval scale, or in our case a semantic differential scale, is a well-established measurement technique in the field of marketing research (Malhotra 2004, p. 259), which permits many key statistical analyses.

We followed the recommendations of Söderlund (2005, p. 117) that a low value in the interval scale (1) represent a low degree (bad/negative) and high value (7) represent a high degree (good/positive) of the investigated attribute. The measures were labeled to indicate a great range of the variable from the lowest to the highest point. All bipolar labels were given the same direction, with low values to the left and high values to the right (Söderlund 2005, p. 116). Several questions used a multi-item scale to increase reliability (Söderlund 2005, p. 142). For these questions we performed a test of internal consistency; if Cronbach's  $\alpha$  exceeded 0.7 we created an index of the related measures for use in the analysis (Malhotra 2004, p. 268).

#### 3.3.2 Questionnaire

We started with an extensive review of previous research and made a list of 76 questions or propositions relevant for measuring the variables. We rounded up those formulations most proven in the literature, and took care to make them easy to understand. Wherever possible, we chose to limit the number of questions to minimize respondent fatigue and the risk of response bias (Malhotra 2004, p. 284; Söderlund 2005, p. 179). **Creativity**. The questionnaire starts off with a single-item scale to measure creativity with the pair *creative vs. non-creative*. This is the simplest way to measure creativity and has been used by, e.g. Stone, Besser and Lewis (2000).

**Novelty.** This concept is probably the most acknowledged dimension of creativity (Haberland and Dacin 1992; Andrew and Smith 1996; Ang and Low 2000; White and Smith 2001; Im and Workman 2004) We chose a multi-item scale with three frequently used pairs: *predictable vs. novel, expected vs. unexpected* and *conventional vs. original*. An index was created with a Cronbach's α of 0.921.

**Meaningfulness.** Meaningfulness has long been an accepted dimension of creativity and as such has been included in many studies (Haberland and Dacin 1992; White and Smith 2001; El-Murad and West 2003). We chose a multi-item scale with three pairs from White and Smith (2001): *relevant vs. irrelevant, appropriate vs. inappropriate,* and *adequate vs. inadequate.* An index was created with a Cronbach's  $\alpha$  of 0.886.

**Humor.** Another potential dimension of creativity is humor. We used the proposition *"The ad is humorous"* from Lee and Mason (1999).

**Positiveness.** Ang and Low (2001) presented valence of feeling or positiveness as a possible dimension of creativity. We followed their formulation and asked consumers whether the ad conveyed feelings that were *positive vs. negative*.

**Well-Craftiness**. We used a multi-item scale with two propositions to measure well-craftiness: *well-made vs. botched* and *skillful vs. bungling* from White and Smith (2001). An index was created with a Cronbach's α of 0.938.

Ad and Brand Attitude. For both ad and brand attitude we used a well established multi-item scale with three questions: *like vs. dislike, good vs. bad* and *positive vs. negative impression* (MacKenzie, Lutz, and Belch 1986; Brown and Stayman 1992; Söderlund 2001). Indexes were created with Cronbach's  $\alpha$  of 0.968 and 0.975, respectively.

**Brand Interest.** Three propositions were used: *"I am curious about [brand]", "I would like to know more about [brand]", and "I am intrigued by [brand]"*. Machleit, Allen, and Madden (1993) recommend these questions for measuring brand interest. An index was created with a Cronbach's α alpha of 0.938.

**Intentions.** As described in Söderlund and Öhman (2003) there are three different intention constructs: intentions-as-expectations ("How likely is it…"), intentions-as-plans ("Do you plan…"), and intentions-as-wants ("Do you want…"). Previous research has shown that intentions-as-expectations is best in predicting behavior (Söderlund and Öhman 2003). However, our priority with this measure was not to come as close to predicting behavior as possible, but rather to examine the psychological outcome of the ad. Most ads have the purpose to build favorable attitudes and create loyal costumers over time, and intentions-as-wants is more correlated with consumer variables such as positive affect and motivation (Söderlund and Öhman 2003). Besides, we included actual sales data to represent behavior. Therefore we have chosen the following three questions "*I want to buy [brand]*" to measure the will to recommend a brand and "*I want to talk about [ad]*" to measure word-of-mouth intentions.

**Perceived Ad Expenditure and Effort.** We chose two propositions, corresponding with previous research (e.g. Hornik 1980; Kirmani and Wright 1989; Homer 1995; Ambler and Hollier 2004), *"I perceive the cost behind this ad campaign as — high vs. low"* and *"I perceive the effort behind this ad campaign as — high vs. low"*.

**General Attitude towards Advertising.** To measure the general attitude towards advertising we used the proposition *"I like advertising"* from MacKenzie and Lutz (1989).

#### 3.3.3 Sample

In a final entry to the survey design, we discuss how we went about collecting large and representative enough samples for the two surveys, and how response rates were managed.

**Consumer Survey.** We needed to determine an appropriate sample size, large enough to give us a valid representation of the original population of consumers in Sweden. Malhotra (2004, p. 318) recommends a sample of 150 responses minimum when examining TV or print advertising. After discussions with NMA, which were to conduct the survey, we agreed on a target sample size of 200 responses per campaign. The survey resulted in 4,398 valid responses with at least 200 for each campaign. To get a representative sample of the population NMA used respondents from several different Internet panels (using one single panel could result in a skewed sample) and then confirmed that the total sample was representative of Swedish consumers in terms of age, gender and region. NMA reported a response rate of approximately 80%.

**Industry Survey.** The total population for this survey is defined as professionals in the Swedish advertising industry. To address this population we used a list of e-mail addresses compiled by the Advertising Association of Sweden. The list contained 4,273 e-mail addresses to respondents who, on previous surveys performed by the Advertising Association, had shared that they "in their work directly affected the design of advertisements" or were employed by a member of the Advertising Association (i.e. an advertising agency). Due to the risk of respondent fatigue we divided the total sample into five subgroups with four campaigns each. The first mailing reported 1,318 inactive mail addresses, which leads to an initial sample of 2,955. The survey was active for two weeks and resulted in 2,780 valid responses from 701 respondents (535 complete) for a completion rate of 18.1%.

E-mail surveys tend to have very low response rates (Malhotra 2004, p. 179), but we can't neglect that a low response rate increases the risk of non-response bias (Malhotra 2004, p. 353). Although response rates per se do not indicate whether the respondents are representative of the original sample (Malhotra 2004, p. 353), the situation requires that we estimate the effect of the

response rate. Since the investigated population is highly delimited and we are not able to contact non-respondents, we cannot perform non-response adjustments such as sub-sampling, replacement or substitution (Malhotra 2004, p. 356). To examine whether non-response bias has influenced results, we instead performed a trend analysis and compared early respondents to late ones (Malhotra 2004, p. 357). Respondents during the first week (173 hours) were placed in the first group (n=1,613) and respondents during the following week (173 hours) in the second (n=643). Comparisons of the responses revealed no significant difference between the groups.

**Creativity Judges.** The sample size of the four groups of creativity judges resulted in 4,398 consumer responses, 1,168 creative responses, 760 strategist responses, and 24 advertiser responses. Because of the small size of the advertiser sample we exclude this group from the analysis. The main analysis will be based on the consumer sample and specific insight about differences between groups will be included wherever relevant.

#### **3.4 EXTERNAL MATERIAL AND DATA**

To build the industry and consumer surveys we drew material from several external sources. Firstly, high quality print and television ads were collected directly from advertising agencies, the Guldägget ad bank (Guldägget 2008b), and various magazines. Secondly, sales data was collected mainly from the advertiser or the ad agency that produced the campaign. SIFO Research International provided us with media expenditure data for the chosen campaigns over their periods. The data on media expenditures is straightforward, capturing the aggregate spend over the campaign period. That is, it reflects both the media scope and the duration of spending.

#### 3.5 RELIABILITY AND VALIDITY

Reliability refers to the degree a study produces consistent results if repeated numerous times, i.e. to what extent the study is free from random errors (Malhotra 2004, p. 267). To increase reliability we made an extensive review of previous research to find previously tested questions that investigate the dimensions included in our surveys. We found well-established questions across the board of measures, and when several options were available we chose the one most relevant to our purpose. To translate questions we included the established Swedish equivalent, and if unavailable we tried to make a correct and fair translation. Reliability can also be increased in terms of internal consistency; whenever there were suitable and established alternatives to form a multi-item scale and Cronbach's  $\alpha$  was higher than 0.7 we created an index of the associated measures (Malhotra 2004, p. 268). Cronbach's  $\alpha$  ranged from 0.886 to 0.975, indicating strong internal consistency.

Validity refers to the extent to which differences in observed scale scores reflect true differences among objects on the characteristic being measured, rather than systematic or random error (Malhotra 2004, p. 269). Internal validity is the degree to which our examined effects actually are caused by the presented advertising execution and not by other external factors. We didn't have the possibility to observe or analyze the respondent environment when conducting our survey and therefore it is hard to control if external factors have had any effects on the responses. We made the questionnaire as short as possible to decrease response time and therefore delimit the risk of interruption or other disturbance when completing it. We also clearly stated that the respondents only should take "the advertising you just saw" into account when making judgments about the adverting or brand.

We also need to evaluate internal validity of the external material and data. Unfortunately we must raise some concerns about the collection of external data and the associated potential bias and subjectivity. The sales data comes from the advertiser or advertising agency that produced the campaign. They may be subject to certain bias in choosing which way to evaluate and report the data. We had no opportunity to control how sales data was collected for the different campaigns and even though we have eliminated seasondependent campaigns, campaigns of too small scale, and campaigns that are subject to other special conditions it is most likely that other external factors than the investigated ad execution have had an effect on sales. In addition to internal validity there are other measurements of validity to consider. However, it is important not to make summarized validity estimations for a whole study, but to do these judgments for each single measurement. We have therefore chosen to split our survey and data into four separate sections, which we elaborate on below.

**Dimensions of Creativity.** As mentioned, we did an extensive review of prevalent research and collected a list of all previously used questions measuring creativity and the proposed dimensions thereof. Afterwards we reviewed all different possibilities and evaluated them on how well they covered the dimension being measured. In the cases of novelty, meaningfulness and well-craftiness we also used multi-item scales. Both these methods are well proven and strengthen the content validity of the measures (Malhotra 2004, p. 269, Söderlund 2005, p. 151). We have also evaluated the reasonability of results. Since the dimensions correlate positively with other measures of the same construct and as predicted by theory, we deem convergent and no-mological validity to be satisfactory (Malhotra 2004, p. 269, Söderlund 2005, p. 155).

**Effects of Creativity.** These questions were also included in the review of previous research. For ad and brand attitude as well as brand interest we used well-established multi-item scales, which should vouch for content validity. These measures also showed good convergent and nomological validity when compared to each other and our dimensions of creativity. The three questions of intentions are also well documented and we consider their content validity to be satisfactory even though we only used a single item scale. The results demonstrated good convergent and nomological validity. We didn't use a multi-item scale for the questions about perceived ad effort and ad expenditure, but they are well-established and straightforward in nature.

**General Attitude towards Advertising.** The single question "I like advertising" is also straightforward, but less established. Results, however, demonstrate that it follows theory as predicted, implying good nomological validity. Media Expenditures and Sales Data. When it comes to external data such as that for media expenditure and sales, it is much harder for us to evaluate validity since we have no detailed insight in the collection. However, we have performed extensive evaluation of the results and its correlation with other constructs and theory. Unfortunately, the results show both low convergent validity and nomological validity when compared to other constructs in our study. Even when we analyze single categories, in an attempt to neutralize differences between industries, we find surprising results that contradict theory. Although this could imply that the measurements are erroneous, it is more likely that external factors also affecting the variables are so numerous and varying so as to spoil internal validity. In that case good convergent or nomological validity is hard to achieve.

Finally, we address external validity, which refers to the degree to which the study can be generalized, and to what population, areas, times, settings, and variables (Malhotra 2004, p. 209). Our study used a large sample of the population of Swedish consumers, representative in terms of age, gender, and region, and real consumers instead of students in contrast to most prior studies in the field. For these reasons we judge external validity to be quite high. We also used multiple stimulus sampling: both print and television ads, and product and service categories of low to high involvement. This is more likely to control, by randomization, for other attributes that may inadvertently be elicited by a single stimulus. Multiple stimulus sampling thus further strengthens external validity (Wells and Windschitl 1999).

## **3.6 INSTRUMENTS AND METHODS OF ANALYSIS**

All survey data was collected through Internet surveys and electronically plotted in Microsoft Excel documents, which then were transformed into SPSS files. External data, such as sales, media expenditures, and participation in 100-Wattaren and Guldägget were coded into SPSS by the authors. We used SPSS for all analysis, which includes factor analysis, independent t-test, linear regression and MANOVA (multivariate analysis of variance). When a measure needed to be split in high vs. low values we used a cut-off point to compute two groups. If nothing else is written, the main analysis is based on the consumer sample of 4,398 respondents. We have chosen to accept results only at the 0.1% level of significance.

# 4. Analysis and Results

"Innovation distinguishes between a leader and a follower."

Steve Jobs

In this chapter we report and analyze the results based on hypothesis testing, to determine the main dimensions of advertising creativity and to establish whether it significantly improves several key measures of advertising effectiveness. We complement this by testing if advertising creativity retains effectiveness among consumers with a negative general ad attitude, and whether creativity award-winning ads are perceived as more creative among consumers ers and are more effective than other ads.

## **4.1 HYPOTHESIS TESTING**

As discussed in 3.2.5, the main reason for studying and improving advertising creativity is to affect consumer behavior, and consumers, rather than experts, "may have the last word" in the matter (White and Smith 2001). Consequently, we will report results from hypothesis testing based on the consumer study, and add industry results only in cases they significantly differ.

#### 4.1.1 Dimensions of Ad Creativity

Hypotheses 1a–e address the issue of defining which dimensions influence ad creativity. These were tested by means of linear regressions, where the five independent variables *novelty*, *meaningfulness*, *humor*, *positiveness* and *well-craftiness* were run towards the dependent variable *creativity*, across all consumer responses. Results confirm *novelty* (0.298\*\*\*), *meaningfulness* (0.108\*\*\*), *humor* (0.220\*\*\*), *positiveness* (0.154\*\*\*), and *well-craftiness* (0.187\*\*\*) to be significant in explaining ad creativity. All five hypotheses are accepted at a high level of significance. See *Table 1* for details.

Hypothesis: Dimension	Beta (β)	Decision
H1a: Novelty	0.298 ***	ACCEPTED
H1b: Meaningfulness	0.108 ***	ACCEPTED
H1c: Humor	0.220 ***	ACCEPTED
H1d: Positiveness	0.154 ***	ACCEPTED
H1e: Well-Craftiness	0.187 ***	ACCEPTED

Table 1. Dimensions	of ad	creativity:	linear r	regressions	for H1a-e

*Notes:*  $R^2 = 0.688$ , n = 4,398.

*Significance:* \* p < 0.05; \*\* p < 0.01; \*\*\* p < 0.001.

Results confirm that these five dimensions are capable of explaining advertising creativity as judged by consumers. Each hypothesis is accepted as significant at the 0.1% level. The five dimensions together account for 68.8% of the variation in the measure ( $R^2$ ). This is strong in comparison with previous studies in this field, which lie in the range of  $R^2$  0.16–0.58 (e.g. Andrews and Smith 1996; Reid, King, and DeLorme 1998; Koslow, Sasser, and Riordan 2003). Furthermore, removing any dimension from the model results in a reduced  $R^2$ , suggesting that the dimensions complement one another in influencing creativity.

The regression model based on the industry study has an even greater R<sup>2</sup> (0.819). In other words, unknown variables or inherent variability explain less of the variation in creativity. One reason for this may be that the general public has a lesser-defined notion of advertising creativity. Also of note, for industry respondents, *positiveness* does not significantly influence ad creativity and is thus removed from the regression model. This proves to be valid, as R<sup>2</sup> stays constant upon running the test with the four remaining factors. R<sup>2</sup> is reduced when removing any other dimension from the model. Finally, a t-test revealed no significant differences between creatives and strategists in judging any dimension of creativity.

**Novelty.** Novelty seems the most well accepted dimension of advertising creativity, for many researchers even being the primary criterion. Our regression analysis lends further support to this argument. In line with *H1a*, ads considered more novel are indeed associated with greater creativity. As evident in *Table 1*, novelty's  $\beta$  (0.298\*\*\*) is the highest among the proposed dimensions of ad creativity, suggesting that achieving more novel ad execution indeed has the greatest impact on perceived ad creativity. In fact, the effect of novelty is almost triple that of meaningfulness. Noteworthy is that in the industry study novelty has a considerably greater  $\beta$  than in the consumer study (0.613\*\*\* vs. 0.298\*\*\*), while the other dimensions differ to a lesser extent. This implies that to advertising agency professionals, the novelty dimension plays an even larger part in the extent to which an ad is deemed creative, both in relation to consumer judgment and to the four remaining dimensions.

**Meaningfulness.** While most researchers consider novelty to be essential to advertising creativity, many agree that ad elements must also be meaningful for an ad to qualify as creative. The more unexpected an ad element, the more meaningfulness is needed for consumers to retain the connection to product category needs (e.g. Haberland and Dacin 1992; Ang and Low 2000). *H1b* predicted that greater meaningfulness should strengthen ad creativity, and testing supported this at a high level of significance. Notably, however,  $\beta$  is the lowest among these dimensions (0.108\*\*\*).

**Humor.** Research has proposed humor as a facet of creativity, related to the divergent qualities of ads (Lee and Mason 1999; Smith and Yang 2004). According to *H1d*, the humor level in an ad should positively influence its creativity. This relationship is supported by regression as in fact humor has the second highest impact on creativity ( $\beta = 0.220^{***}$ ).

**Positiveness.** Similarly to the role of meaningfulness, the emotional direction of ad content—positiveness—could help lubricate the acceptance of novel ad elements. *H1c* proposed that higher positiveness should raise perceptions of ad creativity. This was supported by the consumer study ( $\beta = 0.154^{***}$ ). For ad professionals, however, no significant relationship was found between the variables. This might suggest that professionals, experienced by the craft be-

hind the scenes, are not swayed by the conveyance of "mere" positive feelings. To them it is, first and foremost, ad novelty that counts.

**Well-Craftiness.** Quite a few researchers contend that an ad's well-craftiness is also brought to bear on perceived creativity. Indeed, whatever idea lies behind an ad, intuition suggests that one part of the creative element should spring from the ad's attractiveness. *H1e* proposed that more well-crafted ads should garner greater creativity. This was supported by testing as well-craftiness demonstrates high impact on creativity ( $\beta = 0.187^{***}$ ).

#### 4.1.2 Effects of Ad Creativity (i)

In this section we will investigate the impact of ad creativity on advertising effects, namely ad attitude, brand attitude, brand interest, purchase intentions, ad WOM intentions and brand WOM intentions, to answer hypotheses 2a–f. When investigating numerous effects often there is some correlation between the dependent variables, which may cause problems in deciding whether each of them truly is significantly affected by the independent factor. We therefore started testing the effects of ad creativity by running a MANOVA—with ad creativity as a fixed factor and ad attitude, brand attitude, brand interest, purchase intentions, ad WOM intentions and brand WOM intentions as dependent variables—to test hypotheses 2a–f simultaneously. The overall multivariate test (F[36, 4398] = 130.298, p < 0.01, Wilk's lambda 0.384) demonstrates that ad creativity has a significant effect on all dependent variables, which confirms all of these hypotheses as working independently. However, as this is a thesis on the master level, mainly written for and discussed by students, we have chosen to use straightforward t-tests for deciding on our hypotheses. The ttest illustrates differences more clearly and ensures solid and understandable decision-making, which makes it suitable to this end.

To answer hypotheses 2a–f we split the consumer sample in two groups, noncreative versus creative ads. We wanted to examine creative advertising that stands out and therefore we chose a cut off point that place ratings 1–4 in the non-creative and 5–7 in the creative group. This also led to two almost equally large groups, 2,268 and 2,130 which also makes the cut off point suitable. We tested the hypotheses with a t-test for the mean difference between the two groups on the dependent variables *ad attitude, brand attitude, brand interest, purchase intentions, ad WOM intentions* and *brand WOM intentions*. See *Table 2* for details. Hypotheses 2a–f are all accepted, the implications of which is discussed for each effect measure further below.

Hypothesis: Effect	Non- Creative	Creative	Mean Diff.	Decision
H2a: Ad Attitude	3.12	5.21	2.09 ***	ACCEPTED
H2b: Brand Attitude	3.74	4.91	1.17 ***	ACCEPTED
H2c: Brand Interest	2.11	2.88	0.77 ***	ACCEPTED
H2d: Purchase Intentions	2.44	3.19	0.75 ***	ACCEPTED
H2e: Ad WOM Intentions	1.62	2.53	0.91 ***	ACCEPTED
H2f: Brand WOM Intentions	2.34	3.12	0.78 ***	ACCEPTED

Table 2. Effects of ad creativity: t-tes	sts of H2a–g
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Notes: n = Total 4,398, Non-creative 2,268, Creative 2,130.

*Significance:* \* p < 0.05; \*\* p < 0.01; \*\*\* p < 0.001.

To get additional insights and a possibility to interpret the results on all five dimensions of creativity we also ran linear regressions, where the five independent variables *novelty, meaningfulness, humor, positiveness* and *well-craftiness* were run towards a single dependent effect variable across all consumer responses. This was performed for all six effects variables *ad attitude, brand attitude, brand interest, purchase intentions, ad WOM intentions* and *brand WOM intentions*, which resulted in a total of six linear regressions that are horizontally summarized in *Table 3*.

Effect \ Factor	Novelty	Meaning- fulness	Humor	Positive- ness	Well- craftiness	R <sup>2</sup>
Ad Attitude	0.065 ***	0.170 ***	0.289 ***	0.252 ***	0.284 ***	0.84
Brand Attitude	0.110 ***	0.194 ***	0.041 *	0.218 ***	0.157 ***	0.38
Brand Interest	0.048 *	0.262 ***	0.128 ***	0.101 ***	-0.018	0.21
Purchase Intent.	0.068 **	0.205 ***	0.050 *	0.105 ***	-0.025	0.13
Ad WOM Int.	0.104 ***	0.169 ***	0.254 ***	0.021	0.010	0.24
Brand WOM Int.	0.060 **	0.195 ***	0.080 ***	0.107 ***	-0.006	0.14

**Table 3.** Effects of ad creativity dimensions: linear regressions

*Notes:* Summary of six linear regressions in horizontal rows.  $\beta$  values in cells, n = 4,398. *Significance:* \* p < 0.05; \*\* p < 0.01; \*\*\* p < 0.001.

Ad and Brand Attitude. According to theory, advertising creativity is expected to cause arousal, more elaborate processing, and in the end more favorable evaluations (Ang and Low 2000). However, previous studies have produced ambiguous results in trying to establish this relationship. We therefore used our sample of actual advertisements to test the effect on both ad and brand attitudes. The results, displayed in *Table 2*, are unambiguous: more creative ads generate considerably greater consumer ad and brand attitudes (mean difference = 2.09 and 1.17, respectively, at p < 0.1%). Ad attitude is evidently affected to a greater extent, which is intuitive as the creativity judged is that of the advertisement and not the brand. The linear regressions of *Table 3* confirm this: the hypothesized creativity dimensions explain an impressive 84% of the variance in ad attitude ( $\mathbb{R}^2$ ). Still, their effect carries over to explain 38% of the variance in brand attitude.

Among the creativity dimensions, we believed the divergent ones to be dominant in promoting favorable responses among consumers (Smith and Yang 2004). The results are mixed in this respect. For ad attitude, the divergent quality of humor does have the greatest impact ( $\beta = 0.289^{***}$ ). On the other hand, novelty has the least effect on ad attitude (0.065\*\*\*). Well-craftiness (0.284\*\*\*) has an influence comparable to humor, followed by posi-

tiveness (0.252\*\*\*) and meaningfulness (0.170\*\*\*). For brand attitude, however, positiveness (0.218\*\*\*) is the predominant dimension, followed by meaningfulness (0.194\*\*\*), well-craftiness (0.157\*\*\*), and novelty (0.110\*\*\*). The modest effect of humor on brand attitude (0.041\*\*\*) is significant only at the 5% level. Apparently, any entertainment value of an ad promotes attitudes towards the ad but not towards the brand advertised. This is intuitive, much like the melody of a national anthem might move one to better like the anthem, but not the nation. In sum, perceived ad creativity significantly affects both ad and brand attitude; humor in ads raises ad attitude but hardly affects brand attitude; and novelty has limited effect on either.

**Brand Interest.** When advertising familiar brands, a boredom factor can arise even when the brand attitude is positive. Advertising that simply reinforces this attitude cannot be expected to provide as strong a motivational "push" to purchase as advertising that revives interest in the brand (Machleit, Allen, and Madden 1993). Although one might anticipate the divergence of creative advertising to help revive interest in brands, no currently published study has investigated this relationship. We therefore tested whether creative advertising would enhance brand interest to a greater extent than non-creative advertising. The test confirms this relationship at a high level of significance (mean difference = 0.77 at p < 0.1%). The results lend further support to the effectiveness of ad creativity. Interestingly though, unlike we thought, ad novelty has no significant effect by itself when compared to the other dimensions (Ta*ble* 3). The same is true of well-craftiness. Instead, it is meaningfulness  $(0.262^{***})$ , humor  $(0.128^{***})$ , and positiveness  $(0.101^{***})$  that impact brand interest. In sum, ad creativity has a significant effect on brand interest, with ad meaningfulness as the primary driver and humor and positiveness as supporters. This finding is instrumental to the objective of promoting repeat purchasing of established brands (Machleit, Allen, and Madden 1993).

**Purchase and WOM Intentions.** Purchase intention is a well-established predictive measure of actual consumer behavior, e.g. purchase. Theory has shown purchase intentions to be promoted by brand attitude (Notani 1998; Dahlén and Lange 2003), which in turn is affected by ad creativity. Also, one previous study, based on experimental ad execution, has hinted at a direct ad creativity effect on purchase intentions (Ang and Low 2000). We thus hypothesized that ad creativity positively influences purchase intentions, and the result is clearly in agreement (mean difference = 0.75 at p < 0.1%). Besides purchase intentions, advertisement execution may also spark intentions to talk about the ad or brand. Results confirmed our hypotheses that creative ad execution promotes both ad and brand word-of-mouth intentions (mean difference = 0.91 and 0.78, respectively, at p < 0.1%). Apparently, creative ads do offer more to talk about. Also, the spread in mean difference gives preliminary support to our contention that ad WOM intentions are affected to the greatest extent. The linear regressions confirm this: dimensions of creativity explain 24% of the variance of ad WOM intentions, 14% of brand WOM intentions, and 13% of purchase intentions (*Table 3*). This is a consequence liable to testing creative advertising as opposed to creative product development.

When "unbundling" creativity, meaningfulness surfaces as the only dimension to exert both significant and substantial influence on all three types of intentions. This strengthens the problem-solving role of ad meaningfulness, which should illuminate the brand's link to the needs of consumers and thus propel their purchase intentions. As for the effect on WOM intentions, meaningfulness might work to simplify relaying the message. Humor is a great factor for ad WOM intentions, but lesser so for brand WOM intentions and both lesser and less significantly so for purchase intentions. This seems reasonable—a humorous ad is interesting enough to become the topic of conversation, but the effect doesn't extend as well to the brand and in itself drives few consumers to purchase. Similarly, novelty most significantly affects ad WOM intentions, but lesser so than does humor. Interestingly, ad positiveness is significant in affecting brand WOM and purchase intentions, but not ad WOM intentions. Conceivably, while positiveness offers nothing tangible to talk about, it may work as a peripheral cue to spark conversation and action vis-à-vis the brand. Lastly, well-craftiness is at most a hygiene factor, with no significant effect on any measure of intentions.

## 4.1.3 Effects of Ad Creativity (ii)

In this section we aim to answer the hypotheses 2g–i. First we test H2g and H2h, concerning if *ad creativity* is more effective towards *perceived ad expenditure* and *perceived ad effort*. This is done analogously to H2a–f, with a t-test for the decision and linear regressions for further insights. We have used the same cut-off point and principles as in the analyses of H2a–f. For details, see *Table 4* (t-test) and *Table 5* (linear regressions).

Hypothesis	Non- Creative	Creative	Mean Diff.	Decision
H2g: Perceived Ad Expend.	2.65	3,34	0.69 ***	ACCEPTED
H2h: Perceived Ad Effort	2.69	4.03	1.34 ***	ACCEPTED

## Table 4. Effects of ad creativity: t-tests of H2g-h

*Notes:* n = Total 4,398, Non-creative 2,268, Creative 2,130. *Significance:* \* p < 0.05; \*\* p < 0.01; \*\*\* p < 0.001.

Table 5. Effects of ad creativity dime	ensions: linear regressions
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Effect \ Factor	Novelty	Meaning- fulness	Humor	Positive- ness	Well- craftiness	R <sup>2</sup>
Perceived Ad Exp.	0.016	0.045 *	0.004	-0.097 ***	0.512 ***	0.24
Perceived Ad Effort	0.144 ***	0.019	0.103 ***	0.005	0.522 ***	0.52

*Notes:* Summary of two linear regressions in horizontal rows.  $\beta$  values in cells, n = 4,398. *Significance:* \* p < 0.05; \*\* p < 0.01; \*\*\* p < 0.001.

**Perceived Ad Expenditure and Effort.** Excesses in advertising expenditure, which adds nothing to the message or its persuasiveness, may still promote perceived brand quality (Ambler and Hollier 2004). The perceived amount of advertising effort expended by the advertiser may have an analogous effect (Homer 1995). No currently published study has attempted to link the creativity of ad execution to perceived ad expenditure or effort. We hypothesized

that ad creativity promotes both, and results are positive (mean difference = 0.69 and 1.34, respectively, at p < 0.1%) Whether a more creative ad execution was less or more costly, consumers apparently perceive it to be backed by greater expenditure. And whether a more creative ad took less or more effort to produce, consumers perceive the effort to be greater. Linear regressions unveil that, between perceived ad expenditure and effort, the dimensions of ad creativity explain a greater deal of the latter's variance. Well-craftiness dominates the other dimensions in influencing these two effects, which is highly intuitive. Perceived ad effort is also affected by ad novelty and humor. This is reasonable, since crafting novel or humorous ads would tend to demand more effort. Perceived ad expenditure is actually (slightly) negatively affected by positiveness. Beyond the workings of each dimension, perceived ad expenditure and effort are clearly promoted by ad creativity. In this way, creative ads should signal "brand fitness" and promote perceived brand quality, which in turn is a demonstrated precursor to brand attitude (Homer 1995; Ambler and Hollier 2004).

**General Ad Attitude.** Increasing ad skepticism among the general public compounds the challenge of influencing consumers through advertising. A more negative general advertising attitude tends to dampen attitude toward specific ads (Obermiller, Spangenberg, and MacLachlan 2005). However, we hypothesized that ad creativity has the power to elevate ad attitude among those negatively inclined towards advertising in general, and to the same extent as for those with a positive general ad attitude.

To test hypothesis 2i we initially had to split the sample in two groups, one generally positive and one generally negative towards advertising. Since we didn't want to include indifferent responses we excluded all with the middle option (4) and divided the remaining responses in negative (rating 1–3) and positive (rating 5–7). The two groups were of approximately the same size (positive 1,635 and negative 1,797). In addition to this partition we also needed to separate non-creative and creative ads within each group. We used the same cut off point (non-creative 1–4 and creative 5–7) as in our previous analyses and performed t-tests for the mean difference between the creativity groups with the effects *ad attitude, brand attitude, brand interest, purchase inten*-

*tions, ad* WOM *intentions, brand* WOM *intentions, perceived ad expenditure* and *perceived ad effort* as dependent variables. See *Table 6* for details.

		Positive	•		Negative	•
Hypothesis: Effect	Non- crea- tive	Crea- tive	Mean Diff.	Non- crea- tive	Crea- tive	Mean Diff.
Ad Attitude	3.31	5.39	2.08 ***	2.90	4.98	2.08 ***
Brand Attitude	3.98	5.04	1.06 ***	3.52	4.66	1.14 ***
Brand Interest	2.31	3.08	0.77 ***	1.91	2.54	0.63 ***
Purchase Intentions	2.67	3.31	0.64 ***	2.26	2.94	0.68 ***
Ad WOM Intentions	1.74	2.76	1.02 ***	1.48	2.17	0.69 ***
Brand WOM Intentions	2.54	3.24	0.70 ***	2.19	2.84	0.65 ***
Perceived Ad Expend.	2.72	3.46	0.72 ***	2.58	3.22	0.64 ***
Perceived Ad Effort	2.78	4.16	1.38 ***	2.60	3.88	1.28 ***

Table 6. Effects of ad creativity among groups generally positive or	
negative towards advertising: t-tests of H2i	

*Notes:* n = Positive 1,797 (Non-creative 741, Creative 1,056), Negative 1,635 (Non-creative 1,027, Creative 608).

*Significance:* \* p < 0.05; \*\* p < 0.01; \*\*\* p < 0.001.

In line with the findings of Obermiller, Spangenberg, and MacLachlan (2005), the group of consumers generally negative towards advertising indeed gives lower scores across the board of effectiveness measures. However, our analysis demonstrates that creative ads are effective also in this group. The hypothesis, that the effect of creative advertising is no lesser among negatives, is confirmed for three effects: ad attitude, brand attitude, and purchase intentions (arguably the most widely applied among the hypothesized advertising objectives). The results suggest that creative advertising raises brand attitude and purchase intentions even more than among positives. Note that this is merely indicative; we do not test whether the differences between the mean differences are significantly greater. All other advertising effect measures are significantly higher for creative advertising among negatives, and in most cases the mean difference is not far from positives. In sum, consumers with a generally negative attitude towards advertising tend to evaluate ads less positively across all dimensions, but creative advertising holds the power to significantly sway attitudes and intentions even among this group.

> H2i: Consumers with a negative general advertising attitude will evaluate advertising objectives lesser, but among them creative ads will achieve greater objectives than non-creative ads

ACCEPTED

## 4.1.4 Media Expenditure and Sales Value

Larger and longer-running ad campaigns are on the rise as marketers try to break through the clutter of competing ads (Pieters, Warlop and Wedel 2002). Media expenditure has several benefits to brand building and market share (Schroer 1990; Miller and Berry 1998; Brengman, Geuens, and De Pelsmacker 2001) but constitutes an expensive strategy (Schroer 1990). It may also lack cost-effectiveness, as many campaigns are thought to fail meeting objectives (Rogers 1995; El-Murad and West 2003). Some researchers have thus shifted focus from ad spending to ad execution, from share of voice to "share of heart" (El-Murad and West 2003). Nevertheless, no study has yet attempted to test the relative effectiveness of ad creativity versus media expenditure. We proposed that the effectiveness, staying power and sharing power of creative ads might be enough to tip the scales in their favor.

We now turn to address this, testing the relative effect of creativity and media expenditure on both the psychological effect measures and sales value. Media expenditure and sales growth are highly related to product category. It may be irrelevant to compare the sales growth of soft drinks to air travel, for instance. For this reason we ran the tests of media expenditure and sales value within each of the three largest categories. We selected the responses in each category (Bank & Insurance n=907, Foods n=877, Automobile n=637) and performed linear regressions where the independent variables *creativity* and *media expenditures* were run towards a single dependent effect variable. We did calculations for each effect in all three categories, ending up with a total of 27 regression analyses. *Table 7* details the psychological effects and *Table 8* the sales value effects.

	Bank	& Insura	ance		Foods		Αι	Itomobile	9
	Crea- tivity <b>Beta</b>	Media Exp. <b>Beta</b>	R <sup>2</sup>	Crea- tivity <b>Beta</b>	Media Exp. <b>Beta</b>	R <sup>2</sup>	Crea- tivity <b>Beta</b>	Media Exp. <b>Beta</b>	R <sup>2</sup>
Ad Attitude	.768***	.054*	.597	.758***	050**	.582	.772***	025	.596
Brand Attitude	.541***	099***	.297	.571***	.154***	.339	.380***	.321***	.253
Brand Interest	.403***	079**	.166	.387***	.165***	.169	.317***	.157***	.128
Purchase Intentions	.298***	148***	.107	.365***	.302***	.211	.174***	.309***	.128
Ad WOM Intentions	.371***	045	.138	.421***	067*	.185	.381***	.085*	.154
Brand WOM Intentions	.328***	120***	.119	.364***	.273***	.195	.180***	.371***	.173
Perceived Ad Expend.	.281***	082**	.083	.297***	.210***	.125	.242***	035	.059
Perceived Ad Effort	.512***	049	.262	.605***	.096***	.368	.523***	.014	.274

**Table 7.** Effects of ad creativity and media expenditures: linear regressions of H3a

*Notes:* Summary of 24 linear regressions in horizontal rows, 8 in each category column.  $\beta$  values in cells, n = Bank & Insurance 907, Foods 877, Automobile 637. Consumer study. *Significance:* \* p < 0.05; \*\* p < 0.01; \*\*\* p < 0.001. **Psychological effects.** For the psychological effect variables, we may only draw conclusions with reference to each ad exposure. Across the three product categories, the model seems most applicable to ad attitude ( $R^2$  0.582–0.597), followed by perceived ad effort ( $R^2$  0.262–0.368) and brand attitude ( $R^2$  0.253–0.339). For the remaining psychological effect measures, the variance explained is decidedly lower across these categories ( $R^2$  0.059–0.211). In line with hypothesis testing thus far, ad creativity has impact across the board of psychological measures. The effect is most pronounced for ad attitude ( $\beta$  0.758–0.772), followed by perceived ad effort ( $\beta$  0.512–0.605) and brand attitude ( $\beta$  0.380–0.571). The comprehensive effectiveness of creativity applies roughly equally across all three product categories.

Media expenditure garners mixed results, however, lacking significant impact in some combinations of categories and effect measures. Its effect is greatest in the foods category, with significant impact on brand interest, purchase intentions, brand WOM intentions, and perceived ad expenditure. This pattern is paralleled in the automobiles category, except for perceived ad expenditure. Bank & Insurance seems a downright fluke in this context; only purchase intentions and brand WOM intentions are significantly impacted, all with negative  $\beta$  values. This category is unlike the others in two important respects: consumer motivation and market structure. The consumer motivation to patronize banks and insurance companies is informational rather than transformational (Percy and Rossiter 1992). Banks and insurance providers more closely approximate oligopolies, and are more heavily regulated than the other categories. They may sacrifice customer satisfaction with limited impact on loyalty (Reichheld and Sasser 1995). Increasing media spend in this category might, for these reasons, ultimately have adverse effects on intentions to patronize and talk about the advertised brand. However, we guard ourselves in making definite conclusions for this combination of category and effects; as noted above, the variance explained lies in the lower range ( $R^2 0.107-0.119$ ).

	Bank & Insurance			Foods			Automobile		
	Crea- tivity <b>Beta</b>	Media Exp. <b>Beta</b>	R <sup>2</sup>	Crea- tivity <b>Beta</b>	Media Exp. <b>Beta</b>	R <sup>2</sup>	Crea- tivity <b>Beta</b>	Media Exp. <b>Beta</b>	R <sup>2</sup>
Sales Value	015	.790***	.624	.031	770***	.589	131***	253***	.083

**Table 8.** Effects of ad creativity and media expenditures on sales

 value: linear regressions of H3b

*Notes:* Linear regressions.  $\beta$  values in cells, n = Bank & Insurance 907, Foods 877, Automobile 637. Consumer study.

*Significance:* \* p < 0.05; \*\* p < 0.01; \*\*\* p < 0.001

Sales value effect. To this day, no study has attempted to link advertising creativity to actual sales value. We have at this point demonstrated the effectiveness of advertising creativity on the classical hierarchy of communications measures. As hypothesized, because of the effectiveness in each exposure, and the effect of staying and sharing power in the aggregate, advertisement creativity may have a bearing, to some extent, on actual sales. To test this, we performed linear regressions from creativity and media expenditure to sales value in each of three main categories. Overall, the data reveal a weak link from creativity to sales growth. A single regression across the entire data set amounts to  $R^2$  0.000, and a non-significant  $\beta$ . The regressions from creativity and media expenditure to sales value confirm this non-significance of creativity, and display mixed results for media expenditure. In Automobile, both  $\beta$ values are negative, but the variance explained is low at R<sup>2</sup> 0.083. Bank & Insurance and Foods exhibit higher R<sup>2</sup> (0.624 and 0.589, respectively) but nonsignificant Creativity  $\beta$ . Media Expenditure is positive in Bank & Insurance ( $\beta$ 0.790) but negative in Foods ( $\beta$  –0.770).

We attribute the ambiguous results of creativity and media expenditure on the psychological measures and sales value to weaknesses in the externally collected data. The weaknesses of the external data are discussed in *3.5*, and the practical implications for future studies are reviewed in *5.1*.

H3a: Advertising creativity will con advertising objectives no lesser than	
expenditure	Not Accepted
H3b: Sales value growth will be gr ads than for non-creative ads	reater for creative
	Not Accepted

## 4.1.5 Creativity Awards

Creativity awards are highly regarded and quite likely trendsetting in the advertising community. They have been used to recognize creative advertising for decades, and are key to several studies on advertising creativity (e.g. Kover, Goldberg, and James 1995; El-Murad and West 2003; Till and Baack 2005). Award show juries are most often made up of leading advertising agency creatives, and for the above reasons, such shows present an interesting application of professional creativity judgment.

Creative professionals stand out from account managers and advertisers in several ways. Firstly, the group upholds creativity as significant in its own right (Helgesen 1994; Kover, James, and Sonner 1997), and it prefers originality and artistry to the strategic components of creativity (Koslow, Sasser, and Riordan 2003). Secondly, it is less risk-averse (El-Murad and West 2003, p. 658) and more open to major changes in strategic direction (Koslow, Sasser, and Riordan 2003, p. 108). These exceptionalities of creative professionals raise two questions concerning award shows—are creativity award outcomes relevant to the general public, and are award-winning ads more effective at furthering advertiser objectives?

To find out, we included a number of ad campaigns nominated for the Swedish creativity award Guldägget in our study (i.e. campaigns that won diploma, silver, or gold). We performed a t-test of the difference in perceived creativity between winning and non-winning ads and found that the general consumer agrees with the expert judgment, insofar as consumers perceive award-winning ads to be more creative (mean difference = 0.69 at p < 0.1%). Winning ads also rated higher on all five dimensions of creativity (mean difference ranging from 0.51 (*positiveness*) to 0.64 (*novelty*), all at p < 0.1%). Furthermore, a t-test of the difference in effect measures between winning and non-winning ads confirmed that the former generally are more effective, generating stronger attitude towards the ad and brand (mean difference = 0.65and 0.39, respectively, at p < 0.1%), higher purchase intentions and ad and brand WOM intentions (mean difference = 0.36, 0.44, and 0.37, respectively, at p < 0.1%), as well as greater perceived effort behind the ad (mean difference = 0.43 at p < 0.1%). Only brand interest and perceived ad expenditure had insignificant effects at the 0.1% level. In sum, consumers agree on the judgment of award-show juries and award-winning campaigns are more effective. These results strengthen the relevance of award-show outcomes among both the general public and advertisers.

 H4a: Consumers will perceive creativity-award winning

 ads as being more creative

 ACCEPTED

 H4b: Advertising objectives will be greater for creativity

 award-winning ads than for other ads

ACCEPTED

Hypothesis: Dimension / Effect	No Award	Award	Mean Diff.
Creativity	4.18	4.87	0.69 ***
Ad Attitude	4.00	4.65	0.65 ***
Brand Attitude	4.22	4.62	0.40 ***
Brand Interest	2.47	2.53	0.06
Purchase Intentions	2.73	3.09	0.36 ***
Ad WOM Intentions	1.97	2.41	0.44 ***
Brand WOM Intentions	2.64	3.01	0.37 ***
Perceived Ad Expend.	2.96	3.07	0.11 *
Perceived Ad Effort	3.25	3.69	0.44 ***

**Table 9.** Ad creativity and effectiveness of award-winning advertis-ing: t-test of H4

*Notes:* n = Total 4,398, No Award 3,485, Award 913.

*Significance:* \* p < 0.05; \*\* p < 0.01; \*\*\* p < 0.001

## 4.2 SUMMARY OF MAIN RESULTS

Based on hypothesis testing at the 0.1% level, our main conclusions can be summarized in the following:

## HYPOTHESES H1A-E: <u>ACCEPTED</u>

Advertising creativity is positively influenced by ad novelty, meaningfulness, humor, positiveness, and well-craftiness.

## HYPOTHESES H2A-H: <u>ACCEPTED</u>

Advertising creativity is effective in strengthening central measures of advertising effectiveness: ad and brand attitude, brand interest, ad and brand WOM intentions, purchase intentions, as well as perceived ad expenditure and effort.

#### HYPOTHESES H2I: <u>ACCEPTED</u>

A negative general ad attitude lowers evaluation across the board of effectiveness measures, yet creative advertising mitigates this by significantly improving effectiveness even among those of negative disposition.

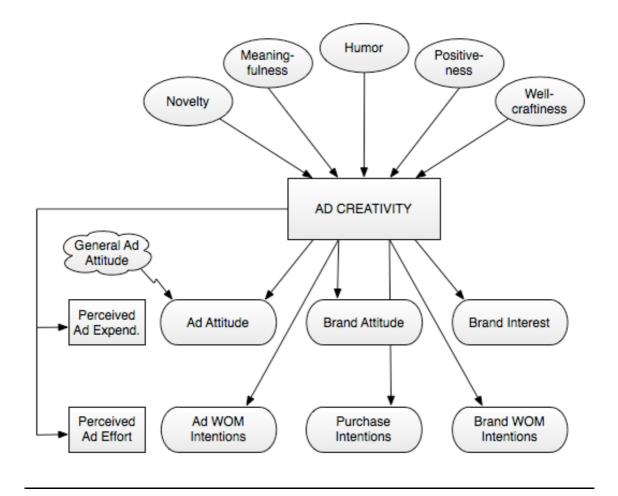
## HYPOTHESES H3A–B: NOT ACCEPTED

Although the data might suggest that creativity has more impact on psychological effects than media expenditure, we attribute this to limitations in the external data. Results from the influence of creativity and media expenditure on sales value are insignificant or conflicting.

## HYPOTHESES H4A–B: <u>ACCEPTED</u>\*

Creativity award-winning ads are considered more creative also among general consumers, and are more effective in terms of ad and brand attitude, ad and brand WOM intentions, purchase intentions, and perceived ad effort. (\* Except for brand interest and perceived ad expenditure.)

The key findings are modeled in *Figure 5* below. We now turn to discuss their implications for marketing researchers and practitioners.



## Figure 5. A model of ad creativity and effectiveness

## 5. Discussion and Implications

"The best way to predict the future is to invent it."

Alan Kay

## **5.1 IMPLICATIONS FOR THEORY**

#### 5.1.1 Unbundling Creativity

Advertisement creativity is but an emerging field of advertising research, yet with the promise of gold to mine for both researchers and practitioners. Despite years of development in this area, the main studies have produced conflicting or ambiguous results. Based on a comprehensive review of creativity research, we hypothesized a model of ad creativity based on the dimensions of novelty, meaningfulness, humor, positiveness, and well-craftiness. Analysis gave strong support to the model, with regression among consumers yielding an impressive  $R^2$  of 0.688. This is in contrast to an  $R^2$  range of 0.16–0.58 from comparable studies. Importantly, our multi-dimensional model of ad creativity exhibits greater explanatory power than the single measure of creativity towards all hypothesized communications effects; for example, *creativity*  $\rightarrow$  *ad* attitude yields R<sup>2</sup> 0.60, while the dimensional model  $\rightarrow$  ad attitude yields R<sup>2</sup> 0.84. The model's strength may stem from such factors as the nonexperimental, realistic research design, the well-distributed sample of actual ads, and the sizeable respondent base of real consumers. This study has also shed light on the role of each dimension, with several newfound implications for future research.

**Leaking Buckets.** The hypothesized effects of advertising creativity may be ordered into a hierarchical chain, e.g. from ad attitude to brand attitude to purchase intentions (Lavidge & Steiner 1961). Such a chain may be conceptualized as a set of "leaking buckets" (Gonten and Donius 1997; Dahlén and Lange 2003) through which the effect of an ad exposure dissipates through each step: for example, a subset of consumers positive towards the ad is posi-

tive towards the brand, and a subset of the latter has positive purchase intentions. Our model has clear-cut implications for how resilient each dimension of ad creativity is in following through the chain of advertising effects. First and foremost, it sheds new light on the two most prevalent dimensions in ad creativity research, ad novelty and meaningfulness, the workings of which are apparently more complex than previously understood. We turn to explain this below, along with what remains to uncover.

**Novelty and Meaningfulness.** Among the creativity dimensions hypothesized, novelty was shown to have the greatest impact on perceived creativity. This finding strengthens the key role of novelty as suggested by prior publications. Not surprisingly, novelty was shown to have double the impact on creativity perceptions among creative professionals. Despite this, novelty was one of the weaker dimensions in following through the chain of psychological measures. This is an interesting finding, which nuances the role of novelty suggested in earlier works: although novelty is dominant in affecting creativity, it translates into a more modest impact on the hypothesized measures of effectiveness. Although novelty does affect other psychological measures, e.g. attention and memory (Pieters, Warlop and Wedel 2002), more research is needed to extend our knowledge of the precise mechanism of ad novelty.

Meaningfulness is another factor emphasized in previous research. Although significant, its impact was shown to be lesser than the other hypothesized dimensions. Theory suggests that meaningfulness works as a hygiene factor for creativity, which may still be the case even though it does not elevate it as much. To further illuminate the role of meaningfulness, future studies should attempt to establish interaction effects between this and other dimensions of creativity such as novelty.

Furthermore, although meaningfulness was not the greatest factor in affecting creativity per se, it had the greatest stamina in the flow of "leaking buckets" from ad attitude through brand attitude and purchase and WOM intentions. Also recall that meaningfulness dominated the other dimensions in affecting brand interest, important for well-established brands. This resilience is perhaps testament to the proposed status of meaningfulness as a hygiene factor.

Again, the link between meaningfulness and creativity deserves further probing, as does its interplay with effect measures.

Well-craftiness, Humor, and Positiveness. Previous studies have largely missed the significant role of well-craftiness in explaining creativity, as demonstrated by this study. It significantly affects both ad and brand attitude, while being the main influence on perceived ad expenditure and effort. It seems well-craftiness is entitled to more room in coming studies.

While humor is instrumental in improving ad attitude, positiveness is the same to brand attitude. As concluded, any entertainment value of an ad promotes attitudes towards the ad but not towards the brand advertised. Brand attitude is arguably the main objective in most practical cases—however, humor may have positive side effects on other variables, such as memory. The explanatory power of the multi-dimensional model makes for interesting potential application to complementary variables like attention and memory. This would deepen our understanding of the effects of creative advertising.

Furthermore, we concluded that humorous ads are interesting enough to spark ad WOM intentions, but the effect doesn't extend as well to brand WOM intentions or purchase intentions. Also, ad positiveness is significant in affecting brand WOM and purchase intentions, but not ad WOM intentions. We suggested that while positiveness, unlike humor, offers no incentive to tell friends of the ad, it may work as a peripheral cue to influence talk and even purchase of the brand. Further study is needed to determine if this is the case.

**Creative Advertising is Effective.** Perhaps most notably, against a backdrop of inconclusive or even conflicting studies on the effectiveness of creativity (Stone, Besser, and Lewis 2000; Koslow, Sasser, and Riordan 2003; El-Murad and West 2004) our model provides conclusions of much-needed clarity and certainty—creative advertising is effective, significantly strengthening ad and brand attitude, brand interest, purchase intentions, ad and brand WOM intentions, as well as perceived ad expenditure and effort.

In sum, we advocate the continued use of our dimensional model based on its great explanatory power. A natural next step is to apply the model to a single category at a time, to establish which dimensions play larger or smaller roles in different ones—both in explaining creativity and affecting attitudes and intentions. The model should also be applied to ascertain the impact of creativity on additional measures of advertising effectiveness.

#### 5.1.2 Critique of the Study

Although the study of advertising creativity is an emerging field, it has already started injecting valuable insights into marketing research and practice. Our incorporating media expenditure and sales value data has opened up an exciting new avenue of research in the field. As a first case however, our methodology to this end may be criticized in some respects, with implications for how best to proceed in further studies. The analysis of creativity and media expenditure in relation to sales value (4.1.4) produced mixed or insignificant results. What could lie behind this?

External Market Factors. Sales data is influenced by innumerable sources. Among them are media expenditures, to which can be added media targeting and scheduling, and advertisement creativity, to which can be added other dimensions of ad execution. But that doesn't nearly cover all sources; sales data is also a function of industry factors, such as market structure, growth rate, and so on. This all works to lower the variance explained  $(R^2)$  in any model focusing on one or two of these sources. It also introduces complexity, playing into the  $\beta$  values. To illustrate the problem of accounting for market growth rate, for example, consider the following hypothetical case: a consumer business on a stagnating market deploys a creative advertising campaign, and merely achieves flat sales growth. The alternative—a non-creative ad execution-might very well have produced sales growth in line with the market decline. Even so, including this campaign in a statistical analysis would weaken the case for creative ad execution. Even campaigns with positive market growth rates may present problems: for example, two-digit growth could translate into market share loss on a sufficiently expanding

market. Market share figures, in their turn, are related to yet other category characteristics. In sum, a realistic research design must include methods to manage idiosyncrasies of individual campaigns as well as major differences between product categories.

**Data Collection.** To achieve this, one aggregates sales data from a number of campaigns, ideally over an extended time period, and runs tests on a product category basis.<sup>2</sup> We did both, but data aggregation is the challenging bit in a study that combines survey and aggregate market data. In our cases, sales growth data is based on the actual length of each campaign-most often weeks or months. This secures realism and applicability, but at the expense of multi-year analyses. Furthermore, the number of campaigns to include is limited by the number of respondents and the number of campaigns per respondent, to minimize respondent fatigue. Finally, market performance measures are hard to attain to begin with, let alone in standardized form; for example, is 20% sales growth the peak or the average over the campaign period? Although some of our externally collected data was standardized, and we gathered contextual information to accommodate the remainder as well as possible, we conclude in 3.5 that the material does not achieve sufficient internal, nomological, or convergent validity. In sum, this first attempt at bridging the gap from psychological effect variables to sales value yields no definite answers. It does, however, have practical implications for how to improve such studies going forward.

## 5.1.3 Suggestions for Further Research

So far several research directions have been suggested based directly on our findings. Beyond these lay both methodological improvements and additional avenues for further study of advertising creativity.

<sup>&</sup>lt;sup>2</sup> In theory, one might develop an index of sales or market share data that takes into account market growth and other factors. But the choice of which of the countless factors to include, and in what way, makes this solution arbitrary. Furthermore, results would become non-representational.

Media Expenditure and Sales. We recommend others to build on our study of media expenditure and sales value, and perhaps include other actual market performance measures, such as market share. The next methodological step is to deploy a creativity study with sole focus on actual market performance measures, in one particular category: ridding the survey of psychological measures will shorten the amount of questions, so the number of questionnaires per respondent can be raised; and focusing on one category will aggregate more comparable data. Furthermore, our advice is to work even more closely directly with advertisers, ad agencies, market research agencies, tracking agencies, or ad effectiveness award shows, to capture market performance data as standardized as possible, or transparent enough to allow for standardization with other, equally transparent sources.

Additional Avenues of Research. Beyond the research implications based directly on our findings, we would like to propose a number of related avenues of research: applying the multi-dimensional model to other advertising media, e.g. radio, web, or integrated marketing communications; introducing the theoretical implications in studies of creative product development, creative marketing strategies, creative market segment choice, and creative media choice; examining any interaction effects among or non-linear effects of ad creativity dimensions; looking into the interaction effects between creative media choice and creative ad execution; investigating the moderating roles of context, knowledge, brand-congruence, and involvement on the effectiveness of creativity (i.e. maybe humor loses some effectiveness if brand-incongruent; perhaps product benefits take over ad characteristics in high-involvement categories); determining the effect of ad creativity on certain emotions or brand values, and on brand equity; combining ad creativity with informational/transformational or central/peripheral processing frameworks (i.e. perhaps positiveness acts as peripheral cue on brand WOM and purchase intentions); studying different effects of creativity among various demographics (i.e. age, educational level, or income); testing the effect of ad creativity on evaluation of the product/service itself; ascertaining whether, e.g. meaningfulness and well-craftiness work as hygiene factors and novelty as a motivator; determining the endurance of ad creativity effects in terms of wear-out and memory; testing which ad elements (message, visual, etc.) contribute the

most to each dimension of ad creativity; and probing for organizational or individual factors conducive of creative ad production.

## **5.2 IMPLICATIONS FOR MANAGEMENT**

"Advertising must be more than an art form. But the art helps."

- Philip Kotler

#### 5.2.1 Advertisers

Our study reveals that creative advertising may indeed be worth pursuing, and our findings provide guidelines for how to manage creative advertising within different advertisement strategies. They also have implications for the evaluation of both advertisements and ad agencies.

Advertisement Strategy. The cultural divide between advertisers and creatives suggests that some advertisers may be skeptic of creativity. Yet, we have established that creative advertising is effective: it achieves significantly greater ad attitude, brand attitude, brand interest, purchase intentions, ad and brand WOM intentions, as well as perceived ad expenditure and effort. In some cases, creativity happens to be a sought-after brand value in itself; then novel, well-crafted, positive, humorous, and meaningful ads should be aimed for (in the order specified). Beyond such special cases, different product categories, market positions, and modes of brand positioning call for different advertisement strategies. Our multi-dimensional creativity model provides guidance for advertisers on how to brief ad agencies depending on one's specific scenario and prioritized objectives.

If the primary goal is to improve brand attitude—whether it has taken a hit or just needs to come ahead of competitors—use a positive tone of voice, add humor if appropriate, and secure a well-crafted execution. To make consumers talk about the brand and perhaps recommend the product—for example, to accelerate awareness of a new brand concept—a meaningful ad is most important, and positive feelings are helpful. Note that although humor is effective in boosting talk, it is primarily of the ad and not the brand. To revive interest in an already established brand, the ad message should be meaningful and perhaps even humorous. In marketing premium brands, well-craftiness greatly impacts perceived ad expenditure, which signals brand fitness and financial potency. Last but not least, sometimes the main objective is to boost short-term sales volume rather than build brand values, e.g. during seasonal holidays or to milk a well-established brand on the decline. If so, focus on ad meaningfulness and positiveness, the key drivers of purchase intentions.

Advertisement Pre-testing. This study has documented the effectiveness of ad creativity. Our dimensional model presents a cost-effective instrument for pre-testing ads before large-scale deployment. While a single measure of creativity is too blunt an instrument to use to this end, our dimensional model provides unprecedented explanatory power. This in turn rids the need for long, tiring batteries of questions. Depending on one's main advertising objectives, whether brand-building ad attitude or sales-driving purchase intentions, the model points to which dimensions to improve before campaign launch.

Ad Agency Evaluation. Over the years, some advertising agencies consistently earn more creativity awards than others. We concluded that awardwinning campaigns are more effective. So, advertisers could use recent-year award show outcomes as a heuristic guide to effective agencies. While awardwinning ads are more effective at boosting ad and brand attitudes as well as intentions, they are less so when it comes to brand interest and perceived ad cost. The heuristic therefore holds more relevance for advertisers with the objective to break or alter attitudes and purchase habits. Those who seek to strengthen interest in already well-established brands, or signal "brand fitness" through perceived expenditure, may benefit from looking elsewhere.

In dealing with ad agencies, advertisers need to be mindful of the disproportionate emphasis among creative professionals on some dimensions of creativity. Most especially, novelty held a dominant role in explaining creativity among creatives, both in relation to the other dimensions and compared to perceptions among regular consumers. Still, we have shown it to be one of the least potent dimensions across the board of advertising effectiveness measures. And while creative professionals seem to lack regard for positiveness in producing creative ads, advertisers should be reminded of this dimension's effectiveness, not least on ad and brand attitude. Finally, although in special cases—e.g. in communicating children's products—a deliberately sloppylooking execution might be considered temptingly novel (i.e. creative) among ad agency creatives, well-craftiness is more important for advertising effectiveness than previously imagined.

#### 5.2.2 Ad Agencies

The thesis also provides learnings for ad agencies, from the management of idea generation and ad execution to that of creativity itself.

**Idea Generation and Execution.** Our findings have practical implications for advertising agencies as well. They provide guidance both in generating and evaluating ideas and in highlighting which dimensions of execution should be strived for, based on client briefs. To exemplify the latter, consider a brief with the stated objective to improve brand attitude. In this case, smiling faces and an upbeat soundtrack may be beneficial elements to include; these should convey positive feelings, most effective in strengthening brand attitude. If the brief aims to boost interest in a well-established brand, or to encourage word-of-mouth among consumers, we now know meaningfulness is beneficial. The agency then needs to promote ideas that support a strong connection to consumer needs and expectations and create a tone of voice the target market can relate to. In other words, in these cases both idea and execution should be distinctly meaningful to consumers.

**Creativity Management.** The rise of consumer involvement on the web, in media, and elsewhere could further inspire the management of advertisement creativity. For example, a current trend suggests innovative ways to involve consumers in ad creation (Ang, Lee, and Leong 2007). An 18-year-old British student recently created his own Apple iPod ad, which he uploaded to You-Tube. Apple's ad agency, TBWA/Chiat/Day, contacted the student and involved him in creating a professional version of the ad, which was aired by

Apple shortly thereafter (The New York Times 2007). Tapping into the creativity of consumers is an inspirational example of creativity management. It also goes to show how, in the process, agencies can secure an ad's meaningfulness to consumers. Beyond such an innovative approach, every agency needs to manage and cultivate its creative resources. For even though conflict may arise in the chasm between creatives and strategists, it may be the spark between creativity and strategy that ignites advertising effectiveness.

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