CHAPTER 1

INTRODUCTION

"There are a lot of great technicians in advertising. And unfortunately they talk the best game. They know all the rules ... but there's one little rub. They forget that advertising is persuasion, and persuasion is not a science, but an art. Advertising is the art of persuasion."

William Bernbach

1. Introduction

Many researchers have emphasized the role of advertising effectiveness by focusing on the context in which the ad appears or the congruity of the ad with the context (Yi, 1990; Moorman, Neijens & Smith, 2002; Yaveroglu & Donthu, 2008). This aspect is highly relevant in online ad context, as online advertising offers the advantages of customized ads reaching the target audience and provides more efficient ways to measure the reactions and feedbacks based on the views and clicks. Now, suppose that as a businessman you are reading an article in an online business magazine to know some of the recent trends in the automobile industry. While reading an article about upcoming trends of cars and bikes, you notice an advertisement titled “Audi’s new, entry luxury 2015 A3 sedan is on track to make the German brand fashionable”. Here it seems reasonable to infer that higher the match between the content of the article and the advertisement presented, the higher the chance that as a reader you will notice the advertisement presented in the article and process the information for future reference. However, it is still possible that not all reader in all circumstances will be empowered with ad-context congruity and processing of the information. The proposed study explores the likelihood that ad-context congruity’s effect on persuasion differs as per the readers’ inherent motives. Further, it is also
possible that the arguments presented by the advertiser in the ad to promote the product/service will strengthen persuasiveness. The proposed study seeks to identify the way in which these effects occur as well as the conditions under which these take place.

1.1. Research Motivation

In today’s competitive marketing environment digital media has become an important medium of communication for many advertisers to promote their marketing mix elements (Choi & Rifon, 2002). The online medium offers a lot of benefits like access to a sophisticated audience, precisely target customers and a quick-response capability to respond (Telang & Bhatt, 2011). It also allows for various, innovative ads like pop-ups, floating and others (Yaveroglu & Donthu, 2008). However, online advertising is accompanied with a decreasing attention and click through rates; hence it presents the marketers with a dilemma (McCoy, Everard, Polak & Galletta, 2007; Dreze & Hussherr, 2003). This issue raises the question of how marketers can ensure online ad effectiveness. Hence the study of the effect of ad-context congruity on persuasiveness could provide answers to the dilemma faced by the marketers. The study could provide answers regarding how the advertisers could vary the congruence of the ad with the context as well as the ad strength for readers with different motives to be more effective.

The focus of our study is on magazines because it has been found that among all the different media, magazines are most effective in terms of attitude towards ads. A study by the Association of Indian Magazines (AIM) [Belch, Belch & Purani, 2013] suggests that magazines offer quality readership as opposed to quantity of readership. A survey of 3600 people in 10 cities shows that magazines as a medium get the most undivided attention (65% respondents). Most people trust magazine ads compared to other media (62% respondents), very few people think that ads should be eliminated from magazines (16% respondents) and the least number of
people wish to avoid ads in magazines (12% respondents). Evidence also shows that magazines are the preferred sources of information for categories like clothing, travel, beauty and health, home décor, automobiles, financial services and electronics (Belch et al., 2013).

Along with the increase in digital media consumption through smartphones and tablets, there has been a proportional growth in digital advertising as well. Indian digital sector has a 31% CAGR which is higher than other media in terms of the ad revenue (Indian Online Advertising Revenues Forecast, 2014). As the numbers suggest, the year-on-year growth (2013) of app usage on mobile for news and magazines is 31% (Flurry Analytics) and the digital spend is 29% in display ads which is the second highest. Some hybrid e-magazines also add additional content to the online version (Srisuwan & Barnes 2008) which also makes online magazines one of the most important avenues in online marketing to be studied as well as the reason for the focus of our study.

Researchers have found that consumers are irritated by surplus information that interferes in their tasks (Edwards, Li & Lee, 2002). Past research points to ad-context congruity as an important aspect that can address this issue of consumer irritation. Advertisers should handle the information by altering the congruity of the ad and the context (Norris & Colman, 1992). This aspect is mainly significant in the online format where ad–content congruity can be managed effectively. However, contradictory results have been obtained from the studies with some supporting ad-context congruity (Yi, 1990; Collins & Loftus, 1975; Gunter, Baluch, Duffy & Furnham, 2002) and others supporting ad-context incongruity (Burke & Srull, 1988; Furnham & Price, 2006; Moore, Stammerjohan & Coulter, 2005; Duff and Faber, 2011). Also, the effect of ad-context congruity on persuasion has been studied, but the reasons for variations in persuasion levels have not been investigated. Some of the possible sources of variation of congruity or
incongruity on persuasion may be reader’s inherent motives, strength of the arguments in the ad and the consumers’ felt involvement. Hence the study could provide answers to the dilemma faced by the marketers, and it could suggest how the advertisers could vary the congruence of the ad with the context as well as the ad strength for consumers with different motives to be more effective.

1.2. Statement of the Problem

In the area of advertising and online marketing, the effect of ad-context congruity on ad effectiveness is not clear from the previous studies. Contradictory results have been found and they have not been able to answer whether congruent ads are more effective or incongruent ads. Studies like Zanjani, Diamond and Chan (2011) have tried to resolve it by proposing the role of task orientation or motives of the readers as one of the factors that might explain the effectiveness of ad-context congruity. However, it did not fully explain the process of ad effectiveness. We have attempted to take it further by exploring and integrating the consumer psychology elements (motives, felt involvement) as well as advertising elements (argument strength) to resolve this issue. As of now, to our knowledge, no such attempts have been made in the online advertising context with respect to persuasion to reflect ad effectiveness. Thus, because of these gaps in existing literature, operationalization is lacking, and there are problems in integrated theory building in the online advertising context.

1.3. Research Objectives

To address the gaps in research regarding the relationship of ad-context congruity and ad persuasion, the objective of this research was to find out the conditions under which these effects
take place as well as the process through which these effects occur. This was followed by developing a complete model regarding the effects of ad-context congruity on ad persuasion through felt involvement under the conditions of motives and argument strength which was empirically tested. This study thus attempted:

1. To build on previous studies and contribute to the advertising literature by showing when congruent ads or incongruent ads lead to higher ad persuasion.

2. To propose a conceptual model of ad context congruity and reader’s motive interaction to determine ad persuasiveness.

3. To empirically test the conceptual model that has been proposed and to study the proposition that ad-context congruity and reader’s motive interact to determine persuasiveness through felt involvement with the ad.

4. To modify and investigate the proposition that ad-context congruity, reader’s motives and argument strength interact to determine ad persuasiveness through consumers’ felt involvement with the ad.

1.4. Organization of the Study

The research has been divided into different chapters starting with the introduction, followed by the motivation of the study. Chapter 2 covers the review of literature in the related areas of ad-context congruity, followed by the research gaps. Chapter 3 presents the research objectives as well as the theoretical background leading to Hypotheses development. Chapter 4 presents the methodology used in the research including the details of the pre-tests used for stimuli development for the main study and the creation of the e-magazine followed by measurement
tools and the research design. The chapter ends with the details about the sample used in the studies as well as the actual procedure used in the studies. Chapter 5 presents the analysis and findings of the study for the hypothesis test. Chapter 6 presents the discussion of the results, the limitations of present study and the possible research avenues for the future.