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Editorial

Douglas West
University of Birmingham

I was recently involved in a PhD viva at the University of Birmingham where the external examiner mentioned how in his day: 'Everything had to be typed out.' Many of you readers of a certain age will understand the issue! As an academic or practitioner typed work was commented upon and – unless there was only a small change on the last page – it pretty much had to be re-typed again with each re-iteration. It set me thinking about the impact of technology on work and leisure. I remember working for a short while for a company in London where my boss operated an 'on-the-desk' system where the only paperwork he kept was what sat on a relatively small round desk. Any papers that left the top of his desk were normally heading for the wastepaper basket. He was a good manager and I think it used to give him that sense of relief you occasionally get today when you delete all those redundant emails sitting in your inbox, hopefully without too much of a panic attack that something important has been disappeared. Leave aside the prediction of the almost paperless office, it was operating on his desk years before word processing.

The ballpark has greatly changed. Re-typing work over and over has been replaced by more sophisticated methodological demands and expertise. However, the ultimate two goals of most authors – getting published and getting cited – have not been replaced. What have been modified are some of the processes in reaching these endpoints. In common with many other journals, we at the *IJA* have seen some of these changes in the back office. For a start, submissions are all made electronically and turned into pdfs to provide anonymity to our authors before being sent directly to our reviewers. It speeds up the system tremendously but places an onus on our reviewers to print off copies, as reviewing off the screen seems as alien as reading an electronic book.

The *IJA*, in common with other journals, is available in hard copy as well as on the warc.com website and other online services. None of this has affected the chances of getting published, but there are some interesting aspects affecting citations.

If you consider the pre-electronic database era, the propensity for citation was reasonably predictable. Essentially if your paper was accepted by any of the top journals such as the

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Journal of Marketing, *Journal of Marketing Research* or *Journal of Consumer Research* then the chances of significant numbers of citations were high. Why? Quite simply, the top journals had the largest circulations and readerships and hence are cited in readers' own subsequent work. While this process remains, it is clear that many academics and practitioners start their search with e-databases because of their enormous reach. However, starting off with a database has some implications for being cited.

For a start, if you have an unusual name – count your blessings! If you are trying to track down the work of an author nothing helps to find them quicker than an unusual name and/or the addition of middle initials. A parent providing two middle initials for a future author will be doing them a great service! The other thing to consider carefully is the paper title. Esoteric statements and questions are interesting, but will not be very helpful for someone searching for your paper who keys in a search on what they think is the obvious topic. Likewise the choice of keywords for abstracts will have a big impact in how many search engines discover your paper.

In an environment where all journals are accessible there is little doubt that researchers are finding papers and journals that were previously unknown to them. What might this change? Well, as the physical task of accessing large volumes of information becomes easier, creating a 'journey' across keywords reveals unexpected directions and intellectual property. This in turn can generate more eureka moments on the part of the researcher as the vast array of search results stimulates mental synthesising and may reveal interesting connections between apparently unrelated concepts, topics and trends. Also, unlike a search in a traditional library, the ability to track what has been viewed, should lead to increasingly intelligent databases built to mimic the way we make associations.

Where does this leave the journal hierarchy? Quality still counts and so I don't think the hierarchy is threatened. What may well happen is that there will be 'market' shifts in submissions and readerships. The e-database environment may enable the rapid rise of new journals with the right kinds of themes and editorial boards. Furthermore, in the world of the downloaded pdf paper even the stigma against purely e-journals is likely to evaporate. After all, the e-publishing model is becoming increasingly accepted by authors and readers in the wider publishing world. Personally, I keep my subscriptions going because I like the feel of a hard copy and I get a small sense of safety knowing my selected journals are on my shelves and I am not dependent on key word searches.

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The internal marketing concept specifies that an organisation's employees are its first market. Themes such as 'internal advertising' and 'internal branding' have recently entered the marketing lexicon. One component of internal marketing that is still underdeveloped is 'employer branding' and specifically 'employer attractiveness'. Employer attractiveness is defined as the envisioned benefits that a potential employee sees in working for a specific organisation. It constitutes an important concept in knowledge-intensive contexts where attracting employees with superior skills and knowledge comprises a primary source of competitive advantage. In this paper, we identify and operationalise the components of employer attractiveness from the perspective of potential employees. Specifically we develop a scale for the measurement of employer attractiveness. Implications of the research are discussed, limitations noted and future research directions suggested.

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Captivating company: dimensions of attractiveness in employer branding

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The internal marketing concept specifies that an organisation's employees are its first market. Themes such as 'internal advertising' and 'internal branding' have recently entered the marketing lexicon. One component of internal marketing that is still underdeveloped is 'employer branding' and specifically 'employer attractiveness'. Employer attractiveness is defined as the envisioned benefits that a potential employee sees in working for a specific organisation. It constitutes an important concept in knowledge-intensive contexts where attracting employees with superior skills and knowledge comprises a primary source of competitive advantage. In this paper, we identify and operationalise the components of employer attractiveness from the perspective of potential employees. Specifically we develop a scale for the measurement of employer attractiveness. Implications of the research are discussed, limitations noted and future research directions suggested.

Introduction

Until fairly recently, customers were seen to be only those external to the organisation. Indeed, many managers would argue that externally oriented marketing is difficult enough without introducing the notion of 'internal customers' (Ewing & Caruana 1999). The internal marketing concept argues that the organisation's personnel are the first market of any company (George & Gronroos 1989; George 1990), the rationale being that

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employees are internal customers and jobs are internal products. Job products must attract, develop and motivate employees, thereby satisfying the needs and wants of these internal customers, while addressing the overall objectives of the organisation (Berry & Parasuraman 1991). In fact, Kotler (1994) defines internal marketing as 'the task of successfully hiring, training and motivating able employees to serve the customer well'. The present study is concerned primarily with the successful 'hiring of employees' in Kotler's (1994) definition. It examines how astute employers can embrace the principles and practices associated with external brand management and marketing communication, internally. In other words, it extends beyond the HRM notion of recruitment advertising (Gatewood *et al*. 1993) and considers how firms might assess the degree to which they are considered to be 'employers of choice' and in the process, attract the highest-calibre employees. It is generally recognised that intellectual and human capital is the foundation of competitive advantage in the modern economy. Accordingly, the contest among employers to attract and retain talented workers takes place in a world where technological advances and global competition are driving widespread change in employment patterns (Osborn-Jones 2001). This paper begins by considering the effect of an organisation's advertising on its own employees. Next, we broaden the focus to internal branding and employer branding. We then introduce and define the concept of employer attractiveness and develop a reliable and valid scale to assess the construct. Implications of the approach are then considered, limitations noted and future research direction outlined.

Internal advertising

Berry (1981) appears to have been the first to recognise the potential impact of advertising on (current) employees, yet, as Gilly and Wolfinbarger (1998) note, marketers today are still overlooking an important internal or 'second audience' for their advertisements: their own employees. They conclude that advertising decision-makers may underestimate the importance of the employee audience for advertisements. Given that employees will be influenced by advertisements, it is important that companies make every effort to ensure that this influence is positive. Consequently advertising decision-makers need to understand the effect that advertising has on current and potential employees – for example, the fact that current employees enjoy an 'insider' role and want information in advance of marketing communications (Gilly & Wolfinbarger 1998) and that future employees can be influenced by mainstream advertising (Ewing *et al*. 2002).

Internal branding

Employees are becoming central to the process of brand building and their behaviour can either reinforce a brand's advertised values or, if inconsistent with these values, undermine the credibility of advertised messages. It is therefore important to consider how employees' values and behaviour can be aligned with a brand's desired values (Harris & de Chernatony 2001). Internal branding, according to Bergstrom *et al*. (2002), refers to three things: communicating the brand effectively to the employees; convincing them of its relevance and worth; and successfully linking every job in the organisation to delivery of the 'brand essence'. Coca-Cola's renowned former chief marketing officer, Sergio Zyman (2002, p. 204) concurs: 'Before you can even think of selling your brand to consumers, you have to sell it to your employees.' He goes on to argue that how a brand is positioned in the minds of consumers is heavily dependent on a company's employees. It is worth noting that the first conference on 'internal branding' was recently held in Chicago.[1]

Employer branding

Employer branding has been described as the 'sum of a company's efforts to communicate to existing and prospective staff that it is a desirable place to work' (Lloyd 2002). Advertising may become a critical tool in the efforts that firms make to identify, acquire and retain skilled employees. Increasingly, it is likely to also be used to create what has in the popular business press recently been referred to as 'employment brands' (Sherry 2000) – building and sustaining employment propositions that are compelling and different. The moniker 'employer brand' appears to have first been coined by Ambler and Barrow (1996), who defined it as 'the package of functional, economic and psychological benefits provided by

[1] See http://www.aliconferences.com/conferences/internal_branding_aug03.html

employment, and identified with the employing company' (p. 187). The authors go on to suggest that, just like a traditional brand, an employer brand has both personality and positioning. Employment branding is therefore concerned with building an image in the minds of the potential labour market that the company, above all others, is a 'great place to work' (Ewing *et al.* 2002). According to human resources consultants Hewitt Associates,[2] there are five steps to developing a strong employer brand: (i) understand your organisation, (ii) create a 'compelling brand promise' for employees that mirrors the brand promise for customers, (iii) develop standards to measure the fulfilment of the brand promise, (iv) 'ruthlessly align' all people practices to support and reinforce the brand promise, and (v) execute and measure. Moreover, it is posited that companies with strong employer brands can potentially reduce the cost of employee acquisition, improve employee relations, increase employee retention and even offer lower salaries for comparable staff to firms with weaker employer brands (Ritson 2002).

Collins and Stevens (2002), confirming prior research, suggest that early recruitment activities are indirectly related to intentions and decisions through two dimensions of employer brand image: general attitudes towards the company and perceived job attributes. Examples of employer brands, and indeed employer advertising, are becoming increasingly common. Ewing *et al.* (2002) classify existing approaches to employment branding by identifying three basic types of employment advertising strategy, and provide numerous examples of each. Lloyd (2002) cites the example of an Australian bank's TV commercial, clearly aimed at existing and potential employees. While there are numerous examples of 'employer advertising', few are as explicit as a recent DaimlerChrysler ad, which appears to target potential employees as the *primary* audience. The double-page spread advertisement in Figure 1 shows a number of DaimlerChrysler vehicles, positioning them not as consumer products but as company cars (i.e. a potential benefit for prospective employees). The copy is even more direct: 'As a successful car company there are many things that make working for us an attractive prospect. In addition to a diverse range of career possibilities …'.

[2] See http://www.hewittasia.com/hewitt/ap/australia/index.htm

Figure 1: DaimlerChrysler advertisement in *The Economist*

Employer attractiveness

A closely related concept to 'employer branding' is the notion of 'employer attractiveness'. This concept has been broadly discussed in the areas of vocational behaviour (Soutar & Clarke 1983), management (Gatewood *et al.* 1993), applied psychology (Jurgensen 1978; Collins & Stevens 2002), communication (Bergstrom *et al.* 2002) and marketing (Ambler & Barrow 1996; Gilly & Wolfinbarger 1998; Ambler 2000; Ewing *et al.* 2002). It has also become an increasingly 'hot topic' in the contemporary business press (see, for example, Sherry 2000; Lloyd 2002; Ritson 2002), and 'Best Employer' status is something that more and more organisations are striving for, as attention is drawn to this mantle in both the contemporary electronic[3] and print media (e.g. *The Economist* 2003).

[3] See www.greatplacetowork.com and www.bestemployeraustralia.com

We define ‘employer attractiveness’ as *the envisioned benefits that a potential employee sees in working for a specific organisation*. The construct may be thought of as an antecedent of the more general concept of employer brand equity. In other words, the more attractive an employer is perceived to be by potential employees, the stronger that particular organisation’s employer brand equity. This study seeks to contribute by identifying and operationalising dimensions of employer attractiveness.

The study

Our research objective centres on developing and validating a scale to assess employer attractiveness. Researchers can generate scale items using either a deductive or an inductive approach (Hinkin 1995). The former entails the development of a classification schema or typology prior to data collection and following a thorough review of the literature. This enables researchers to develop a theoretical definition of a construct, which is then used to guide the development of scale items (Schwab 1980; Rossiter 2002). Such an approach has been used in the development of various marketing scales, including measures of consumer-based brand equity (Yoo & Donthu 2001), market orientation (Narver & Slater 1990) and many others. These researchers have noted that based on information generated from prior studies, a pool of items related to each construct can readily be formulated. In contrast, an inductive approach involves identifying constructs and possible scale items based on qualitative insights gleaned from respondents (Hinkin 1995). This approach is often used when there is limited theory or knowledge in relation to a topic. Our initial work essentially combined the two approaches discussed above. We had a strong deductive foundation to build on, courtesy of Ambler and Barrow’s (1996) inductive delineation of three dimensions (functional, psychological and economic). Thus, as the ensuing description of the survey will reveal, we essentially confirmed Ambler and Barrow’s (1996) three dimensions (i.e. deductive) and uncovered an additional two (i.e. inductive).

A total of six focus groups were conducted in all, using final-year (final-semester) graduate and undergraduate students at a large Australian university. Participants were recruited using a transparency ‘advertisement’ in lectures and offered a $20 gratuity for taking part. Each group lasted approximately 90 minutes. Our moderator guide contained questions about participants' 'ideal' employers (i.e. organisations the respondents would most like to work for, and why), what factors they considered important when considering potential employers, organisations they would least like to work for (and why) and, finally, how they go about looking for employment (i.e. internet, classifieds, recruitment agencies, word of mouth, networking, etc.). All groups were tape-recorded and later transcribed. In addition, while one author moderated, another took copious notes. Both authors than compared notes after each group. Of course, the purpose of the focus groups was to develop a set of items that tap each of the dimensions of the employer attractiveness construct. The focus groups culminated in the generation of 32 potential scale items. These items where then edited to ensure wording was as precise as possible (Churchill 1979). This led to the next stage in the procedure: data collection and scale purification.

Having inductively developed a 32-item Employer Attractiveness scale (EmpAt), we administered it to a convenience sample of 683 university students. It has of course been suggested (e.g. Wells 1993) that the use of student subjects in measurement development research threatens the external validity and generalisability of findings due to the non-representativeness and unique characteristics of the population. On the other hand, Calder *et al.* (1981) argue that students are acceptable theory-testing research subjects when the multivariate relationships among constructs rather than the univariate differences between samples are being examined. In our case, however, the students *were* in fact the subjects of measurement (and not 'surrogates' for other members of the population at large). Being less than six months away from entering the job market themselves, they are prime candidates for employer advertising and recruitment campaigns. In addition, our focus is on multivariate relationships among constructs rather than the univariate differences between samples.

Purification and reliability

The first stage of scale purification involved the entire 32-item instrument undergoing the computation of coefficient alpha (Cronbach 1951), in accordance with Churchill's (1979) recommendation. For all 32 items, the alpha was 0.91. From the results of this first phase of the reliability analysis, all items with a corrected item-to-total correlation of less than 0.40 were eliminated, resulting in the removal of three items: items 2, 13 and 23. In the second phase of scale purification, items with a corrected item–total correlation of less than 0.50 were eliminated, resulting in the purging of a further four items: 3, 9, 21 and 22. This left a total of 25 items that form the final Employer Attractiveness (EmpAt) scale. Table 1 shows the reliability analysis of the final 25 items. The alpha for the final 25-item EmpAt scale = 0.96. From the table it is evident that all the items contribute to the

Table 1: Reliability analysis of purified 25-item Employer Attractiveness (EmpAt) scale

Item	Item mean (seven-point Likert scale)	Corrected item–total correlation	Alpha if item deleted
How important are the following to you when considering potential employers?			
1. Recognition/appreciation from management	5.58	0.63	0.95
4. A fun working environment	5.75	0.64	0.95
5. A springboard for future employment	5.62	0.63	0.95
6. Feeling good about yourself as a result of working for a particular organisation	5.69	0.70	0.95
7. Feeling more self-confident as a result of working for a particular organisation	5.72	0.68	0.95
8. Gaining career-enhancing experience	5.83	0.68	0.95
10. Having a good relationship with your superiors	5.66	0.67	0.95
11. Having a good relationship with your colleagues	5.92	0.71	0.95
12. Supportive and encouraging colleagues	5.65	0.71	0.95
14. Working in an exciting environment	5.37	0.65	0.95
15. Innovative employer – novel work practices/forward-thinking	5.31	0.67	0.95
16. The organisation both values and makes use of your creativity	5.45	0.69	0.95
17. The organisation produces high-quality products and services	5.41	0.70	0.95
18. The organisation produces innovative products and services	5.22	0.66	0.95
19. Good promotion opportunities within the organisation	5.82	0.70	0.95
20. Humanitarian organisation – gives back to society	5.00	0.59	0.95
24. Opportunity to *apply* what was learned at a tertiary institution	5.19	0.61	0.95
25. Opportunity to teach others what you have learned	4.85	0.59	0.95
26. Acceptance and belonging	5.63	0.72	0.95
27. The organisation is customer-orientated	5.24	0.62	0.95
28. Job security within the organisation	5.75	0.67	0.95
29. Hands-on inter-departmental experience	5.43	0.64	0.95
30. Happy work environment	6.01	0.73	0.95
31. An above average basic salary	5.97	0.66	0.95
32. An attractive *overall* compensation package	5.94	0.69	0.95

internal consistency of the scale. Generally, scales are regarded as reliable for commercial purposes if the alpha coefficient exceeds 0.7 (e.g. Carman 1990), so it can be accepted that EmpAt is a reliable scale for the measurement of employer attractiveness.

The structure of EmpAt

The underlying structure of EmpAt was investigated in the following sequence. As a first stage, the 683 sample was split into two approximately equally sized sub-samples: Sample 1 (n = 340) and Sample 2 (n = 343). This was achieved by randomly selecting ~50% of the cases using the SPSS filter algorithm. In the second stage, using Sample 1, the underlying structure of the EmpAt instrument was explored through principal components analysis. In the third stage, the factor structure revealed in stage 2 was then confirmed on Sample 2 using confirmatory factor analysis.

Exploratory factor analysis

As stipulated above, once the data had been split into two sub-samples, an exploratory factor analysis was conducted on Sample 1. Principal component analysis with Varimax rotation and a factor extraction according to the MINEIGEN criterion (i.e. all factors with eigenvalues of greater than 1) was employed. The results of this procedure are reported in Table 2. The five factors account for a cumulative 74% of the variation in the data.

From the rotated factor matrix in Table 2 it can be seen that items 14–18 load on factor 1, items 4, 10–12 and 30 load on factor 2, items 19 and 29–31 load on factor 3, items 1 and 5–8 load on factor 4, and finally items 20 and 24–27 load on factor 5.

Factor 1, labelled ‘Interest value’, assesses the extent to which an individual is attracted to an employer that provides an exciting work environment, novel work practices and that makes use of its employee’s creativity to produce high-quality, innovative products and services. Factor 2, labelled ‘Social value’, assesses the extent to which an individual is attracted to an employer that provides a working environment that is fun, happy, provides good collegial relationships and a team atmosphere. Factor 3, labelled ‘Economic value’, assesses the extent to which an individual is attracted to an employer that provides above-average salary,

Table 2: Factor analysis of EmpAt items

Rotated component matrix[a]

Component	Initial eigenvalues			Extraction sums of squared loadings			Rotation sums of squared loadings		
	Total	% variance	Cumulative %	Total	% of variance	Cumulative %	Total	% variance	Cumulative %
1	12.18	48.72	48.72	12.18	48.72	48.72	3.74	14.95	14.95
2	2.02	8.08	56.80	2.02	8.08	56.80	3.72	14.86	29.81
3	1.44	5.77	62.58	1.44	5.77	62.58	3.71	14.83	44.64
4	1.42	5.68	68.26	1.42	5.68	68.26	3.70	14.80	59.45
5	1.35	5.41	73.69	1.35	5.41	73.67	3.56	14.22	73.69

	Factor				
	1	2	3	4	5
Q18. The organisation produces innovative products and services	0.80				
Q15. Innovative employer – novel work practices/forward-thinking	0.79				
Q16. The organisation both values and makes use of your creativity	0.78				
Q17. The organisation produces high-quality products and services	0.76				
Q14. Working in an exciting environment	0.67				
Q11. Having a good relationship with your colleagues		0.81			
Q10. Having a good relationship with your superiors		0.76			
Q12. Supportive and encouraging colleagues		0.76			
Q04. A fun working environment		0.73			
Q30. Happy work environment		0.70			
Q32. An attractive *overall* compensation package			0.81		
Q31. An above average basic salary			0.81		
Q28. Job security within the organisation			0.73		

(continued)

Table 2: Factor analysis of EmpAt items (continued)

	Factor				
	1	2	3	4	5
Q19. Good promotion opportunities within the organisation			0.72		
Q29. Hands-on inter-departmental experience			0.69		
Q07. Feeling more self-confident as a result of working for a particular organisation				0.78	
Q06. Feeling good about yourself as a result of working for a particular organisation				0.78	
Q08. Gaining career-enhancing experience				0.77	
Q05. A springboard for future employment				0.73	
Q01. Recognition/appreciation from management				0.70	
Q25. Opportunity to teach others what you have learned					0.81
Q24. Opportunity to *apply* what was learned at a tertiary institution					0.76
Q27. The organisation is customer-orientated					0.74
Q20. Humanitarian organisation – gives back to society					0.70
Q26. Acceptance and belonging					0.67

Extraction method: principal component analysis.
Rotation method: Varimax with Kaiser normalisation.
Rotation converged in 7 iterations. (For clarity of interpretation, factor loadings <0.6 are suppressed.)
Items sorted by loading.

compensation package, job security and promotional opportunities. Factor 4, labelled 'Development value', assesses the extent to which an individual is attracted to an employer that provides recognition, self-worth and confidence, coupled with a career-enhancing experience and a spring-board to future employment. Finally, factor 5, labelled 'Application value', assesses the extent to which an individual is attracted to an employer that provides an opportunity for the employee to apply what they have learned and to teach others, in an environment that is both customer orientated and humanitarian.

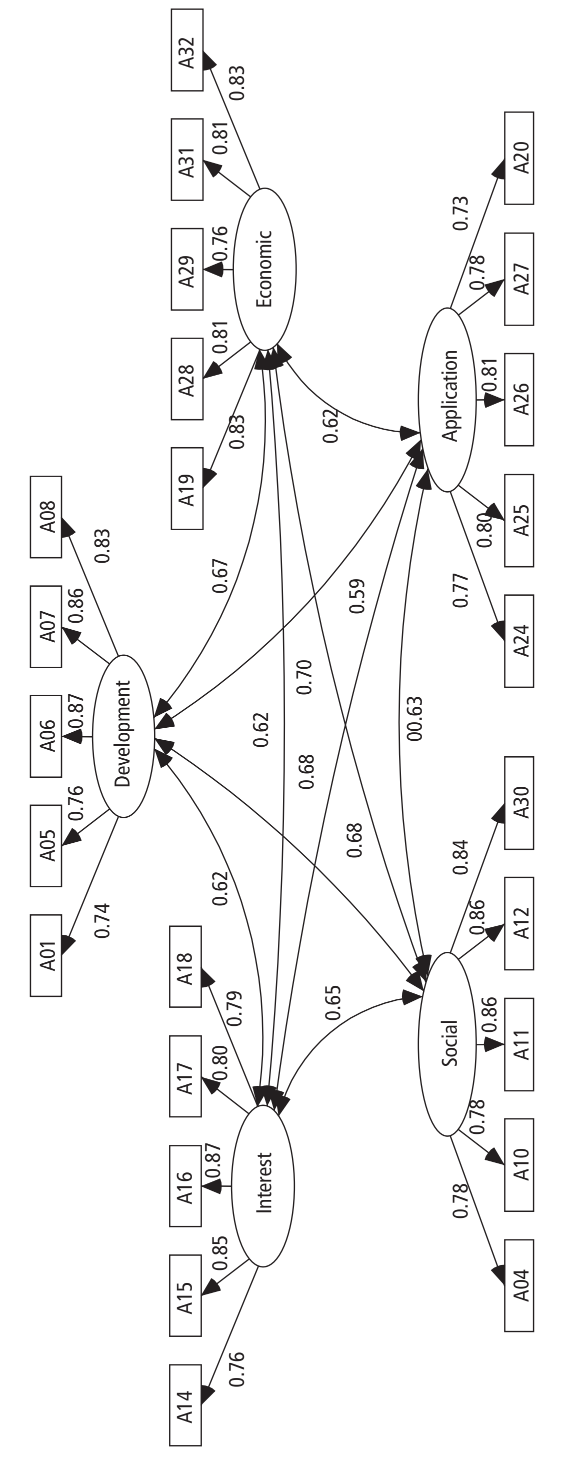
Our five-factor structure is essentially a refinement and extension of the three dimensions proposed by Ambler and Barrow (1996). Our factors 1 (Interest value) and 2 (Social value) capture their 'psychological benefits'; our factors 4 (Development value) and 5 (Application value) expand on their 'functional benefits'; and, not surprisingly, both operationalisations have an economic dimension (our factor 3).

Confirmatory factor analysis

Having identified five clear factors through principal components analysis, the next step is to confirm the factor structure on Sample 2. Structural equation modelling (SEM) was used to perform a confirmatory factor analysis on the proposed model depicted in Figure 2. As can be seen, the model consists of a first-order five-factor structure. Specifically it comprises five latent variables (social value, development value, application value, interest value and economic value), with the observed variables (EmpAt items) loading in accordance with the pattern revealed in the exploratory factor analysis on Sample 1.

There are a number of tests to ascertain whether an SEM model fits the observed data. The chi-square (χ^2) test provides a statistical test of the null hypothesis that the model fits the data, and generally a χ^2 divided by the degree of freedom (df) <5 is deemed appropriate. In addition, three fit indices are typically used to identify overall goodness of fit: (i) root mean residual (RMR), where a figure <0.10 is advised; (ii) adjusted goodness of fit index (AGFI), where a score of >0.80 is preferred; and (iii) comparative fit index (CFI), where >0.90 is stipulated (Bentler 1990). In this research, the χ^2 associated with the five-factor EA model was 685.04 ($df = 265, p < 0.01$), while the RMR = 0.06, AGFI = 0.91 and CFI = 0.96. Thus, the χ^2/df is <5,

Figure 2: Item loading for first-order, five-factor model of Employer Attractiveness (EmpAt)



and the RMR, AGFI and CFI figures suggest that the model fits the data reasonably well. Moreover, all item loading produced significant *t*-values. In short, the SEM model confirms the proposed five-factor structure of the EmpAt instrument.

Psychometric properties of the five-factor employer attractiveness model

The reliability of EmpAt

Further evidence of the reliability of the 25-item EmpAt scale is provided in Table 3, which shows composite reliability and variance-extracted scores (Fornell & Larcker 1981; Hair *et al.* 1995). The variance extracted score is recommended to be >0.50. However, this is a conservative test and the score may often drop below 0.50 when other reliability measures are adequate (Fornell & Larcker 1981). For the composite reliability statistic, scores of >0.70 are recommended (Carmines & Zeller 1988). Values were calculated for each of the factors included in the five-factor EmpAt model. The results presented in Table 4 attest further to the internal consistency of the instrument.

The validity of EmpAt

For a scale to be used with confidence it must possess validity; in simple terms, it must measure what it purports to measure. In this section, a

Table 3: Reliability and validity assessment for Employer Attractiveness (EmpAt)

	CR	AVE		CV	DV
Social value	0.91	0.68	$(\text{Corr.})^2$ 0.46, 0.49, 0.40, 0.42, 0.46	Yes	Yes
Development value	0.91	0.66			
Application value	0.89	0.61			
Interest value	0.91	0.67			
Economic value	0.91	0.65			

CR = composite reliability = $(\Sigma \text{ of std loading})^2/(\Sigma \text{ of std loading})^2 + \Sigma \text{ of } \varepsilon_j$; AVE = average variance extracted = Σ of (std loading)$^2/\Sigma$ of (std loading)$^2 + \Sigma$ of ε_j; CV = convergent validity (AVE >0.50); DV = discriminant validity = AVE/(corr.)^2 >1; (corr.)^2 = highest (corr.)^2 between factors of interest and remaining factors.

Table 4: Multiple regression – EmpAt (*x*) against attractiveness of working for Sony (*y*)

Model summary

Model	1.00
R	0.48
R^2	0.23
Adjusted R^2	0.22
Std error of the estimate	1.49

[a] Predictors: (Intercept), Application, Development, Economic, Interest, Social.

Coefficients[a]

	Unstandardised coefficients		Standardised coefficients		
Model	**Beta**	**Std error**	**Beta**	***t***	**Sig.**
(Intercept)	–1.05	0.50	—	–2.11	0.04
Social	0.24	0.11	0.11	2.15	0.03
Interest	0.18	0.1	0.09	1.87	0.06
Development	0.32	0.1	0.15	3.2	0.001
Economic	0.19	0.1	0.09	1.89	0.06
Application	0.25	0.09	0.14	2.92	0.004

[b] Dependent variable: Sony.

number of aspects of the validity of EmpAt are considered, namely: nomological, convergent, discriminant, criterion and content validity.

Nomological validity

Nomological validity of an instrument is established if items that are expected to load together in a factor analysis do so. The first-order, five-factor model of EmpAt confirmed the factor structure found in the exploratory factor analysis. The loadings of the model are shown in Figure 2. All loadings yielded significant *t*-values, and each item loads on the predicted factor, thus providing evidence of nomological validity.

Convergent and discriminant validity

Convergent and discriminant validity were evaluated by calculating the average variance extracted (AVE) for each of the five factors. Convergent validity is established if the shared variance accounts for 0.50 or more of the total variance. Discriminant validity is evident when the AVE for each construct is greater than the squared correlation between that construct and any other construct in the model (Fornell & Larcker 1981). The results presented in Table 3 confirm both the convergent and discriminant validity of the five-factor EmpAt model.

Overall, the results presented in the above sections offer support for the psychometric soundness of the EmpAt instrument at a five-factor level. On the evidence of the above results, we suggest that the structure of EmpAt is best represented by five unique dimensions (i.e. Social value, Development value, Application value, Interest value and Economic value).

Criterion validity

The criterion validity of an instrument is indicated if a scale performs as expected in relation to other variables selected as meaningful criteria. To assess the criterion validity of the EmpAt a multiple regression of the five dimensions of Employer Attractiveness was conducted against an independent global measure of the employer attractiveness of the company, Sony. In a separate study of ten well-known organisations, Sony was rated the most attractive company to work for by a sample of graduating students.

Respondents were asked to evaluate the attractiveness of working for Sony, on a seven-point scale (anchored on 'to a very little extent' and 'to a very great extent'). The results of this procedure are reported in Table 4, where the criterion variable is labelled 'Sony', and the five dimensions of EmpAt 'Social', 'Development', 'Application', 'Interest' and 'Economic'. The independent variables were formed by averaging the items that constitute the relevant factor.

As can be seen from Table 4, the regression model is significant ($p < 0.01$) with an adjusted R^2 of 0.23. Three of the five factors had a significant ($p < 0.05$) impact on the criterion variable, with the standardised beta for each factor being 0.11 for Social value, 0.15 for Development value and 0.14 for Application value. The factors of 'Interest value' and 'Economic value' were significant at the 10% level.

The relationship between three of the EmpAt factors and the overall measure of intranet success can be taken as evidence of criterion validity. Strictly speaking, we have demonstrated concurrent-criterion validity as

Table 5: Content validity of EmpAt: cross-tabulation of the five EmpAt factors against attractiveness of working for Sony

Attractiveness of working for Sony	*N*	Social	Development	Application	Interest	Economic
1 To a very little extent	13	5.23	5.17	4.86	4.97	5.31
2	14	5.54	5.46	4.93	5.02	5.41
3	31	5.80	5.61	5.48	5.22	5.62
4	106	5.74	5.64	4.99	5.34	5.74
5	185	5.78	5.68	5.19	5.57	5.76
6	181	5.99	5.83	5.40	5.67	6.00
7 To a very great extent	153	6.12	6.05	5.44	5.68	6.17

the EmpAt data and the overall evaluations of the attractiveness of working for Sony were collected at the same point in time.

Content validity

Finally, we turn to content validity, which refers to the extent to which an instrument covers the range of meanings included in the concept (Babbie 1992, p. 133). Following the factor analysis, and the identifying and labelling of the five factors, the mean score on each of the five EmpAt dimensions was computed. A table was created that enabled examination of the mean scores by the overall success of the EmpAt item referred to. Table 5 provides the outcome of this examination of mean scores. It is apparent that there is a strong positive relationship between the attractiveness of working for Sony and the evaluation of the factors – in other words, the higher respondents rated the attractiveness of Sony, the higher was their average rating on the five dimensions of employer attractiveness. EmpAt can thus be accepted to possess content validity.

Discussion

Organisations are increasingly competing to attract highly skilled personnel in various professional areas (Mahroum 2000). There is a possibility that, in future, competition for the best employees will be as fierce as competition for customers. Organisations that can attract the best minds will have a distinct edge in the marketplace (Harari 1998). Thus, just as marketing is seen as being too important to be left only to marketers, so too human resources is seen to be too important to be left solely to the HR function (Ambler & Barrow 1996; Ritson 2002). As organisations seek both to attract new employees and retain existing staff, employment advertising and employment branding will grow in importance. This can only be done effectively once organisations understand the factors contributing towards 'employer attractiveness'. Only when organisations work towards integrating these factors into the employment brand can they hope to successfully compete globally in attracting new employees. A word of caution, though: there are likely to be cross-cultural differences in employer attractiveness, so EmpAt cannot necessarily be extended cross-nationally without further psychometric testing. The present study identifies the dimensions of employer attractiveness, which in turn are likely to contribute to employment brand value.

For practising managers, EmpAt can be applied in various contexts and situations. For example, it might be used as a checklist among current employees – to track changes in their perceptions towards the firm longitudinally. Or it could be administered to various 'target audiences' of potential employees (e.g. students, graduates, professionals). Finally, it might find use as part of an 'employer brand template' used by both marketing/advertising and HR in formulating and executing recruitment strategy. EmpAt also provides exciting opportunities for academic researchers from a wide variety of disciplines (e.g. advertising, marketing, management, OB, HR, organisational psychology, economics and finance – to name but a few). The scale provides a foundation to further identify and refine antecedents and consequences of employer brand equity. Of course, EmpAt is but one initial operationalisation of the construct. There is therefore scope for other researchers to further develop and refine the scale.

Limitations

The external validity and generalisability of the scale depended on the subjects on which the scale was based. Strictly speaking, EmpAt can only be generalised towards students in their final year of studies. Of course, undergraduate students are likely to have had limited relevant employment experience compared to 'typical' job seekers (Rynes *et al.* 1980) with a lack of expertise in job search activities (Oswick *et al.* 1994). Another limitation of this study is that it was carried out only in Western Australia. Cultural differences in an organisation might have important implications for international brand building as well as brand personality measurement (Biel 1999). Furthermore, the study was carried out only within the business school and the organisations used were ones that were familiar to business school students. Therefore, the organisations used might not be applicable if the study were duplicated for, say, engineering, medical or journalism students. Also, the business school students are relatively highly skilled and are confronted with markets where demand is large, relative to supply (Rynes *et al.* 1980).

Future research

In today's increasingly globalised economy, organisations are constantly attempting to recruit the best talent from all over the world. Thus, they need to understand the impact of different cultures and nationalities on the perceptions of potential employees with regard to their employer brand. An allied avenue for future inquiry is that of country-of-origin (COO) employer brands (EB). So-called 'brain drains' (diasporas) are seriously affecting many countries around the world, particularly in the antipodes (Australia, New Zealand, South Africa). For example, Australia is experiencing a mass exodus of mainly young, professional or graduate workers of about 120,000 per year (from a population of almost 19 million). In fact, more than 5% of the Australian population work overseas, compared with 20% of New Zealanders and only 2% of Americans (Fray 2003).

Another direction researchers might consider is how the so-called 'employment brand' affects post-employment dissonance. For product purchases, the brand is used to assure consumers that they have made the right product or service choice to increase consumer satisfaction and decrease post-purchase dissonance. Similarly, there is a need to determine whether the employer brand can increase job choice satisfaction and decrease post-employment dissonance once an employee begins his/her job. A longitudinal study of the perceptions of final-year students before and after entering the workforce would assist in gauging whether their perceptions of importance with regard to job attributes would change over time. Final-year students may have more naive perspectives of job attributes, as they have not yet experienced 'real' working life. Finally, the relatively underexplored (at least by marketers) area of *employee* branding may hold some research potential. Recent attention in the business press to 'pitching oneself' (Faust & Faust 2003; O'Reilly 2003) builds on Bolles (1997) best-selling job-hunters' guide, *What Color is your Parachute?*. Nobel Prize-winning economist Michael Spence's (1973) work on signalling theory could provide a rich theoretical foundation to explore the notion of 'employee branding' in a contemporary marketing context.

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Celebrity and foreign brand name as moderators of country-of-origin effects

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Whereas most recent country-of-origin (COO) research has focused on multi-cue designs to overcome weaknesses associated with single-cue models by incorporating both extrinsic and intrinsic cues other than the COO cue in evaluating consumer responses, few studies have been reported that address the issue of whether a foreign celebrity or a foreign brand name can enhance or diminish consumer attitude, product quality perception and purchase intention in another country. This study shows that in a country (Austria) where consumers speak a different language with very different cultural heritage, the use of a foreign (US) celebrity and an English brand name can be a liability. Consumer ethnocentrism is a plausible explanation for this observation.

Introduction

As more and more firms around the world, large and small, embrace global marketing as a viable business expansion strategy, consumers around the world are facing an increasing array of choices for products and services from many different countries. When firms expand into the global marketplace they face several critical decision alternatives, including production locations, entry modes, advertising and promotions, which have significant ramifications for corporate global performance. The choices of specific strategic alternatives that are made may also have significant impacts on consumer product evaluations.

In line with the increasing prevalence of global expansion strategies by firms large and small all over the world, a large body of literature has developed over the past few decades addressing the impacts of country-of-origin

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(COO) labels on consumer product evaluations. In addition to addressing a variety of COO issues, many of these studies reported in the literature are designed to test factors other than the COO information, which can potentially affect consumer product perceptions (for reviews, see Samiee 1994; Al-Sulaiti & Baker 1998). A large number of factors in conjunction with the COO information have been examined in the COO literature in a variety of frameworks. For instance, Sharma *et al.* (1995) propose a model testing antecedents and moderators of consumer ethnocentrism.

This paper focuses on a specific theoretical framework incorporating COO, celebrity endorsement and brand name designations into the study design. Extant literature addressing each of these factors is reviewed first, followed by the theoretical framework leading up to the development of hypotheses. The methodology designed to test the hypotheses is then described. Empirical tests are reported in the results section. The paper concludes with theoretical and managerial implications, as well as limitations and suggestions for further research.

Theoretical background

COO

Many earlier COO studies reported in the literature have been found to be seriously flawed for utilising single-cue models in which the only variable used is the COO information. Multi-cue models designed to overcome weaknesses associated with previous research, which tends to rely on single-cue models, have become more common. Multi-cue models are more realistic in the sense that consumers do not simply rely on the COO information alone for product evaluations or product choice decisions. Various informational cues such as product warranty (Thorelli *et al.* 1989; Li *et al.* 2000), price and material contents of the products (Ettenson *et al.* 1988), product type (Eroglu & Machleit 1989; Wall *et al.* 1991), store prestige (Chao 1989a, 1989b; Davis *et al.* 1990) and component parts (Tse & Lee 1993; Chao 1998, 2001) have all been found to influence or moderate the COO effects in consumer product evaluations.

In addition to a variety of extrinsic and intrinsic cues used in multi-cue COO research designs, various other substantive issues related to the COO research have also been explored. Consumer attitudes towards the product have been shown to be affected indirectly through consumer product attribute beliefs (Erickson *et al.* 1984). Consumers' ethnocentric tendencies have been found to influence consumer perceptions of products made in different countries (Shimp & Sharma 1987). Consumer patriotism and national animosity have been identified as emotional factors influencing consumer attitudes towards different country products as well as purchase intentions (Han 1988; Rawwas *et al.* 1996; Klein *et al.* 1998). Other studies have reported that the COO information salience varies according to the information-processing strategies used by consumers in product evaluations. For instance, it has been reported that a novice is more likely to rely on the COO information than an expert to form product perceptions, as novices and experts differ in the types of information they desire when evaluating products from different countries (Maheswaran 1994). A study by Hong and Wyer (1989) shows that the COO information can help to enhance the salience of product attribute information, which in turn can influence consumer product attribute evaluations. It has also been shown that the COO effects on consumer product information search and product evaluations can differ at different stages of the consumer's decision-making process (Johansson *et al.* 1994; Chao & Gupta 1995).

Brand name

Whereas the COO literature has reported conflicting results regarding dominance of brand versus COO cue in consumer product evaluations (Han & Terpstra 1988; Cordell 1992; Ettenson 1993; Nes & Bilkey 1993; Tse & Gorn 1993; Häuble 1996), Nebenzahl and Jeff (1996) report that brand versus COO cue dominance appears to be country specific. Chao and Gupta (1995) show that the COO effects on consumer product information search for automobiles are model specific. Most of the COO research designs involving brands manipulated strong versus weak brands. The use of foreign brand names for various products in the USA such as Häagen-Dazs and Giordano's has increased over the years. Research concerning the effectiveness of using foreign brands has been scanty at best. With the exceptions of Schmitt *et al.* (1994), who report that consumer brand recall is affected by different languages used for the brand, and Leclerc *et al.* (1994), who report that foreign brand names can project different images for different products, few studies have been designed to examine the issue of how foreign brand names may affect product perceptions. Furthermore, limitations associated with the fact that both studies utilised student subjects and that the second study was conducted only in the USA point up the need for further research. Both Winer (1999) and Peterson (2001) advocate social science research to focus on greater external validity.

Celebrity

Most COO studies have focused on the roles of extrinsic and intrinsic cues in moderating the COO effects. Other popular marketing tools used to market products/services in the US domestic market have been ignored in the COO literature. Various firms have used celebrity endorsers to help promote their products. It is noted that appropriate use of celebrity endorsers can be highly effective in product promotions (Michell & Olson 1981; Mowen & Brown 1981; Atkin & Block 1983; Misra & Beatty 1990). The effectiveness of a celebrity endorser may stem from a greater perceived trustworthiness of the celebrity by the consumer (Hovland & Weiss 1951; Choo 1964; Horai *et al.* 1974). Consumers may also be classically conditioned to liking the product because it is associated with a liked celebrity endorser due to his/her attractiveness (Baker & Churchill 1977; Petty & Cacioppo 1980; Kahle & Homer 1985).

As a point of departure from traditional advertising where US celebrities are used for product endorsements in the United States, some more innovative US companies have recently been noted to use foreign celebrities in their advertising campaigns. For instance, Pizza Hut has used Mikhail Gorbachev in one of its recent advertising campaigns in the USA. It has been acknowledged that most scholarly research about the factors affecting the effectiveness of celebrity endorsement has been US-based (Erdogan & Baker 2000). No study, to our knowledge, has reported the effectiveness of US celebrities used in advertising campaigns in other countries. Many US celebrities, such as Michael Jordan and Cindy Crawford, are just as popular overseas as they are in the USA. As successful as Hollywood movies and TV series are in many international markets, it should be of interest to international marketing researchers and advertising practitioners alike to know whether and how some of these US celebrities may be used effectively as product endorsers in other countries.

Study objectives

Whereas many informational cues have been known to mediate the COO effects, no study has been designed to address the questions of whether branding (German vs English) and US celebrity endorsement for a product can be used as moderators of COO effects in a country other than the USA – in this case, a German-speaking country: Austria. This study is designed to integrate these three factors to examine not just how each of them may affect consumer product evaluations independently, but also how they may influence consumer attitude, product quality perception and purchase intention interactively for an electronic product in Austria.

The literature reviewed above forms the basis for the hypotheses pertaining to the main effects of COO, brand name and celebrity endorsement on the three dependent variables used in this study: attitude, quality perception and purchase intention. The congruity theory elucidated by Osgood and Tannenbaum (1955) is used as the theoretical underpinning for the hypotheses pertaining to the interaction effects. According to this theory, consumers prefer two elements to be congruent, which generate less psychological discomfort. However, when they are not, consumer attitude will be adjusted to reduce the psychological discomfort due to such incongruity. For example, when a product is indicated as designed in Germany with parts also from Germany, the two elements are in congruity. Consumers may feel better about the product given that Germany is well known for producing quality products. However, when a product is indicated as designed in Germany, but the parts are shown as being made in India, incongruity has been created whereby the consumer's attitude towards the product will be adjusted to correct for such incongruity. The net effect is that the consumer's attitude towards the product in the incongruent condition will become lower than his/her attitude towards the product in the congruent condition.

Hypotheses

The first three hypotheses pertain to the three main effects. With the exception of Harris *et al.* (1994), few studies on branding have examined the issue of how foreign brand names may affect consumer attitude and purchase intention. This study reveals that with a few exceptions, the majority of a US student sample involved in evaluating a set of technical and personal products display a greater preference and stronger purchase intention for English brand names than French or German brand names. This result is not inconsistent with the ethnocentrism explanation offered by Shimp and Sharma (1997). One should therefore expect Austrian consumers to exhibit a better attitude towards the brand (A_b), higher quality evaluation and higher purchase intention for a German brand name.

H1a: A German brand name for a VCR is likely to elicit a better A_b than an English brand name in Austria.

H1b: A German brand name is likely to elicit a higher product evaluation for a VCR than an English brand name in Austria.

H1c: A German brand name is likely to elicit a higher purchase intention than an English brand name in Austria.

As Germany is well known for product engineering and product quality throughout the world, one should expect Austrian consumers to exhibit a better A_b and higher quality evaluation for a VCR indicated as 'Made in Germany' than one that is indicated as made in a developing country. One should expect a similar result for purchase intention.

H2a: A VCR indicated as 'Made in Germany' is likely to receive a better A_b than one indicated as 'Made in China' among Austrian consumers.

H2b: A VCR indicated as 'Made in Germany' is likely to receive a higher quality rating than one indicated as 'Made in China' among Austrian consumers.

H2c: A VCR indicated as 'Made in Germany' is likely to show a higher purchase intention than one indicated as 'Made in China' among Austrian consumers.

As it has been pointed out in the literature that celebrities are often perceived to be likable and trustworthy, one should expect a US celebrity who is also well known in Austria to outperform a non-celebrity in influencing Austrian consumer A_b and product quality evaluation. A similar result is expected for purchase intention.

H3a: A US celebrity is likely to elicit a better A_b than a non-US non-celebrity for a VCR among Austrian consumers.
H3b: A US celebrity is likely to elicit a higher quality evaluation for a VCR than a non-US non-celebrity among Austrian consumers.
H3c: A US celebrity is likely to elicit a higher purchase intention for a VCR than a non-US non-celebrity among Austrian consumers.

Hypotheses 4 to 6 pertain to the interaction effects. Consistent with the congruity theory, it has been hypothesised that when a product's COO is perceived as congruent with the brand name, consumer evaluations of the product are expected to be higher if both the country and brand equities are high than if both equities are low (Shimp *et al.* 1993).

One will expect therefore, a French name for a brand of perfume indicated as 'Made in France' will be rated higher than a Spanish brand name for the perfume, which is indicated as 'Made in Mexico'. However, when the brand name and country equities are incongruent, it is expected that the positive image associated with a strong brand name will be moderated by a weaker country equity, and vice versa (Keller 1993; Leclerc *et al.* 1994; Jo *et al.* 2003). Similarly, a negative evaluation for a brand of perfume indicated as 'Made in Mexico' can be expected to be mitigated by a positive country equity when the product is indicated as 'Made in France'. Johansson and Nebenzahl (1986) provide partial support for this hypothesis.

H4a: The magnitude of the COO effect on A_b will be moderated by the brand name used for the product.
H4b: The magnitude of the COO effect on product quality evaluation will be moderated by the brand name used for the product.
H4c: The magnitude of the COO effect on purchase intention will be moderated by the brand name used for the product.

As pointed out earlier, celebrity endorsements for products can be highly effective due to a greater trustworthiness of the celebrity endorsers as well as their attractiveness. If at the same time, a well-liked celebrity is paired with a strong country equity, consumer evaluation of the product will be expected to be higher than if a non-celebrity is paired with a weak country equity. Similarly, in an incongruent condition where a US celebrity is paired with a weak country equity, it is expected that the positive image associated with a well-liked US celebrity will be moderated by the negative image associated with a weak country equity so that the attitude towards the product will become less positive. In essence, higher credibility associated with a liked celebrity endorsing a product may compensate for a lower credibility attributed to a more poorly perceived country equity (Chao & Duregger 1997). Product quality evaluation and purchase intention are expected to be affected in the same way.

H5a: The magnitude of the COO effects on A_b will be moderated by the celebrity status of the product endorser.
H5b: The magnitude of the COO effect on product quality evaluation will be moderated by the celebrity status of the product endorser.
H5c: The magnitude of the COO effects on purchase intention will be moderated by the celebrity status of the product endorser.

Celebrity and brand congruence has been demonstrated to produce better recall and attitude towards the brand (Misra & Beatty 1990). One should expect that a well-liked celebrity combined with a German brand name would produce better attitude and product quality evaluation among Austrian consumers whose native language is German. However, when celebrity spokesperson and brand name are incongruent, such as a celebrity spokesperson and an English brand name, one should expect the less positive evaluation associated with the English brand name to be mitigated by a positive image associated with a well-liked celebrity spokesperson. Purchase intention should also be affected in the same way.

H6a: The magnitude of the celebrity status effect on A_b will be moderated by the brand name used for the product.

H6b: The magnitude of the celebrity status effect on product quality evaluation will be moderated by the brand name used for the product.

H6c: The magnitude of the celebrity status effect on purchase intention will be moderated by the brand name used for the product.

Method

A 2×2×2 full factorial between-subjects design was used in this study. Two levels of celebrity status (US celebrity vs non-US non-celebrity), two levels of brand (German vs English) and two levels of COO (Germany and China) were specified. German and Chinese products were selected because products made in both countries are readily available in Austria and they reflect distinctly different country images. As indicated earlier, German products are well known for product quality. Chinese products, on the other hand, have not achieved the same high quality perception as German products.

The US celebrity Peter Falk, who plays the famous TV detective Columbo in a well-known US series, was chosen for the celebrity condition because he is also well known in Austria. The series had been playing on Austrian television for quite some time at the time of the study. All episodes are dubbed into German. A German-sounding brand name – Panorama – and an English-sounding brand name – Artech – were used to test the efficacy of branding in different languages in moderating the COO effects. A German-sounding brand name was chosen because Austria is a German-speaking country. Fictitious brand names were chosen for this study to minimise any pre-existing attitude or perceptions about well-known brands. Black and white mock-up ads showing a picture of the product and a list of product features – four-head system, hi-fi stereo with digital live circuitry for best picture performance, multi-brand remote control, compatible with ten major TV brands, on-screen display in English, French and German, and a price of 2499 Austrian schillings (approximately US$208.00) – were professionally prepared. These product features remained constant in all ads. Colour pictures of the celebrity and non-celebrity spokespersons were inserted into the ads. They were selected to look similar in major characteristics: dress, age, appearance and physical attractiveness. The ads and questionnaire were translated into

German by one of the research team members who is familiar with both the English and German languages.

Data collection

Data were collected by the Marketing Research Institute, a professional research organisation located in Upper Austria, from different regions in the country. Each respondent was approached on city streets and kindly requested by a professional interviewer to fill out a copy of the survey instrument after examining the ad at his/her own pace. After data pruning to remove data with too many missing values and to achieve a balanced design, the sample size was reduced to 280 with 35 subjects per cell. Table 1 shows a list of sample characteristics and names of the cities and provinces from which data were collected.

Table 1: Sample characteristics

Description	%	Description	%
City or province		**Marital status**	
Upper Austria	45.0	Single	47.7
Lower Austria	5.7	Married	39.1
Burgenland	1.8	Widowed	5.4
Carinthia	5.0	Divorced	7.9
Salzburg	1.8		
Styria	13.6	**Education**	
Tyrol	2.5	Primary–secondary	45.1
Vienna	20.4	Above primary–secondary	24.2
Vorarlberg	3.9	High school graduate	22.0
		College degree	8.7
Gender			
Male	46.6	**Employment**	
Female	53.4	Employed	52.5
		Student	18.7
Age		Retired	17.3
15–24	28.1	Home work	7.2
25–39	30.9	Unemployed	4.3
40–49	15.8		
50–59	11.9		
60–69	6.8		
≥70	6.5		

Attitude towards the brand (A_b), product quality and purchase intention served as the dependent variables. A_b was measured by asking each respondent how s/he feels about the brand using three seven-point scales: bad (1)–good (7), unsatisfactory (1)–satisfactory (7), and unfavourable (1)–favourable (7). Product quality perception was obtained by using three seven-point scales: poor workmanship (1)–excellent workmanship (7), not durable (1)–very durable (7) and not reliable (1)–very reliable (7). Purchase intention was measured by asking respondents how willing they would be to purchase the advertised VCR if they were in the market for this product. A single one-item scale was used: not willing (1)–very willing (7). The reliability coefficient for the three seven-point scales used to measure A_b is 0.94 and the reliability coefficient for the three seven-point scales used to measure product quality perception is 0.91. These reliability coefficients display an acceptable level of internal consistency. The mean scores across the three items for A_b and product quality perception obtained from each respondent were therefore used respectively in the data analyses.

Results and discussions

Even though care was exercised in the selection of the US celebrity and non-US non-celebrity spokespersons to ensure similar characteristics in order to minimise any potential confounds, manipulation checks were performed to ascertain equivalence of perceived physical attractiveness and the level of knowledge about the celebrity spokesperson.

Manipulation checks

Once each respondent had completed a copy of the questionnaire, s/he was asked to indicate the perceived physical attractiveness of the celebrity versus the non-celebrity spokesperson on a seven-point scale: not attractive (1)–very attractive (7). Each respondent was asked to identify the spokesperson in the ad. Two choices were provided: 'Peter Falk (Columbo)' or 'Don't know'. On physical attractiveness, Peter Falk ($\overline{x}_1$) outscored the non-celebrity ($\overline{x}_2$) spokesperson ($\overline{x}_1 = 3.36$, $\overline{x}_2 = 2.72, p < 0.05$). In this case, we must conclude that if there is a significant effect between celebrity and non-celebrity spokespersons on any of the dependent variables it may not be just the celebrity status but also the physical attractiveness of the celebrity that can account for the difference. However, we view this to be less problematic when compared to the reverse, where the non-celebrity spokesperson is actually perceived to be more attractive. In fact, one of the reasons why a celebrity may do better than a non-celebrity spokesperson in generating higher communications effectiveness is his/her attractiveness to the consumer.

A separate sample of 406 Austrian consumers was used in a telephone survey to validate the brand names used in this study. A majority (68%) of the sample identified Panorama as a German brand name and 19% identified it as an English brand name ($p < 0.05$). A majority (51%) of this sample identified Artech as an English brand name and 30% identified it as a German brand name ($p < 0.05$).

A majority (80%) of the respondents exposed to the ad containing the celebrity spokesperson were able to correctly identify him as Peter Falk (Columbo). A majority (98%) of respondents did not know who the non-celebrity was. The celebrity and non-celebrity manipulation was therefore deemed successful.

ANOVA results

Three separate ANOVA analyses were performed on the three dependent variables. The results are presented in Table 2. Only significant results are shown in this table. None of the independent variables shows any significant impact on attitude towards the brand (A_b).

This result, however, appears consistent with the results reported by Erickson *et al.* (1984) and Häuble (1996). Both studies show that COO does not impact attitude directly. The effect of COO on attitude, if any, is

Table 2: ANOVA results

Dependent variable	Independent variable	*F*	*d.f.*	Probability
Product quality	COO	6.41	1	0.012
Purchase intention	Celebrity	2.96	1	0.087
	COO	7.36	1	0.007
	Brand × COO	3.20	1	0.075

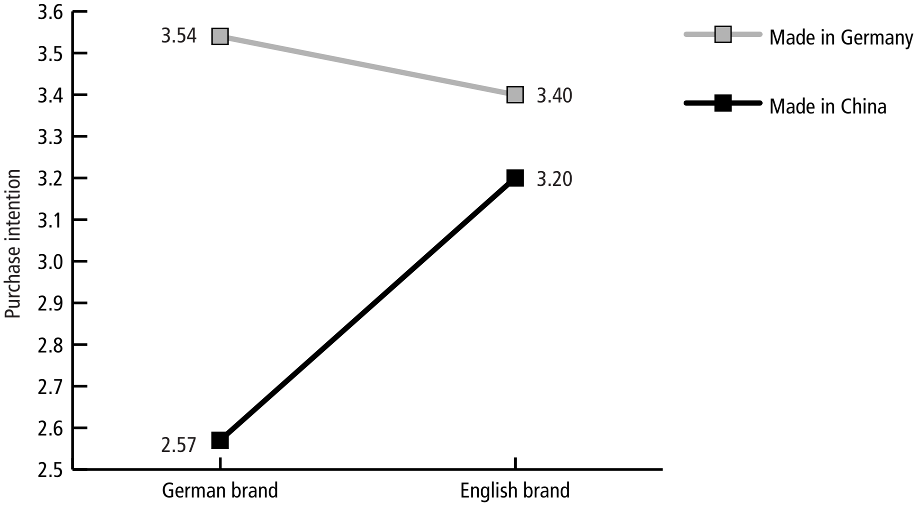
through consumer beliefs. Product quality perception appears to be affected by the COO information as expected. The VCR indicated as 'Made in Germany' received a higher mean quality rating than that indicated as 'Made in China' ($\bar{x}_G = 4.19$ vs $\bar{x}_C = 3.79$; $p < 0.02$). However, the main effects of the celebrity and brand name are not significant at all. Neither were any interaction effects detected. These results show that a US celebrity cannot be used to circumvent a poorly perceived country stereotype, nor can a German brand name do the same, at least not in Austria.

The main effects of celebrity and COO on purchase intention are significant. It is interesting to note that the direction of the significant main effect of celebrity ($p < 0.09$) is different to most previous research findings regarding celebrity effectiveness in product endorsements. The non-celebrity ($\bar{x}_1$) actually outperformed the US celebrity ($\bar{x}_2$) on purchase intention ($\bar{x}_1 = 3.36$, $\bar{x}_2 = 2.99$; $p = 0.087$). Since we compared a US celebrity with a German/Austrian non-celebrity, it is quite plausible that consumer ethnocentrism among German-speaking Austrians could have caused them to prefer buying the product endorsed by a German/Austrian non-celebrity to a US celebrity. The main COO effect is in the expected direction. The mean purchase intention is higher for the VCR indicated as 'Made in Germany' vs one indicated as 'Made in China' ($\bar{x}_G = 3.47$, $\bar{x}_C = 2.89$; $p < 0.01$). The significant COO main effect, however, is qualified by a marginally significant brand by COO interaction effect ($p < 0.08$). The direction of interaction is shown in Figure 1. For a German brand, the mean purchase intention is higher if the VCR is indicated as 'Made in Germany' than one indicated as 'Made in China' ($\bar{x}_G = 3.54$, $\bar{x}_C = 2.57$, $p < 0.01$), whereas for an English brand, the difference between a VCR 'Made in Germany' and 'Made in China' is not significant ($\bar{x}_G = 3.40$, $\bar{x}_C = 3.20$). For a German brand, 'Made in Germany' shows a higher mean score on purchase intention, perhaps reflecting once again the ethnocentric tendency of Austrian consumers.

Summary and conclusions

This study examined the moderating effects of US celebrity, foreign brand and COO on consumer product evaluations in Austria. In addition to findings consistent with previous COO research, other conflicting results with

Figure 1: Purchase intention for the COO by brand interaction



previous research findings in this study may have some interesting theoretical and managerial implications for international marketing.

Theoretical implications

The meta-analysis study of COO effects by Peterson and Jolibert (1995) revealed that the COO effects are generally stronger on consumer attitudes and quality perceptions than purchase intentions. This was explained on the basis of the fact that purchase intention normally requires consumers to exhibit a higher level of commitment than attitude formation. Furthermore, student subjects usually score lower on purchase intention than samples of consumers and business people. Student subjects' resource constraint was offered as a plausible explanation for this outcome. Even though this study did not use student subjects for comparison, the results based on an Austrian consumer sample nevertheless partially confirmed the pattern of observations reported in the COO literature. Notwithstanding the results showing no significant impact of COO on A_b, the COO effect on purchase intention appeared to be as strong as the COO effect on product quality evaluation (Table 2).

Generally, celebrity endorsements are expected to be more effective than non-celebrity endorsements so long as the image of the celebrity is congruent with the image of the product or the brand (Kamins 1990; Misra & Beatty 1990). With the exception of negative publicity surrounding some celebrities (OJ Simpson, Michael Jackson, etc.) the worst that can be expected should be that product endorsement by a celebrity should produce no more or less effective purchase intention than product endorsement by a non-celebrity unless a segment in the target audience exhibits a strong dislike for the chosen celebrity, such as Madonna (Langmeyer & Shank 1993). The unexpected result in this study, that a non-celebrity spokesperson on purchase intention actually scored higher than a US celebrity spokesperson in Austria, is therefore quite noteworthy. Most research studies on celebrity effectiveness reported in the literature were conducted in the USA using US celebrities. This study is one of the first to address the issue of using US celebrities in advertising in another country whose citizens speak a different language. As the manipulation checks confirmed that the vast majority (80%) of the sample recognised the US celebrity and their evaluation of the US celebrity was significantly more positive than the non-celebrity, one should expect the celebrity to do better than the non-celebrity in generating a higher purchase intention for the product, rather than the reverse. A plausible explanation for this observation is that consumer ethnocentrism in favour of a German/Austrian non-celebrity can cause consumers in Austria to prefer buying a product endorsed by him/her to one endorsed by a foreign (US) celebrity. The main COO effect on product quality evaluation and the significant COO by brand interaction effect on purchase intention appear to be consistent with this observation. They gave the ‘Made in Germany’ VCR a higher quality rating, preferred the German brand name when the product is indicated as ‘Made in Germany’, and cared less for an English brand name regardless of the product’s ‘Made in’ label. It is not surprising that Austrian consumers may exhibit a stronger affiliation with German brand names and products made in Germany due to similar language and cultural heritage.

Managerial implications

As COO continues to dominate consumer product quality evaluation and purchase intention in Austria, it is prudent for international marketers to stress the product's German origin when possible. The result of this study shows that 'Made in Germany' enjoys considerable advantages in Austria. Cautions need to be exercised when using a US celebrity for product promotion in Austria. As popular as Hollywood movies and television series may be in many overseas markets, a US celebrity spokesperson can actually be a liability, particularly if there are strong ethnocentric tendencies. Care must also be exercised in interpreting this result. Even though a German non-celebrity spokesperson was found to be more effective on purchase intention than a US celebrity, this does not imply that a positively evaluated celebrity spokesperson is necessarily a liability *per se*. Since our study did not use a German or Austrian celebrity vs a German or Austrian non-celebrity, it is conceivable that a German or Austrian celebrity may outperform a German or Austrian non-celebrity on purchase intention.

The fact that the COO by brand interaction effect on product quality evaluation is not significant suggests that a German brand name can not be used effectively to circumvent a poorly perceived country stereotype if the product is associated with a negative country image (in this case, China). Similarly, a US celebrity endorser cannot be used as an effective strategy to change consumer perception of product quality if it is indicated as 'Made in China'. However, the significant COO by brand interaction effect on purchase intention suggests that Austrian consumers prefer buying a product with a German brand name when the product is indicated as 'Made in Germany'. An English brand name has very limited appeal to them. However, when a product is indicated as 'Made in China', a German or an English brand name did equally well. This finding has significant implications for international branding strategies.

Limitations and suggestions for future research

This study used a representative sample of Austrian consumers in nine provinces to maximise external validity of this research. However, several limitations of this research should be noted. As only one US celebrity spokesperson, Peter Falk (Columbo), was used in this study, it is not possible to confirm whether other US celebrities – such as Arnold Schwarzenegger, who comes from Austria – may not work better with Austrian consumers. Furthermore, Peter Falk as Columbo may have a greater appeal to only a certain segment of the Austrian population, which may account for the results obtained in this study. It is also conceivable that an Austrian or German celebrity may be used more effectively than a US celebrity in product endorsement in Austria. The fact that there was only one product used in this study represents another limitation. The product used in this study is esentially functional in nature: fashion products, however, may work better with celebrity endorsement. This perspective should be taken into consideration in future research.

As measurement of consumer ethnocentrism was not obtained in this study, our explanation for the unexpected result on celebrity effectiveness, or lack thereof, remains tentative. Future research should use more celebrities and test more products. The role of consumer ethnocentrism in moderating the effectiveness of celebrity endorsers in international markets should also be examined.

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Development of a media selection model using the analytic network process

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The authors develop and test a comprehensive model for media selection utilising the Analytic Network Process (ANP). ANP is a flexible and powerful multi-attribute decision aid developed by Saaty (1996) for solving complex decision-making problems. It is aimed at integrating different measures (both qualitative/intangible and quantitative/tangible) into a single overall score for ranking decision alternatives. In applying the ANP method, the authors specifically incorporate web/internet media advertising into their list of media alternatives, using many of the same standard media attributes that have typically been employed in comparing more traditional media. The result is a model that may be utilised by expert and/or novice media planners with equal effectiveness.

Introduction

Media planning consists of a series of decisions designed to assess the best means of delivering an advertising communication to prospective purchasers of a product or service. The media selection problem is often challenging because of the wide range of alternatives, and because of the economic importance of this decision to the advertising organisation (Gensch 1970). Adding to the challenge is the fact that each of the media alternatives has certain advantages and disadvantages, not only in terms of reach, frequency, impact and cost, but also in terms of its suitability for bringing consumers through the various stages of the communication process.

Traditional procedures for media selection rely primarily on judgement and experience. These procedures may be suspect, however, because of their inability to simultaneously consider the myriad of factors that impact

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the media selection decision (Dalrymple & Parsons 1986). Thus, a number of quantitative models and computer programs have been developed to help structure the media determination process. These models and programs require the specification of media weights that reflect the suitability of various media for advertising a particular product, according to the specific advantages and disadvantages mentioned earlier. However, because of the difficulty associated with incorporating experts' knowledge and experience (especially with respect to qualitative factors), the models' underlying assumptions are rarely complete and accurate, and hence the results are also suspect (Dyer *et al.* 1992).

Thus, the media selection decision poses a dilemma in that 'its solution must rely on human judgment, but the problem is too complex to be solved with human judgment alone' (Dyer *et al.* 1992, p. 59). Further, human judgement regarding particular types of qualitative factors is difficult to incorporate in quantitative models. However, one particular analytical approach, called the Analytic Hierarchy Process (AHP), is particularly well suited to overcome this problem. The AHP is a flexible and powerful multi-attribute decision aid developed by Saaty (1980) for solving complex decision-making problems. It is particularly useful when the decision-making dilemma involves qualitative factors that are difficult to measure. The AHP is aimed at integrating different measures, qualitative/intangible and quantitative/tangible, into a single overall score for ranking decision alternatives. Its main characteristic is that it is based on pairwise comparison judgements. Pairwise comparison allows the aggregation of two factor evaluations instead of the simultaneous comparison of many factors, which is a much more difficult cognitive exercise for most decision-makers. Further, research has shown that the AHP may be successfully employed as a decision support system for media selection (Dyer *et al.* 1992).

Application of the AHP, however, is subject to specific premises. For example, it does not permit interdependent relationships between media selection factors. Because many application problems are based on structures that do not fulfil these premises, Saaty introduced supermatrix analysis (also defined as the Analytic Network Process, or ANP). This method enables its user to consider interdependencies between and among factors, and also to solve problems that have a complex and non-hierarchical structure (Saaty 1996). In this paper we apply this more complete form of

AHP to the media selection decision. A media selection model employing ANP to consider various factor interdependencies has not appeared in the literature.

In addition, in applying the ANP method, we specifically incorporate and evaluate web/internet media advertising into our list of media alternatives. Although the recent economic downturn has reduced internet ad expenditures, the web has emerged as a new advertising medium vying strongly with the more traditional media. Many advertisers have already built the internet into their media mix (the terms internet and web are assumed to be the same in this paper and are used interchangeably). In 1997, advertising expenditures on the internet amounted to $900 million (Blankenhorn 1998), but despite the web's capability of becoming a potentially powerful medium, there is little empirical research into its effectiveness compared with other advertising media (Leong *et al.* 1998). Further, many organisations are uncertain or divided on how effective internet marketing is to their organisations (Bush *et al.* 1998). In addition, most of the models and programs that have been developed to address the media selection issue do *not* include web/internet advertising in their set of media alternatives.

We incorporate web/internet advertising into our model using many of the same standard media attributes (i.e. advantages/disadvantages) that have typically been employed in comparing more traditional media (e.g. Belch & Belch 1998). Our list of attributes was derived from a comprehensive review of the advertising literature, and subsequent categorisation and integration of media selection factors. The result is a model that may be utilised by novice and/or expert media planners with equally effective results. The model is tested and validated across three product categories.

We will examine the attributes that characterise the advantages and disadvantages of various media, as well as model development and testing, in later sections. First, however, we examine the limitations of existing modelling approaches, as well as AHP and ANP, in more detail.

Modelling approaches

Media models can generally be classified by their solution approach: optimising models and non-optimising models. Under the optimising-model category are several classes of mathematical (e.g. linear, dynamic, integer or non-linear) programming models (Danaher 1989). Optimising models require that assumptions be made so that the 'best' media schedule and selections can be determined. Non-optimising approaches may involve heuristic problem-solving, step-wise or marginal-analysis procedures and/or simulation models (Lilien *et al.* 1992).

Much of the work on media models in the early and mid-1960s focused on linear programming and other optimisation procedures. However in many cases the goal of achieving the 'best' media schedule was not optimal because many of the underlying assumptions were not true in reality. Because it was 'difficult to incorporate experts' knowledge and experience, especially with respect to qualitative factors in these models, the underlying assumptions of the models [were] rarely complete and accurate' (Dyer *et al.* 1992, p. 60).

Dissatisfaction with the optimisation approaches encouraged modellers in the late 1960s and early 1970s to relax the optimisation criterion in an attempt to develop more realistic model structures. The result was a series of heuristic problem-solving and simulation models that required fewer restrictive assumptions (Calantone & de Brentani-Todorovic 1981). However, these models were difficult to use because in most cases the large numbers of comparisons and judgements rendered the tasks so complex that analysis with some form of algorithmic approach was required (Dyer *et al.* 1992). In addition, the more complete heuristic and simulation models brought with them added complexity, which made them particularly difficult to understand (Simon & Thiel 1980; Lilien *et al.* 1992). As a result, since the surge of the 1960s there has been a marked decline in the development of media-decision models.

AHP is a technique that can be utilised to combine the strengths of both optimising and non-optimising media selection models. In addressing qualitative factors, it incorporates the knowledge and experiences that media decision-makers possess. It also shares the ability of non-optimising models to deal with many factors without oversimplification. However, like other well-formulated analytical tools, it is also able to efficiently handle large combinatorial problems. We discuss the AHP and its more advanced version, ANP, in the following section.

The Analytic Hierarchy Process (AHP) and the Analytic Network Process (ANP)

AHP was developed in the 1970s by mathematician Thomas L. Saaty as a method for solving poorly structured complex decision problems (Saaty 1980). AHP has been successfully applied to a wide variety of problems in different fields such as economics, politics (Carlsson & Walden 1995), marketing, sociology and management (Saaty 1982). With the introduction of a PC version in 1983 (Expert Choice), the number and variety of applications has rapidly grown (Golden *et al.* 1989). AHP includes the following steps.

1. The decision problem is decomposed into its decision elements, and structured into a hierarchy that includes an overall goal, criteria, sub-criteria and alternatives.
2. Using pairwise comparisons, the decision-maker determines the priorities of the individual elements. He/she compares a pair of elements in a level of the hierarchy with respect to an element in the level above, referring to their importance in terms of a particular measure or factor. Evaluations are summarised in a series of matrices.
3. The relative weights or priorities of the elements are calculated from these paired judgements using the eigenvector derivation procedure.
4. Relative local priorities of each element are aggregated and condensed into global priorities, which represent the desired importance of the attributes or alternatives.

Although AHP is a valuable tool, the model does not permit dependencies between attributes at one hierarchy level, nor does it permit interdependencies between attributes of higher order or subordinate levels (Huber *et al.* 2000). To overcome this restriction, Saaty developed the ANP method, which enables its user to consider dependencies and interdependencies between *all* attributes, both within one particular level and also across levels.

ANP has been applied in a variety of settings, the majority of which have focused on the evaluation and ranking of alternatives for selection purposes. One of the first applications of the ANP technique was by Hämäläinen and Seppäläinen (1986), who utilised the procedure to prioritise national energy expenditures. In another early application, Azhar and

Leung (1993) applied a multi-attribute/multi-year variation of the process to an equipment replacement decision. Recently the ANP technique has been integrated with other tools such as goal programming, data envelopment analysis, multi-attribute utility theory and quality function deployment. Applications have included such diverse areas as environmental planning (Sarkis 2003), operations management (Meade & Sarkis 1999), sports team management (Partovi & Corredoira 2002) and strategic alliance formation (Meade *et al.* 1997).

Analysis utilising ANP requires the formation of additional 'clusters' of elements, thus permitting the examination of dependencies both among elements of a cluster ('inner interdependencies') and between one or more elements of one cluster and elements of other clusters ('outer interdependencies'). In this way, decision problems that are based on complex structures with diverse interdependencies can be represented as networks. Networks of clusters are pooled into 'block' matrices, and block matrices are incorporated into a supermatrix. Similar to the AHP, then, the priorities are calculated by solving the eigenvector derivation problem (see Saaty 1996). Whether the whole model or a portion of the model is executed depends on whether convergence of the supermatrix occurs. Convergence is sought for a supermatrix to arrive at a complete set of interactions among various factors, and is based on Markovian operations. In our model we employ a two-stage calculation method to arrive at a 'desirability' index that will provide a final relative priority ranking for each of the media alternatives.

The first step in developing a model is to determine the factors or criteria that will be used in the pairwise comparison process. These factors represent the advantages and disadvantages of various media, and are discussed in the following section.

Media advantages and disadvantages

According to the Advertising Research Foundation's (ARF's) eight-stage hierarchical model (Advertising Research Foundation 2002), the effectiveness of a medium may be evaluated along a multiphase continuum consisting of: vehicle distribution, vehicle exposure, advertising exposure, advertising attentiveness, advertising communication, advertising persuasion, advertising response and sales response. Each of the stages may be considered an advertising objective. Each of the major media types has certain advantages and disadvantages in terms of meeting or achieving these objectives (Belch & Belch 1998; Kotler 2000). For example, an advantage of direct mail might be audience selectivity, which is related to the goal of achieving advertising exposure. Similarly, an advantage of television might be the fact that this medium appeals to multiple senses (Kotler 2000) – stimulation of multiple sensory channels aids in achieving advertising communication.

In developing our model of media selection, six main media (direct mail, magazines, newspapers, outdoor, radio and television) were selected based on a comprehensive review of the advertising literature (e.g. Aaker *et al.* 1992; Russel & Lane 1993; Krugman *et al.* 1994; Rossiter & Percy 1997; Belch & Belch 1998; Leong *et al.* 1998). To this list of traditional media we added one *non*-traditional media, the world wide web (i.e. web/internet). As noted earlier, the web has emerged as a new advertising medium that is vying strongly with the more established media for the advertising dollar (Meeker 1997).

In selecting the attributes of advertising media, five primary categories (factors) and 16 subcategories of attributes (sub-factors) were included in our evaluation model. These factors were also derived from a comprehensive review of the advertising literature (Grass & Wallace 1974; Dunn *et al.* 1990; Lancaster & Katz 1990; Sissors & Bumba 1991; Aaker *et al.* 1992; Nowak *et al.* 1993; Brierly 1995; Rossiter & Percy 1997; Shimp 1997; Belch & Belch 1998). In addition, three advertising managers were asked to confirm that these attributes did adequately and comprehensively portray the range of decision factors they encountered. Definitions for each of the factors are included in Table 1 overleaf.

Having determined our media alternatives and factors to be considered in comparing these alternatives, the next step was the development of the ANP model. Our procedures in developing this model are outlined below.

Model development and testing

Procedures for model development

The ANP model requires us to determine the relationships among the various factors (i.e. the decision network). The decision network developed

Table 1: Factors for media selection

Quality

1. Attention-getting capability (Attention) – ability of an ad placed in this specific media to 'grab the customer's attention' due to the nature of that media
2. Stimulating emotions (Stimulation) – ability of an ad placed in this specific media to convey emotional content and/or elicit emotional responses
3. Information content and detail (Content) – ability of an ad placed in this specific media to convey a large amount of information and/or product description
4. Credibility/prestige/image (Credibility) – ability of a specific media to lend prestige to a product through association (i.e. because that product is advertised within the media)
5. Clutter – degree to which it is difficult for a product advertised within a specific media to 'stand out' due to the large number of competitive offerings/messages

Time

1. Short lead time – degree to which an ad can be created and/or placed within a specific media in a relatively short period of time
2. Long exposure time – degree to which the communication recipient is able to examine the advertising message within a specific media for an extended period of time

Flexibility

1. Appeal to multiple senses (Appeal) – degree to which an ad placed within this specific media can communicate via sight, sound, taste, touch, and/or smell concurrently
2. Personalisation – degree to which an advertising message placed within this specific media can be customised in order to target a specific individual or group of individuals
3. Interactivity – degree to which the customer can respond to information conveyed in an advertisement placed within this specific media

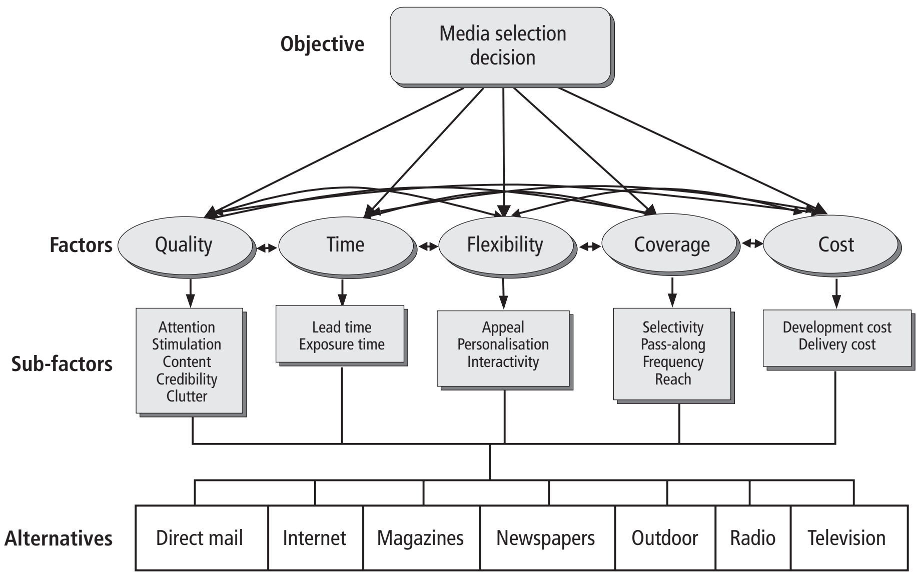
Coverage

1. Selectivity – degree to which an ad placed within this specific media is able to target a specific group of people
2. Pass-along audience (Pass-along) – degree to which an ad placed within this specific media is seen by those other than the original message recipient
3. Frequency/repeat exposure (Frequency) – degree to which any *single* ad placed within this specific media may be seen by any one particular individual on more than one occasion
4. Average media reach (Reach) – degree to which an ad placed within this specific media reaches a relatively wide audience

Cost

1. Development/production cost (Development cost) – relative cost of developing or producing an ad for this specific media
2. Average media delivery cost (Delivery cost) – average cost per thousand associated with this specific media

Figure 1: Detailed level diagrammatic representation of network decision hierarchy for managerial weights elicitation



for this study has both interdependent and hierarchical relationships within it (see Figure 1). The network relationships (among the 'clusters' of elements) occur at the factor level, where we assume that various factors can influence each other. For example, flexibility and quality factors may influence cost factors, in that higher levels of flexibility and quality may require additional costs.

Although the proposed interdependent relationships occur at the factor level, we could also have modelled many sub-factor interrelationships. The latter were not incorporated because of the increased effort required on the part of the decision-maker to evaluate the various relationships, and because sub-factor interrelationships may be *indirectly* incorporated into the model through those interrelationships that occur at the next higher level (Saaty 1996). The influence of each of the factors on the objective and on each of the other factors was accomplished using six pairwise comparison matrices, which were then integrated into a supermatrix.

The remainder of the decision network hierarchy is more traditional in that the elements have a hierarchical relationship. For example, the relationships between the factors and sub-factors are a direct 'parent–child' relationship, with the controlling factors influenced by their specific sub-factors. Each sub-factor's influence on its controlling factor was determined through a separate pairwise comparison matrix. The seven media alternatives were then compared in terms of their relative performance on each of the various sub-factors utilising 16 pairwise comparison matrices.

Procedures for model testing

Our model was tested using three individuals who had been involved in the advertising and marketing of various products, and who had experience in purchasing media for these products. The first individual was a 42-year-old senior vice-president at a major marketing consulting firm. This individual (hereafter referred to as Subject 1) had on frequent occasions supervised the planning of media expenditures for one of his clients, a paper goods manufacturer whose primary product was a line of disposable paper cups. Subject 1 was asked to fill out our model survey, as it pertained to this line of paper cups. Portions of the survey questionnaire are shown in the Appendix.

The second individual was a part-time graduate student who had worked for several years at a major *Fortune* 500 firm as a brand manager for a line of cookies and crackers. This individual (hereafter referred to as Subject 2) also had on frequent occasions supervised the planning of media expenditures for his line of products.

Finally, the third individual was a retired account representative and media buyer who had over ten years' experience working for one of the top ten worldwide advertising agencies. This individual (hereafter referred to as Subject 3) responded to our survey based on his knowledge of media purchases for a brand of sports utility vehicle (SUV).

The pairwise comparison matrix information that was elicited from each of the respondents was then executed to determine relative importance weights utilising Web HIPRE3+ (Mustajoki & Hämäläinen 2000), a piece of internet interactive software available for decision analysis (http://www.hipre.hut.fi). General calculation procedures are described below.

Calculation procedures

Table 2 shows Subject 1's pairwise comparison matrix for the media selection factors based on the objective (the controlling factor). An example pairwise comparison question for this matrix would have been: 'How much more important is cost than time in selection of a media alternative?'

According to Saaty's (1996) recommended scaling procedure, a score of 1 represents indifference between two components, a score of 9 represents overwhelming dominance of a row component over a column component, and 1/9 represents overwhelming dominance of a column component over a row component. When scoring is conducted for a pair, a reciprocal value is automatically assigned to the reverse comparison within the matrix. Once the pairwise comparisons are completed, the local priority vector w is computed as the unique solution to:

$$Aw = \lambda_{max} w \tag{1}$$

where λ_{max} is the largest eigenvalue of pairwise comparison matrix A. The solution for the eigenvalues and relative importance weights (w) is then determined utilising the Web HIPRE3+ software.

The relative importance weights derived from Subject 1's pairwise comparison matrix (see last column, Table 2) show that quality is the most important media selection factor (0.320) for that individual. The relative importance weights for the media selection factors, as well as the relative importance weights from the network portion of the decision hierarchy (i.e. representing the relationships among the media selection factors),

Table 2: Pairwise comparison matrix and relative importance weight results for media selection factors and impact on objective for Subject 1

Objective	Quality	Time	Flexibility	Coverage	Cost	*w*
Quality	1	5	3	1	2	0.320
Time	1/5	1	1/4	1/3	1/3	0.058
Flexibility	1/3	4	1	1	1/4	0.144
Coverage	1	3	1	1	2	0.246
Cost	1/2	3	4	1/2	1	0.231

Table 3: Initial supermatrix for media selection factors interrelationships for Subject 1

	Objective	Quality	Time	Flexibility	Coverage	Cost
Objective	0	0	0	0	0	0
Quality	0.320	1.000	0.461	0.554	0.528	0.456
Time	0.058	0.089	1.000	0.052	0.075	0.068
Flexibility	0.144	0.136	0.146	1.000	0.246	0.262
Coverage	0.246	0.543	0.308	0.239	1.000	0.214
Cost	0.231	0.232	0.084	0.156	0.151	1.000

were then introduced into a supermatrix (see Table 3). Because these initial supermatrix weights might not converge, we completed a Markovian-based analysis, which involved first normalising the weights in each column, then raising the supermatrix to a sufficiently large power such that the weights converged at the 10^{-4} level. Thus:

$$\mathbf{W}_{\mathrm{F}} = \underset{p\to\infty}{\mathrm{Limit}} \, (\mathbf{W}_{\mathrm{I}})^{p} \qquad (2)$$

where $\mathbf{W}_{\mathrm{F}}$ and $\mathbf{W}_{\mathrm{I}}$ represent the final and initial supermatrices, respectively. The resultant converged set of weights for the media selection factors were: F_{k}(quality, time, flexibility, coverage, cost) = {0.3381, 0.0697, 0.1639, 0.2767, 0.1516}. The final utility values ('desirability' indices) for each of the media alternatives were then determined by computing:

$$DI_i = \sum_k \sum_j M_{ij} SF_{jk} F_k \quad \text{for each media alternative } i \qquad (3)$$

where DI_i is the desirability index for media alternative I, F_k is the relative importance of factor k with respect to the overall decision, SF_{jk} is the relative importance of sub-factor j with respect to factor k, and M_{ij} is the relative importance of media alternative i with respect to sub-factor j. The results of this analysis for Subject 1 are given in Table 4.

Results

The end result of the desirability indices utilising all pairwise comparisons for Subject 1 yielded the following media preferences:

Table 4: Desirability index calculations for advertising media selection for Subject 1

Factor	F_k	Sub-factor	SF_{jk}	M_{1j}	M_{2j}	$M3_j$	M_{4j}	M_{5j}	M_{6j}	M_{7j}	Direct mail	Internet	Magazine	News-paper	Outdoor	Radio	TV
	0.3381	Attention	0.402	0.159	0.051	0.029	0.077	0.378	0.181	0.125	0.0216	0.0069	0.0039	0.0105	0.0514	0.0246	0.0170
	0.3381	Stimulation	0.205	0.025	0.054	0.132	0.067	0.119	0.245	0.357	0.0034	0.0073	0.0179	0.0091	0.0162	0.0333	0.0485
Quality	0.3381	Content	0.297	0.306	0.171	0.154	0.216	0.026	0.051	0.074	0.0416	0.0232	0.0209	0.0294	0.0035	0.0069	0.0101
	0.3381	Credibility	0.049	0.037	0.061	0.266	0.062	0.086	0.070	0.420	0.0050	0.0083	0.0362	0.0084	0.0117	0.0095	0.0571
	0.3381	Clutter	0.046	0.051	0.052	0.222	0.128	0.118	0.064	0.365	0.0069	0.0071	0.0302	0.0174	0.0160	0.0087	0.0496
Time	0.0697	Lead time	0.167	0.140	0.243	0.033	0.259	0.128	0.175	0.022	0.0190	0.0330	0.0045	0.0352	0.0174	0.0238	0.0030
	0.0697	Exposure time	0.833	0.134	0.072	0.372	0.089	0.247	0.043	0.043	0.0182	0.0098	0.0506	0.0121	0.0336	0.0058	0.0058
	0.1639	Selectivity	0.707	0.090	0.133	0.100	0.063	0.051	0.053	0.511	0.0122	0.0181	0.0136	0.0086	0.0069	0.0072	0.0695
Flexibility	0.1639	Appeal	0.223	0.451	0.286	0.115	0.042	0.035	0.036	0.036	0.0613	0.0389	0.0156	0.0057	0.0048	0.0049	0.0049
	0.1639	Personalisation	0.070	0.275	0.461	0.080	0.046	0.046	0.046	0.046	0.0374	0.0627	0.0109	0.0063	0.0063	0.0063	0.0063
	0.2767	Interactivity	0.264	0.433	0.241	0.157	0.053	0.021	0.048	0.048	0.0589	0.0328	0.0213	0.0072	0.0029	0.0065	0.0065
Coverage	0.2767	Pass-along	0.070	0.092	0.051	0.434	0.289	0.051	0.042	0.042	0.0125	0.0069	0.0590	0.0393	0.0069	0.0057	0.0057
	0.2767	Frequency	0.192	0.107	0.032	0.201	0.157	0.436	0.033	0.033	0.0145	0.0043	0.0273	0.0213	0.0593	0.0045	0.0045
	0.2767	Reach	0.474	0.020	0.443	0.072	0.114	0.034	0.087	0.230	0.0027	0.0602	0.0098	0.0155	0.0046	0.0118	0.0313
Cost	0.1516	Development	0.167	0.088	0.381	0.066	0.175	0.074	0.192	0.024	0.0120	0.0518	0.0090	0.0238	0.0101	0.0261	0.0033
	0.1516	Delivery	0.833	0.037	0.351	0.085	0.158	0.062	0.230	0.077	0.0050	0.0477	0.0116	0.0215	0.0084	0.0313	0.0105
	Desirability Indices (DI_s)										0.3323	0.4191	0.3423	0.2712	0.2599	0.2169	0.3334

Internet	0.419
Magazines	0.342
Television	0.333
Direct mail	0.332
Newspapers	0.271
Outdoor	0.260
Radio	0.217

According to our model, internet advertising would be the most appropriate media choice for advertising Subject 1's product, followed by magazines, television, direct mail, newspapers, outdoor and, finally, radio. These results were checked to ensure both that they reflected the type of media purchases that were *actually* occurring in the real world, and that reasonable solutions were obtained. Subject 1 indicated that the results *did* indeed appear reasonable in terms of his overall assessments of the various media relative to his particular product (i.e. paper cups). He also reported, however, that the majority of media dollars for this particular product typically had *not* been allocated towards the internet medium. He attributed this to: (i) the client's reluctance to allocate dollars towards non-traditional media, and (ii) the fact that suitable media *vehicles* might not have been available in which to advertise. He also reported that due to the weakened economy, the results of internet advertising might not be quite as effective as they might have been before the events of 9/11.

A similar analysis was performed based on Subject 2's survey data. The end result of the desirability indices utilising all pairwise comparisons for Subject 2 yielded the following media preferences:

Direct mail	0.303
Internet	0.212
Television	0.181
Radio	0.144
Outdoor	0.127
Magazines	0.124
Newspapers	0.097

According to our model, direct mail would be the most appropriate media choice for advertising Subject 2's product, followed by the internet, television, radio, outdoor, magazines and newspapers. Subject 2 indicated that the results appeared reasonable in terms of his overall assessments of the various media relative to his particular product (i.e. cookies and crackers) at the time of his employment. Similar to Subject 1, however, he also reported that the majority of media dollars for this particular product typically had been allocated towards television advertising, rather than direct mail or the internet medium. Subject 2 attributed this to: (i) the influence of competitive spending patterns, (ii) traditional reliance upon the television medium, (iii) the use of direct mail as a *promotional* as well as an advertising medium, and (iv) a reluctance to allocate dollars towards non-traditional media (i.e. the internet).

Finally, ANP was performed on Subject 3's survey data. The end-result of the desirability indices utilising all pairwise comparisons for Subject 3 yielded the following media preferences:

Internet	0.225
Magazines	0.184
Direct mail	0.159
Television	0.151
Radio	0.124
Newspapers	0.092
Outdoor	0.065

According to our model, the internet would have been the most appropriate media choice for advertising Subject 3's product, followed by magazines, direct mail, television, radio, newspapers and outdoor. Subject 3 concurred with Subjects 1 and 2 in stating that the results appeared reasonable in terms of his overall assessments of the various media relative to his particular product (i.e. a brand of SUV). He mentioned that the top three choices (internet, magazines and direct mail) are the media vehicles that can send customised messages to narrowly defined and segmented target audiences, which indicates their efficiency. He further mentioned that in today's highly fragmented media market, precisely defining one's target audience has become more and more important, especially with the strategic shift of many organisations and industries towards mass customisation. Subject 3 attributed any discrepancy between model results and *actual* allocation of media dollars for this type of product to: (i) depressed internet media sales as a result of the post-9/11 economic downturn, and (ii) a reluctance on the part of long-time media planners to allocate spending towards non-traditional media (i.e. the internet). He indicated that this reluctance is gradually changing.

Thus, the comments of all three subjects would appear to validate the efficacy of our model.

Summary and discussion

Different products are purchased and consumed for different reasons, and thus the communication objectives associated with promoting any particular product may be different from those associated with promoting a different product. For example, certain 'high involvement' products such as automobiles, houses or home furnishings may require a high degree of information search, rational consideration of product attributes and economic analysis on the part of the product purchaser (Vaughn 1986). Conversely, certain 'low involvement' products such as cigarettes, alcohol or confectionery may require little information search or conscious consideration of product attributes or cost. In the first case, the appropriate communication strategy might be to convey a large amount of product information, whereas in the second case the appropriate strategy might be to appeal to the sensory pleasures and emotions (Vaughn 1986). Because the various media have both strengths and weaknesses in terms of achieving these objectives, our model results are expected to vary to a certain extent by product type.

Similarly, marketing objectives as well as communication objectives will vary over the course of the product life cycle (Kotler 2000). For example, the advertising objective during the introduction stage might be to build product awareness among innovators and early product adopters, whereas the advertising objectives during the growth and maturity stages might be to generate interest, and to stress brand differences and benefits (Kotler 2000). Again because certain media may be more suited to achieving these objectives than others, our model results will also vary according to stage in the product life cycle.

Despite the expected variation, however, it is interesting to note that our three individual subjects rated internet advertising as one of, if not *the*, most appropriate medium across three quite divergent product categories.

Our advertising executive subjects viewed internet advertising as highly effective in relation to the other six traditional media in terms of performance on the key media attributes utilised in our study. Whether this finding concurs with recent research studies examining the relative effectiveness of the web as an advertising medium may be partially dependent on the type of internet advertising referred to.

For example, Leong *et al.* (1998) surveyed over 1700 Australian business managers and found that the web*site* is excellent for conveying information and detail, but not particularly effective for stimulating emotions or incorporating attention-grabbing devices. Conversely, studies that have focused on web *banner* advertising have found that small audiences, high CPMs (e.g. $20–80) and meagre message content are the weaknesses of web banner advertising (Harvey 1997), whereas the primary strengths are the medium's 'unique transactional qualities' (Ephron 1997), interactivity and ability to generate awareness (Leckenby & Hong 1998).

In general terms, Yoon and Kim (2002) found that the internet is particularly well suited to advertising high-involvement, knowledge-orientated or utilitarian products such as automobiles and luxury watches (as we found with Subject 3), but not so well suited to advertising low-involvement items (contrary to the results gleaned from Subjects 1 and 2). Kassaye (1999) notes that the web is seen as having significant advantages over other broadcast media in terms of its reach, impact, cost, flexibility and short lead time. However, these advantages are countered by the difficulty in measuring how effective the medium is. Further, Kassaye (1999) reports that (contrary to the opinion of Subject 3) advertising on the internet continues to be affected by difficulty in segmenting the market, increased competition and clutter. Finally, McDonald (1997) points out the internet's lack of intrusiveness (in terms of websites), the creative limitations of banners, the dispersion of websites across a fragmented medium and the absence of a consensus about the criteria for measuring web advertising effectiveness.

In summary, the effectiveness or appropriateness of the internet as an advertising medium may depend somewhat on whether we are measuring adviews (where a banner ad is presumably seen) or clickthroughs (where the banner is clicked upon, thus linking to the product website). In the present study, we do not make a distinction between these (or other) forms of internet advertising. We do not see this as a limitation of the study, however, because presumably one would not place ad banners without a product website, nor would one create a website without advertising that site elsewhere and initiating a series of linkages. Thus an individual employing our model would need to take each of these aspects of internet advertising into consideration. Consultation with our subjects revealed that this was indeed the case.

In addition, research seems to indicate that communication objectives may indeed by achieved before clickthrough (Briggs & Hollis 1997). As noted earlier, the accepted wisdom suggests that ad banners do work as direct marketing vehicles, but only when viewers click on them for transport to the advertiser's own website, where a wide range of customised marketing processes begin. Briggs and Hollis (1997) found that web banner advertising appears to be effective even *without* clickthrough. They suggest that such advertising may even perform better than traditional television or print media in generating brand awareness, and in helping to build consumer loyalty. The relative uniqueness of the web compared to other advertising mediums also conditions its impact on consumer behaviour. Thus, it appears reasonable to consider internet advertising as a totality in judging the appropriateness of this medium for our media dollar allocation.

In conclusion, our Analytic Network Process (ANP) model appears to be an important tool that can successfully be employed by the advertising practitioner when addressing the issue of which media are most appropriate for advertising a particular product. In addition, it appears to successfully incorporate web media advertising as a comparison alternative. Our ANP model is not only effective for making the ultimate selection decision, but can be made 'user-friendly'. It can be a valuable tool in helping to break down barriers to acceptance of non-traditional advertising media such as the internet through a comprehensive comparison of the factors and alternatives that impact media selection.

Appendix: Questionnaire format

Introduction to study

1. Factors

Table 1 is given to the respondent for reference purposes.

2. Directions for questionnaire and example

2.1 Question format

The survey consists of a number of question sets. Each question within a question set asks you to compare two factors at a time (i.e. *pairwise comparisons*) with respect to a third factor. All the factors are drawn from those in Table 1. Most of the question sets are in the format shown in Figures A1 and A2.

2.2 What to fill in?

- Fill in only empty boxes
- That is, don't fill in boxes marked with an *X* or a *1*.

Figure A1: Directions for filling in questionnaire question sets

With respect to the **ultimate decision**, how much more important is a selection factor in row I as compared to another strategic metric factor in column J? (1/9 means that I is **extremely less important** than J; 9 indicates I is **extremely more important** than J; 1 means equal)

Factors in column J

Factors in row I	Quality	Time	Flexibility	Coverage	Cost
Quality	1				
Time	X	1			
Flexibility	X	X	1		
Coverage	X	X	X	1	
Cost	X	X	X	X	1

Each such empty box is a question which needs to be answered

Don't fill such boxes containing an X or 1

With respect to long term:

- *Put 1/9 here, if you view Quality to be very much* ***less important*** *than Coverage*
- *Put 9 here, if Quality is extremely* ***more important*** *than Coverage*
- *Put 1 here for equal importance*

2.3 How to fill in?

- For each question, use one of the numbers of the scale: 1/9, 1/7, 1/5, 1/3, 1, 3, 5, 7, 9

- For example: if the question asks you to compare Cost versus Quality with respect to the ultimate decision, then a 1/9 means that Cost is **extremely less important** compared to Quality, a 9 means that Cost is **extremely more important** compared to Quality and a 1 means **equal** importance. As an example, in Figure A2 we put in that Cost is less important than Utilization with respect to the long-term planning horizon with a value of 1/5.

Figure A2: Illustration of filling in one question set for the survey

With respect to the **long term**, how much more important is a selection metric factor in row I as compared to another strategic metric factor in column J? (1/9 means that I is **extremely less important** than J; 9 indicates I is **extremely more important** than J; 1 means equal)

Factors in row I	Factors in column J: Quality	Time	Flexibility	Coverage	Cost
Quality	1	3	1	1/3	1/3
Time	X	1	1/3	1/5	1/5
Flexibility	X	X	1	1/3	1/3
Coverage	X	X	X	1	1/3
Cost	X	X	X	X	1

Survey

(Example question)

Question set 1: Pairwise comparisons of media selection factors with respect to the overall decision to select a media

With respect to the **media selection goal**, how much more important is a media selection factor in row I as compared to another media selection factor in column J? (1/9 means that I is **extremely less important** than J; 9 indicates I is **extremely more important** than J; 1 means equal)

Media selection factor in row I	Media selection factor in column J: Quality	Time	Flexibility	Coverage	Cost
Quality	1				
Time	X	1			
Flexibility	X	X	1		
Coverage	X	X	X	1	
Cost	X	X	X	X	1

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Exploring the effectiveness of taxis as an advertising medium

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It is well known that traditional advertising media are losing their ability to transmit information and influence the selected target audience. Therefore, their effectiveness is diminishing. Using data collected from a sample of 425 people living in two cities and one rural area in Scotland, this exploratory study investigates the perceptions towards a non-traditional, outdoor, transit advertising medium that has not been researched previously: traditional black cabs. It reveals that the medium is far from being unnoticed by the respondents, who accept it better than anticipated. In addition, the findings imply that the extent to which the medium is consciously noticeable very much depends on the perceived contact with outdoor advertising, the region in which the participants live, and their attitude towards outdoor advertising and advertising in general.

Introduction

To maximise impact, almost every advertising campaign makes use of a primary medium and one or more secondary media. Although the importance of media research has long been recognised (Duffy 1938; Belson 1965), and issues relating to allocating resources and selecting the optimal media mix have long been considered (Ricketts 1938; Dyer *et al*. 1992), there are differences between the media. These can be their creativity capabilities, the target audiences they can reach, as well as the control audience members are likely to have over their exposure to the message (Gallagher *et al*. 2001). Some audience members even consciously attempt to avoid contact with advertisements in most of the widely used advertising media (Dunnett & Hoek 1996; Speck & Elliot 1997). Furthermore, it has been proposed that the greater the extent of usage of a medium, the less the effect of that particular medium (Bendixen 1993).

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Although there are clear differences between media and it is appreciated that the receivers' likeliness to absorb a message delivered from a specific advertising medium and/or vehicle is extremely difficult to determine (Kusumoto 2002), very few studies attempt to explore the effectiveness of specific media (Kassaye & Vaccaro 1992; King *et al.* 1997). Even when the advertising media are examined today, usually a few types are systematically discussed and research mostly focuses on the widely used media, such as TV, cinema, radio, magazines, newspapers, outdoors in general and, recently, the fast-growing internet (see, for example, Brackett & Carr 2001). Therefore, the less used innovative or more traditional media, with which the target audience cannot avoid contact, could play an interesting role as a primary or secondary option and this impact needs to be examined. One of the less investigated and relatively innovative advertising media is the taxi. Its role, the public's conscious exposure, perceptions towards it and influence from it are entirely unknown.

This exploratory study attempts to inspect the public's perception of taxis as an advertising medium, its effectiveness and to identify some variables that influence this effectiveness. It first investigates the special characteristics and the current usage of transit advertising in general and advertising on/in taxis in particular, and sets the research objectives. It then outlines the methods used to design the study and presents the results, attempts to compare advertising on taxis with advertising on other outdoor media and identifies some variables that could contribute to the effectiveness of taxi advertising. Finally, the paper provides conclusions, summarises the limitations and recommends areas for future research.

Taxis as an advertising medium

Although outdoor advertising is probably the oldest form of recorded advertising in history, and can be traced back as far as inscriptions and graffiti in Ancient Egypt and Ancient Greece, it is still popular. There is evidence that many companies are increasing expenditure on outdoor advertising (Beale 1999) and its share experienced, between 1989 and 2001, a constant increase in the UK market, accounting in 2001 for almost 5% of total advertising expenditure (Advertising Association 2002). Some professionals suggest that a clear advantage of outdoor advertising is its ability to catch people when they are about to purchase a product or service (Hayward 2003). Innovative media keep its profile fresh. Nowadays, one can even advertise on the floor tiles of supermarkets, on petrol pumps or even on humans (*Campaign* 1999). Vehicles could be used to carry advertising messages, offering a mode of communication called 'transit advertising'. In addition to posters in underground stations, train stations and bus shelters, names and signs are often painted and messages are often written inside or on the sides of trains, lorries, buses and taxis. The messages carried by these media generally have high reach, frequency and geographic flexibility.

In several of the popular marketing communications and advertising books, and in academic articles examining various advertising media, transit advertising is not discussed at all (i.e. Rossiter & Percy 1998; Shimp 2000) or it is considered as a form of outdoor advertising in general (i.e. De Pelsmacker *et al.* 2001), even when very detailed statistical information on advertising media is provided (Advertising Association 2002). Very few academics recognise that it has gained renewed interest (i.e. Belch & Belch 2004). However, transit advertising is one of the fastest-growing areas of the outdoor advertising market. It attracts a lot of interest from practitioners and the majority of information available on transit advertising originates from this front. There is evidence that many companies are spending more on it (Freeman & Fahey 1990), while in the UK it accounts for more than one-third of all outdoor expenditure (*Marketing* 1994). Its development is such that at present a number of companies producing campaigns explicitly for transit media and offering innovative ideas on transit advertising operate in the market (Gorman 1997), while, due to its increased usage, the need for its regulation is rapidly emerging (Siebert 1999). In addition, transit advertising is somewhat different from traditional outdoor advertising, due to the mobility factor.

The taxi as a medium can be categorised under the umbrella of transit media and is practically neglected in academic literature. It involves the creative use of the traditional black cabs and consists of their partial or total transformation. It is a medium that is growing and valued highly by some advertisers, who develop loyalty programmes between their brands advertised on the cabs and the taxi drivers (Fry 2000). The usage of this particular communication medium seems to be increasing over time worldwide, and particularly in the UK. Businesses operating in a wide variety of sectors, such as the airline Go, Police sunglasses, Smint cool mints and

Revlon cosmetics, have used taxis to advertise their products (www.taxi-media.co.uk). There is evidence that the companies offering advertising services tailored to black cabs grow very quickly, as the turnover of some has risen more than 40% a year (Hemsley 1999). Some of these companies attempt to offer an integrated service involving taxi advertising, by merging their top management posts in billboard and taxi media divisions (*Marketing Week* 2003).

Advertising in taxis can take several forms and intensities, and can be placed outside or inside the cab. When a black cab is totally transformed, it conveys a corporate brand representation. It is similar to the traditional outdoor advertisement, but the main difference is its mobility. This means it can be seen in locations where stationing outdoor advertisements is very expensive or prohibited. There are many potential intensities of this kind of taxi advertising. Advertisers could choose to apply colour graphics along the full width of the double doors of the taxi, along the full width of the taxi, or even completely cover the vehicle. Advertisements targeting taxi passengers are placed inside taxis and even on taxi receipts.

Although most of the above characteristics are common to many transit advertising media, taxis are somewhat different, even unique. While other vehicles, such as buses and trains, follow specified routes, taxis travel to a multitude of locations. This characteristic influences reach and frequency, but can be beneficial or problematic, depending on the campaign's objectives. In addition, one could argue that people using taxis are likely to have a different profile and more disposable income than those using public transport. Based on this view, it has been suggested that advertising inside the taxi is one of the best ways to reach a selected target audience, such as busy business executives and decision-makers who are enjoying a rare moment of peace between meetings (Hemsley 1999). Contact with taxis cannot be avoided and taxi advertising requires special attention and analysis.

Research objectives

The use of multiple media during an advertising campaign is necessary for various tactical and strategic reasons. Although it has been proposed that a medium's effectiveness is dictated by the extent of its usage (Bendixen 1993), others suggest that different media have different current effects and different lagged effects (Doyle & Saunders 1990; Berkowitz *et al.* 2001). Choosing the right portfolio of media (media mix) to communicate a promotional message can be very important and influential to the effectiveness of an advertising campaign. The relative importance and significance of media may change with time. Various internal and external constraints, such as the predetermined budget or even legal restrictions, limit the choices available and force advertisers to investigate and evaluate a number of potential advertising media before the definite media mix of a specific campaign is selected.

Transit advertising is an area that has not been analysed in depth. Even those that do acknowledge it focus more on advertising on public transport (i.e. Belch & Belch 2004). Taxi advertising is rarely discussed and its significance is recognised more by practitioners than by academics. For example, in a very detailed list identifying and breaking down into subcategories 28 possible available advertising media, with cost and unique marketing effect from which advertisers can benefit attached to each, transit advertising is included (Rogers 1995). However, even in this list, taxis are not mentioned as a type of transit medium, highlighting the fact that the potential contribution of this medium is not yet fully appreciated by academics.

Although academics have devoted very limited attention to taxi advertising and have not researched it, it exists and its usage definitely appears to be attracting increasing interest from many companies. This paper attempts to investigate the public's attitudes towards this advertising medium. It replicates and extends a number of studies in related areas. More specifically, this exploratory study aims to do the following.

- *Compare the perceived degree of exposure to taxi advertising and other potential outdoor media*. The opportunity to see a specific advertisement or to come in contact with a specific medium has been used extensively in the past to examine and estimate exposure distribution (Cannon *et al.* 2002). Most of the research on outdoor advertising fails to consider various typologies of the medium (King & Tinknam 1990; Bhargava *et al.* 1994; Bhargava & Donthu 1999) let alone the various mobile media. This study will attempt to position taxi advertising among the other potential types of outdoor advertising media. It examines the respondents' believed exposure to these media.

- *Explore the overall attitudes and feelings towards taxi advertising*. There is evidence that advertising on taxis is on the increase. In general, it is known that qualitative factors, such as the audience's involvement and views, are likely to have an impact on advertising effects (Lynch & Stipp 1999). Although there are some who bring forward some positive findings related to the public's attitude towards advertising (Shavit & Lowrey 1998), most of the recent research attempting to examine views towards it suggests that the feelings expressed are rather negative (Andrews 1989; Alwitt & Prabhaker 1992; Mittal 1994). However, the public's views on taxi advertising are generally unknown. This paper investigates attitudes towards this particular medium.

- *Examine the effectiveness of taxi advertising*. The measurement of the effectiveness of advertising is an issue that has been discussed extensively in the past. Some have attempted to assess the effectiveness of outdoor advertising based on sales figures (Bhargava & Donthu 1999) or advertisement recall (Donthu *et al*. 1993; Bhargava *et al*. 1994). However, it is unrealistic to claim that an advertising campaign is with certainty classified as successful, while it is very difficult – if not impossible – to directly quantify its results (Kusumoto 2002). It is well accepted that evaluating a campaign involves a number of problems, such as the lag effect or the influence of various uncontrollable micro and macro factors. In addition, it has been proposed that the effectiveness of advertising is a factor of customer involvement in the purchase decision (Bendixen 1993) and therefore it can be argued that its effectiveness could be a very customer-specific matter. Therefore it has been suggested that, because of the obvious difficulties, advertising objectives should not be confused with commercial objectives and should be based on response to the advertising itself (Beerli & Santana 1999).

  The need to evaluate the effectiveness of specific advertising media and vehicles has been recognised in academia (Kassaye & Vaccaro 1992). Nowadays, practitioners can call upon researchers to analyse the effectiveness of one more medium, namely taxis (Forbes 2001). The achievement of this task presents a number of difficulties, as past research examining the effectiveness of advertising media in general collected perceptual data mostly from advertising executives (King *et al*. 1997). However, the most important element when assessing the effectiveness of an advertising campaign is the target audience's feelings and perceptions. The question is, whether or not various media could differ in the degree to which they attract attention and interest. Research indicates that the presentation medium clearly affects the recall of the original information presented (Costley *et al.* 2001) and since recall is one of the well-accepted elements measuring the effectiveness of an advertising message it can be argued that this medium can have an impact on advertising effectiveness. Given the apparent void in the literature on the effectiveness of specific media as perceived by an audience, it is clear that the area should be explored further.

- *Identify constructs that might contribute to the effectiveness of taxi advertising.* Since there is very little information on the antecedents of the effectiveness of taxi advertising, factors used by previous research to analyse the response to outdoor advertising, or even to transit advertising, have been investigated. Past research evaluating the effectiveness of a single transit advertising campaign revealed that there are dissimilarities in the way that people with different demographic characteristics responded to the campaign (Blonna *et al.* 1990). Another study suggested that a mediating factor in the sales response of outdoor advertising is the location of exposure (Bhargava & Donthu 1999). Although the effectiveness of taxi advertising is not evaluated in terms of sales response in this paper, it should be considered that taxis do normally work in a certain area. Therefore, it can be argued that the area they generally operate in could be an influential factor to their effectiveness as an advertising medium. In addition, the general attitude towards advertising appears to influence the way that people react to a particular advertisement (Mehta 2000). One could argue that the attitude towards advertising in general, and outdoor advertising in particular, could influence the effectiveness of taxi advertising. To test the views and verify previous results, the personal characteristics, the location and the respondent's attitude towards outdoor advertising were considered in the analysis as variables that could potentially predict the effectiveness of taxi advertising.

It is expected that the effectiveness of a particular advertising campaign very much depends on a number of interrelated factors, including its message. The analysis of other influential factors would be interesting and important, but outside the scope of this exploratory study.

Methodology

Data collection and sampling

This study was conducted over a period of three months in Scotland, UK. The areas where the data were collected were the cities of Glasgow and Edinburgh, where taxi advertising is widely used, and a region in the west of Scotland, Ayrshire, where taxi advertising is not yet developed. The three areas were selected to approach respondents with higher and lower probability of coming into regular contact with the medium, to therefore be somewhat more representative of the inhabitants of the country.

A total of 425 usable questionnaires were analysed: 211 came from Ayrshire and 214 from Glasgow and Edinburgh; 249 were from women and 167 from men; 175 were under 25 years old, 66 between 26 and 35 years old, 112 between 36 and 45 years old, 46 between 46 and 55 years old, and 26 over 56 years old; 179 of the respondents were in full-time employment, 150 were students, while the rest had various occupations.

Data collection instrument

In the academic literature the research on taxi advertising is limited, so an initial contact with companies developing this kind of campaign was necessary. Two companies in the Glasgow area were contacted. They provided useful information for the better understanding of the issues together with the various problems associated with the specific medium.

Most of the research on advertising effectiveness analyses only one or very few specific campaigns. It mostly examines sales response or recognition of the campaigns under investigation. However, the scope of this piece of work was somewhat different and broader. Taking this into consideration, it was decided that the best approach to collecting the needed information for this exploratory research was to measure perceptions about the media instead of real reactions to specific campaigns. Therefore, this study's questionnaire focused on the former.

Before the questionnaire was finalised, a pilot test was carried out on individuals from both categories of location (five from the city and five from Ayrshire), of both genders and all levels of education. During this stage, some questions, which were difficult for the respondents to understand, were rephrased. This led to the design, selection and modification of the closed questions included in the study's questionnaire. The final instrument consisted of four parts.

The first part explored respondents' views towards advertising in general. There were four statements expressing the potential positive attributes of advertising, two related to the information provided by an advertisement and two to the desirability and the entertainment nature of the advertisements. In addition, there were two statements describing negative attributes. Four of the items were adapted from previous studies (Donthu & Gilliland 1996; Mehta 2000; Brackett & Carr 2001), while the last was developed for this particular project.

The second part examined views towards outdoor advertising. It had two sections. The first explored perceived exposure to a number of outdoor advertising media (1 = very rarely, 5 = very often). Although the measurement does not capture the real contact and is not totally objective, it provides some insights into the notability of the various media under investigation. The second investigated the perception towards outdoor advertising in terms of how much it is liked, and the degree to which it provides useful information, is recognised as 'visual pollution' and is overused. Two of the items used were adapted from previous research (Alwitt & Prabhaker 1992), while the other two were developed for this particular project. A Likert scale (1 = strongly disagree, 5 = strongly agree) was used in this section.

The third part investigated views on taxi advertising. The way that the medium is perceived and accepted, and its effectiveness, were measured. The evaluation of the effectiveness of an advertising campaign or a specific advertising medium is difficult. However, the first goal of any marketing communication effort is to make sure that the audience comes into contact with the message. For the achievement of this first goal the attention and the interest an advertisement attracts, as well as the recall of the message, are of major importance. Thus, the perceived attention, interest and retention of the messages carried on taxis are perceived as key determinants of the effectiveness of taxi advertising and are considered in this study. A Likert scale (1 = strongly disagree, 5 = strongly agree) was used in this part. All the items in this part of the questionnaire were developed for this research project.

In the fourth and final part of the questionnaire the demographic characteristics of the sample were collected. They were all recorded on nominal or ordinal scales.

Data analysis

This paper uses a number of different statistical tests to analyse the data, depending on the study's objectives. In general, the views of the same individuals were investigated and the descriptive statistics of all the required data linked with all four objectives are reported. In addition, the similarity of respondents' perceived degree of exposure to the various outdoor media, linked with the first objective, was examined with the Wilcoxon Z test.

The achievement of the fourth objective necessitated the use of other data analysis methods. To identify groups of items describing the same view towards advertising, factor analysis was used. An approximate initial solution was obtained using principal components. This solution was then rotated using the orthogonal rotation algorithm Varimax, the most frequently reported in the management literature for scale construction (Hinkin 1995). Pearson correlation applications are used to test internal consistency. When more than two items were loading on the same extracted factors, the internal consistency of these items was tested with Cronbach's alpha, with an anticipated acceptable level of at least 0.70 (Hinkin 1995). The strength and the direction of the assumed association of the variables under investigation were investigated with the Pearson's correlation coefficient. To identify the variables pertaining to the effectiveness of taxi advertising, linear regression analysis was applied.

Findings

Perceived exposure to outdoor media

Outdoor advertising appears to be very powerful, in the sense of reach, although there are differences between the media (Table 1). Respondents perceive that they are exposed and notice outdoor advertisements mostly in the shape of posters, buses and billboards, since very few (if any) admitted very rare contact with advertising via these media. It is clear that respondents observe balloons, bins and cars much less, since almost half of them declared very rare or rare contact with these media.

Most of the differences observed in Table 1 are significant when tested statistically (Table 2). Therefore, one could state with confidence that advertisements on posters and buses are the most frequently seen and are those with which respondents are equally familiar. Advertising on taxis is ranked in the middle of the outdoor advertising media in terms of contact. It is clearly less observed than advertising on posters, buses, billboards and bus stops, while it is observed more than advertising on cars, bins and balloons.

Table 1: Exposure to outdoor advertising media

	Frequencies (%)						
	1*	**2**	**3**	**4**	**5**	**Mean**	**SD**
Bus stops	5	8	12	44	30	3.86	1.09
Posters	0	5	5	60	29	4.14	0.73
Bins	24	32	31	6	6	2.38	1.10
Taxis	8	13	18	45	17	3.51	1.14
Buses	0	2	14	60	23	4.03	0.71
Cars	28	22	24	21	6	2.55	1.25
Balloons/blimps	29	32	23	13	4	2.31	1.13
Billboards	0	5	16	53	26	3.99	0.79

*1 = very rarely, 5 = very often; *n* = 425

Table 2: Differences in contact with outdoor advertising media (Wilcoxon Z)

	Bus stops	**Posters**	**Bins**	**Taxis**	**Buses**	**Cars**	**Balloons**
Posters	–5.46*						
Bins	–13.61*	–16.02*					
Taxis	–4.28*	–8.29*	–13.65*				
Buses	–3.27*	–2.31#	–15.74*	–8.12*			
Cars	–12.44*	–14.81*	–3.05*	–11.69*	–14.97*		
Balloons	–15.09*	–16.04*	–1.16		–13.41*	–16.33*	–4.24*
Billboards	–1.62	–3.64*	–15.70*	–6.39*	–0.81	–14.67*	–16.69*

* Significant at 0.01; # significant at 0.05

Although taxis, as a medium, are not among the top noticed outdoor media, the public clearly acknowledged that they come into considerable contact with advertisements on that medium. A total of 62% of the respondents stated that they see advertisements on taxis often or very often, while 20% admitted that they come into contact with this scenario rarely or very rarely. However, various groups in the sample have had some differences in relation to their expressed contact with taxi advertising. Men, the more educated and those living in the city claimed that they notice advertising on this particular medium more than women, the less educated and those living outside the city. It was surprising, though, that 38% of the respondents living outside the city reported that they come into contact with advertising on taxis often or very often. The proportion of respondents living in this region reporting the least contact with taxi advertising was very close to those reporting rare or very rare contact with it (41%). This finding suggests that the mobility factor might be increasing the effectiveness of taxi advertising outside the original predetermined areas of interest. This might be due to the mobility of the vehicle itself outside designated areas, or the mobility of the population that visits the cities.

Attitudes towards taxi advertising

When the respondents' perceptions of taxis as a medium were examined, respondents did not state that they particularly liked to look at taxi advertisements, since half of them neither agreed or disagreed with the statement (Table 3). However, they clearly did not express negative views

Table 3: General views towards taxi advertising

	Frequencies (%)						
	1*	2	3	4	5	Mean	SD
I like to look at taxis covered with advertisements	7	8	48	22	14	3.28	1.04
I look at taxis completely covered in an ad more than others	5	27	21	21	25	3.35	1.26
The concept of taxi advertising is a 'novel' one	8	9	30	32	22	3.50	1.15
I have spoken to other people about taxi ads I have seen	27	21	23	22	8	2.61	1.29
I am familiar with the brand names advertised on taxis	9	14	22	33	22	3.44	1.23

*1 = strongly disagree, 5 = strongly agree; *n* = 425 either. Those that liked it numbered more than those that disliked it (36% vs 15%). Moreover, almost half of the respondents stated that they look at taxis completely covered in an advertisement more than they look at the traditional black cubs, indicating that this kind of transformation influences the 'attention-grabbing' capacity of taxis as a passing vehicle.

The findings are more positive than one could predict. It is surprising to find people expressing positive views towards the use of any advertising medium, particularly as it is well established that the audience often makes every effort to avoid advertising. In addition, it was expected that British customers would be somewhat protective towards taxis and would object, to some extent, to their transformation/commercialisation. The 'black cabs' are perceived to be one of the most traditional transportation means in the UK and toy models of these cars are even sold to tourists as a souvenir.

More than half of the participants in the study strongly agreed or agreed that the medium is 'novel' (Table 3). However, respondents implied that they do not particularly discuss advertisements on taxis with others. Finally, they felt that they are familiar with most of the brands advertised on taxis, supporting the view that taxi advertising is used more for reinforcing an existing message and supporting well-established brands than for informing of a new, unknown brand.

Effectiveness of taxi advertising

Although advertising on taxis is not noticed as much as advertising on other media, the results of this study imply that it has some effectiveness (Table 4). In general, it has the ability to attract attention, since 66% of the respondents reported that they have noticed advertisements on passing taxis. In addition, it is clear that taxi advertising attracts interest. A total of 64% of respondents strongly agreed or agreed that they read advertisements on passing taxis, and 59% inside taxis. However, there is a statistical difference in the degree that the general public reads these advertisements. Advertisements on taxis are read more than advertisements inside taxis (Wilcoxon $Z = -2.89$, $a = 0.004$).

Although the public comes into contact with advertisements on taxis and actively reads them, it does not exactly realise when new campaigns are launched. This finding casts doubt on the extent of the information

Table 4: Effectiveness of taxi advertising

	Frequencies (%)						
	1*	2	3	4	5	Mean	SD
I often notice advertisements on passing taxis	11	6	17	39	27	3.64	1.25
I often read advertisements on taxis	7	14	15	48	16	3.52	1.12
I often read advertisements inside taxis	11	16	15	46	13	3.33	1.21
I pay attention to the emergence of new taxi advertisements	24	24	26	16	9	2.62	1.27
I remember taxi advertisements more than advertisements in print media	18	28	34	14	5	2.59	1.10

*1 = strongly disagree, 5 = strongly agree; *n* = 425

being consciously analysed or retained. This uncertainty is further supported from the reported conscious recall of taxi advertisements, which is lower than for other print media. A significant proportion of the respondents (47%) believed that they recall advertisements on other print media more than they recall advertisements on taxis. However, it is known that advertising is not only aimed at the conscious mind, but also at the subconscious. Reading taxi advertising slogans will definitely increase the brand familiarity of the audience. These factors influence brand recognition and aid recall during the evaluation of alternatives when buying products and services.

Identification of variables contributing to the effectiveness of taxi advertising

Many different issues could contribute to the effectiveness of taxi advertising. The first task was to determine whether some of the items used in this study to measure general views towards advertising and outdoor advertising could be grouped. When principal component analysis was performed on the items describing general views of advertising using Varimax rotation, there was evidence of the existence of different dimensions describing positive and negative feelings towards advertising. The analysis extracted two factors, all 'clean' in that each item loaded highly on only one factor, since all factor loadings were greater than 0.71. Factors had an eigenvalue of more than 1 and explained 73.8% of the overall variance

Table 5: Components loading for perceptions about advertising

	Factor 1	Factor 2	Eigenvalue	% of variance
Helpfulness of advertising			**3.04**	**50.7**
Advertising provides useful information on products	*0.85*	–0.09		
Advertising keeps me up to date with new product features	*0.84*	–0.22		
I like to look at advertisements	*0.79*	–0.13		
Advertisements are entertaining	*0.82*	–0.25		
Irritation from advertising			**1.39**	**23.1**
Advertisements are irritating*	0.50	*0.71*		
Advertising is often deceptive*	0.25	*0.86*		

*The variables were stated negatively in the original questionnaire but were changed to 'positive' for the factor analysis

(Table 5). These two dimensions were used as potential predictors of the effectiveness of taxi advertising.

When principal component analysis was performed on the items exploring the views on outdoor advertising with Varimax rotation, there was evidence of the existence of different dimensions describing the feelings towards outdoor advertising (Table 6). The analysis extracted two factors, all 'clean' in that each item loaded highly on only one factor, since all factor loadings were greater than 0.73. Factors had an eigenvalue of more than 1 and explained 75.7% of the overall variance (Table 6). These two factors were also treated as possible antecedents of taxi advertising effectiveness.

Table 6: Components loading for perceptions about outdoor advertising

	Factor 1	Factor 2	Eigenvalue	% of variance
Information provided by outdoor advertising			**2.16**	**53.9**
I like outdoor advertising	*0.86*	–0.28		
Outdoor advertising is a valuable source of information	*0.88*	–0.09		
Outdoor advertising overuse			**1.07**	**21.8**
Outdoor advertising is visual pollution*	–0.05	*0.88*		
There are too many outdoor ads*	–0.36	*0.73*		

*The variables were stated negatively in the original questionnaire but were changed to 'positive' for the factor analysis

Table 7: Study variables and accompanying reliability analysis

	No of items	Mean	SD	Reliability analysis
Helpfulness of advertising	4	3.79	0.69	0.85*
Irritation from advertising	2	2.91	0.98	0.53#
Exposure to outdoor advertising	8	3.35	0.69	0.69*
Information – outdoor advertising	2	3.00	0.84	0.47#
Overuse of outdoor advertising	2	3.07	0.83	0.65#
Effectiveness of taxi advertising	5	3.14	0.89	0.39*

*Cronbach's alpha; #Pearson correlation

When a principal component analysis was performed on the items included in the effectiveness of taxi advertising, they were all loading at the same factor, with a minimum loading of 0.57 and maximum of 0.86, suggesting that they describe the same phenomenon. In this analysis 56.4% of the overall variance was explained.

Since the variables were essentially perceptual and subject to a respondent's filtering process, objective instruments for the measurement of the constructs were unavailable. Thus the internal consistency was tested with Pearson correlation or Cronbach's alpha. All constructs had a positive and statistically significant correlation at the 0.01 level or an alpha reliability coefficient very close or in excess of 0.70 (Table 7), and the scales used in this study can be considered as relatively reliable.

In an attempt to determine the association between the study variables, their correlations were calculated. The analysis revealed some relationships to be as expected and significant, while others were surprising and not significant (Table 8). Very strong relationships between variables were evident. The contact with outdoor advertising appears to be strongly correlated with the perceived information provided by outdoor advertising and the effectiveness of taxi advertising. There are strong positive links between the effectiveness of taxi advertising and both living in the city and the perceived information from outdoor advertising. The correlation between perceived helpfulness of advertising in general and the information provided from outdoor advertising was proven to be strong.

Although the variables are inter-correlated, regression analysis can be performed in this data set, since the degree of multi-collinearity is not considered as problematic. All tolerance values are greater than 0.02 and all

Table 8: Pearson inter-correlation of study variables

	1	2	3	4	5	6	7	8
1. Age	1.00							
2. Living in the city	–0.30*	1.00						
3. Helpfulness of advertising	–0.08	–0.02	1.00					
4. Irritation from advertising	0.08	0.10#	0.23*	1.00				
5. Exposure to outdoor advertising	0.10#	0.27*	–0.18*	–0.28*	1.00			
6. Information from outdoor advertising	–0.02	0.32*	0.43*	–0.35*	0.52*	1.00		
7. Overuse of outdoor advertising	0.11#	0.00	–0.39*	0.28*	0.17*	–0.41*	1.00	
8. Effectiveness – taxi advertising	0.07	0.44*	–0.02	–0.16*	0.57*	0.50*	0.02	1.00

* Significant at 0.01; # significant at 0.05

variance inflation factor (VIF) values are under 2 (Table 9). These values are well below 10, which is the suggested benchmark for multi-collinearity (Neter *et al.* 1990). The overall regression equation is statistically significant (F = 61.58, a = 0.00). The adjusted R^2 is 0.50, indicating that approximately 50% of the variation of effectiveness of taxi advertising is explained, at least to some extent, by taking into account the variables in the proposed model.

Among the variables included in the study, the perceived information provided by outdoor advertising was the best predictor of taxi advertising effectiveness, followed closely by the respondents' perceived contact with outdoor advertising. The members of the public who believe that they see outdoor advertisements are more influenced by them. Living in the city (Glasgow or Edinburgh), rather than living in smaller towns (Ayrshire), was proven to be a very important variable determining the effectiveness of

Table 9: Regression results for the effectiveness of taxi advertising

	Standardised beta	Tolerance	VIF	*T*-value	*P*
Age	0.17	0.82	1.21	4.50	0.00
Living in the city	0.30	0.71	1.42	7.40	0.00
Helpfulness of advertising	0.16	0.75	1.33	3.96	0.00
Irritation from advertising	–0.07	0.75	1.33	–1.77	0.08
Exposure to outdoor advertising	0.33	0.67	1.50	7.90	0.00
Information – outdoor advertising	0.34	0.50	2.00	6.98	0.00
Overuse of outdoor advertising	–0.15	0.74	1.36	–3.82	0.00

taxi advertising. The differing results between people living in Glasgow or Edinburgh in comparison to Ayrshire could be anticipated, since taxi advertising is relatively new and is used mainly in cities. Therefore inhabitants of smaller towns and suburbs are expected to be less exposed to it and therefore less familiar with it. Although less influential, age was also related to the effectiveness of taxi advertising. Older respondents appeared to pay more attention to advertising on taxis. In addition, respondents that ranked higher the helpfulness of advertising in general claimed that they were more likely to notice, read and remember it. The unfavourable views towards advertising were somewhat influential, but not as much as the rest of the variables. In particular, the link between the perceived irritation from advertising in general and the effectiveness of taxi advertising is relatively weak, and could even be challenged. Its t is rather low ($t = -0.77$) and could be included only with a lower level of confidence ($a = 0.10$).

It was surprising to find that none of the other demographic characteristics, such as education or occupation, contributed significantly to the prediction of effectiveness, contradicting what practitioners widely believe.

Conclusions

This study has attempted to uncover a field of research and has discussed an innovation that has contributed to the rapidly changing advertising landscape in today's society. It investigated the phenomenon of taxi advertising from the receivers' perspective, and attempted to benchmark it against other outdoor advertising media and to identify some variables that contribute to the effectiveness of this advertising medium.

The use of outdoor advertising has some merits, including its expansive reach. This study confirms that it has a high perceived reach. The majority of respondents admitted being exposed to and having noticed advertisements on the various types of outdoor and transit media under investigation, including taxis.

Taxi advertising has a lot of potential. It is generally recognised as an important and novel outdoor medium that respondents encounter. It is surprising that the audience appears to look at taxis carrying an advertising message more than at plain cars. This is even more evident for taxis totally transformed by an advertisement. Advertising in taxis is widely seen and transmits information, since it is not just noticed but, as reported, is read and somewhat remembered. Therefore, taxis offer a lot of potential for advertisers, since they have not yet been overused or perceived as annoying.

The best predictor of the effectiveness of taxi advertising from those considered in this study are the reported exposure to outdoor advertising, the area of habit and the perceived volume of information that outdoor advertising conveys. As expected, the more a brand is advertised on outdoor media the more it is recalled and the more interest it develops. In addition, advertising on taxis was more effective for people living in cities. This might be a result of the greater degree to which advertising on taxis is used in cities. People expressing more positive views towards outdoor advertising pay more attention and are more interested in advertising in taxis.

Managerial implications

Although it can be argued that advertising on taxis cannot really transmit very complicated messages, it can often be very helpful and advertisers should appreciate taxis as an advertising medium. Taxis can be very effective when they carry advertisements to reinforce a message, to support an already established brand or to inform on developments related to the advertised brand. Messages carried by taxis have limited detail and are terse. Therefore, one could suggest that they should be used as a secondary medium.

Messages should also transmit information, since advertising on taxis was more effective on respondents who thought that messages did have informative value. Therefore, the response to taxi advertisements could be enhanced. This could be done by notifying the audience about special events or promotions related to the advertised brand.

Advertisers can very successfully target different audience groups. In addition to their general reach with the messages carried on the outside, it has been suggested that with messages inside the cab, they will be able to target a difficult-to-capture group: the higher end of the market. Therefore, the taxi could be used for the promotion of brands appropriate to this audience. Furthermore, given that the cost of taxi advertising is relatively low and that it can transmit messages to audiences with a great variety of profiles, it should not be overlooked.

Advertisers could try to instigate means to augment the use of this advertising medium. At present, taxis carry messages in most of the major UK cities and this study's results imply that they perform this function effectively. To improve the success of advertising campaigns, advertisers might want to find ways to use taxis in smaller cities and towns. In addition, they need to find approaches to improve the overall perception of outdoor advertisements and market outdoor media in general.

Limitations and future research

This study concentrated on a relatively new phenomenon, a field almost entirely unresearched, by exploring issues related to taxis as an advertising medium. The analysis is based on certain assumptions. It does not consider important influential creativity issues related to the development of perceptions, the overall effectiveness of advertising and the role of other advertising media within a total advertising campaign. Furthermore, due to the exploratory nature of the study, the effectiveness of advertising inside taxis has not been examined.

The project's scope was limited due to resource constraints and it could be difficult to generalise the findings, since several difficulties were encountered throughout the study. An important limitation is related to the sample. The questionnaires were distributed only in three areas in Scotland, and a great proportion of respondents were under 25 years old, leading to a sample that is not totally representative of the UK, or even of Scotland. However, data from both Scottish cities where taxi advertising is already widely used were collected. In addition, all the data used in this study are based on self-reports, which can capture only the respondents' perceptions and not their actual behaviour.

Future research on this topic could include a larger sample, to include other areas where taxi advertising is used. This would give a better representation of the various educational and professional groups. Since advertisements could be placed inside, outside or even on taxi receipts, these various advertising placements need further investigation. Using more detailed respondent profiles, their attitudes and taxi usage, clusters of the public could be identified, resulting in better use of the medium. In addition, the effect of taxi advertising in areas where it is not often encountered and on taxi passengers could be further investigated.

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The state of theory in three premier advertising journals: a research note

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Despite its importance, little is known about the prevalence of theory in the literature on advertising research. Utilising a content analysis of the three premier advertising journals over an 11-year period, it is found that only 17% of articles have made explicit use of theory. Psychology is the discipline from which the greatest number of articles drew their theoretical frameworks, followed by sociology and economics – indeed, theories from marketing and advertising are in the minority. Limitations are noted and implications of the results are discussed.

Introduction

Theory informs practice and practice informs theory; advertising journals play a key role in this cycle, as they act as a vital conduit through which research findings are disseminated. Despite their potential usefulness, theories are always provisional (cf. Popper 1968), with each additional piece of theory-based research acting as a further test. The noted physicist Steven Hawking (2002) likened the creation and testing of theory to a boat – the builder constructs a craft believing that it will float and sail, and then tests it by launching it onto the water. In the social sciences, a theory attempts to explain a particular social or behavioural phenomenon: if it

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succeeds, the theory 'floats'; if it doesn't and reality turns out to be different from what was theorised, the theory 'sinks', and the researcher will look for alternative explanations. However, even when the boat floats, further testing is needed – there are many different types of water and weather, and different designs of boat are needed under different conditions.

Given the importance of theory, it is perhaps surprising that there have been few specific attempts to study the role of theory in advertising research. The importance of conceptual work in marketing in general, and in consumer behaviour in particular is highlighted by MacInnis (2004) in a recent newsletter in which she decries the paucity of conceptual work or theory building in marketing. We seek to answer two questions. First, to what extent is advertising research specifically grounded in theory? Second, which disciplines do theories used in advertising come from? After briefly considering the role of theory in research, this paper describes the process and results of a content analysis of three major journals in advertising over an 11-year period that provide some answers to these questions.

Theory and research in advertising and marketing

Hunt (1991) defines a theory as a systematically related set of statements, including some law-like generalisations, which are empirically testable. A theory should give direction to the research effort needed to solve a specific problem or shed light on a situation. Theory forces research on specific areas, as well as providing alternative views and solutions to problems. Marketing academics have attempted to develop both unique, standalone marketing theories as well as applying theories from other disciplines to marketing problems. In the case of the former, scholars have formulated 'general theories' of marketing, involving philosophies that endeavour to explain a broad range of marketing phenomena and problems (e.g. Alderson 1957, 1958; Alderson & Martin 1967; Bagozzi 1975). In the case of the latter, academics have concentrated on the development of theories that are more specific in their domain, and seek to account for narrower marketing problems and phenomena, such as relationship marketing (e.g. Morgan & Hunt 1994), the dynamics of competitive markets (Dickson 1992), or a critical theory of multicultural marketing (Burton

2002). However, rather than formulate new marketing theories, many marketing researchers have concentrated their efforts on applying theories developed in other disciplines to specific marketing problems. For example, transaction cost theory from economics and cognitive dissonance theory in psychology have provided the framework for a variety of research undertakings in marketing. To guide our investigation we offer two broad propositions to address the main research questions outlined in the introduction, 'To what extent is advertising research specifically grounded in theory?' and 'Which disciplines do theories used in advertising come from?'

Armstrong (1979) identifies two approaches to research in marketing. First, exploratory or inductive research, which comprises essentially a theoretical exploration, where no formal hypothesis about a phenomenon is proposed (typically due to the novelty of the topic). Second, hypothesis-driven or deductive research, where a single theory or multiple competing theories are used to develop hypotheses about a particular phenomenon. Armstrong *et al.*'s (2001) audit of six top marketing journals revealed that the majority of articles were theoretically deductive and hypothesis-driven whereas the minority were purely exploratory or inductive. Given the close relationship between marketing and advertising, this leads us to our first proposition:

> **P1:** A majority of articles in premier advertising journals will be theory-driven.

At the same time a number of authors (e.g. Leone & Schultz 1980; Anderson 1994; Armstrong *et al.* 2001; Armstrong 2002) have observed that marketing research has produced few theoretical generalisations, inferring that theory development in marketing has not developed at the same rate as in other disciplines (Bloom 1987; Bass 1993). This leads us to our second proposition:

> **P2:** Of the theory-driven articles in premier advertising journals, the majority will rely on theory developed in disciplines outside advertising and marketing.

There is general consensus that both the development and application of strong theory are important in marketing research in general and advertising research in particular. However, to date no research has explicitly looked at the extent and nature of theory use in advertising research. In the next section we describe a content analysis of premier advertising journals designed to address these issues. Three advertising journals – namely *Journal of Advertising* (JA), *Journal of Advertising Research* (JAR) and *International Journal of Advertising* (IJA) – are recognised as the premier journals in the specialised area of advertising (Hult *et al.* 1997; Theoharakis & Hirst 2002). Based on studies conducted on marketing journals we propose that a majority of articles in premier advertising journals will be theory-driven, and of the theory-driven articles the majority will rely on theory developed in disciplines outside advertising and marketing.

Methodology

A content analysis was conducted on the three specialised advertising journals over a period of 11 years, from January 1991 to December 2001. Out of a total article base of 1122, the non-inclusion of 122 papers, which consisted of comments, book reviews or replies to other articles, left a total of 1000 articles that were analysed in this study. Two researchers each conducted their own literature reviews and compared conclusions, with exceptions or disagreements being resolved by a third researcher. Each reviewer sought to identify the use or otherwise of theory in each of the articles in the journals. As it is difficult to establish the exact parameters of what may be considered 'theory-driven', the study and the literature reviews were limited to those that specifically mentioned a theory in the contents of the article. For example, a typical paper that was considered theory-driven may have read: 'social comparison theory can be used to describe the behaviour that is expressed in teens in relation to how they relate to peers in buying behaviour'. Social comparison theory is what is referred to as an explicit theory in this case. The data collected consisted of the characteristics of each article in terms of: the journal it came from; the year of publication; whether an explicit mention of a theory was made; which theory this was; and its discipline of origin (e.g. psychology, sociology).

Results

Table 1 provides a summary of data collected by journal and the number of articles that make an explicit reference to theory. JAR papers are more numerous because the journal is published bi-monthly, while JA and IJA are quarterly publications. Results show that, overall, only 17% of articles made explicit mention of theory, with JA showing the highest percentage at 29.2%, more than double that of IJA and JAR. To the extent that an explicit reference to theory is an indication that an article is theory-driven, these results do not provide support for P1, which held that a majority of articles in premier advertising journals will be theory-driven.

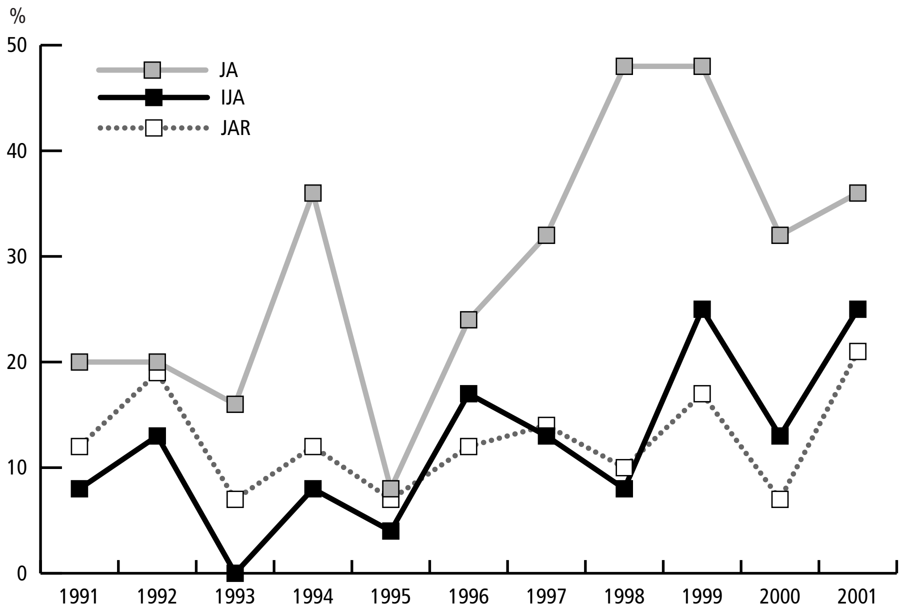
Figure 1 provides a time series over 11 years of the percentage of papers that make explicit mention of theory in each journal. For all three journals the years 1993 and 1995 appear to have shown a drop, while 1999 witnessed a peak. Encouragingly at least, theory use in advertising has not matched the decline in conceptual work bemoaned by MacInnis (2004) in the field of consumer behaviour, although it should be remembered that we consider theory use while MacInnis considers theory development. Indeed, were the latter to be considered in advertising it is likely that the same situation would be encountered. Over the period under consideration JA and IJA exhibit a positive trend in the number of papers that make an explicit mention of theory, while JAR, which is more practitioner-orientated, is more even. This would seem to suggest that the use of theory in advertising research among the more academic journals has shown some strengthening over the years.

Figure 2 shows the discipline of origin of theory-driven papers appearing in the respective journal over the 11 years considered. Results show

Table 1: Details of articles reviewed and those making explicit mention of theory

	JA	IJA	JAR	Total
Total article base considered	295	308	519	1122
Minus articles not included	21	44	57	122
Total number of articles analysed	274	264	462	1000
Number of articles with explicit mention of theory	80	32	58	170
% of articles with 'explicit theory'	29.2	12.1	12.6	17.0

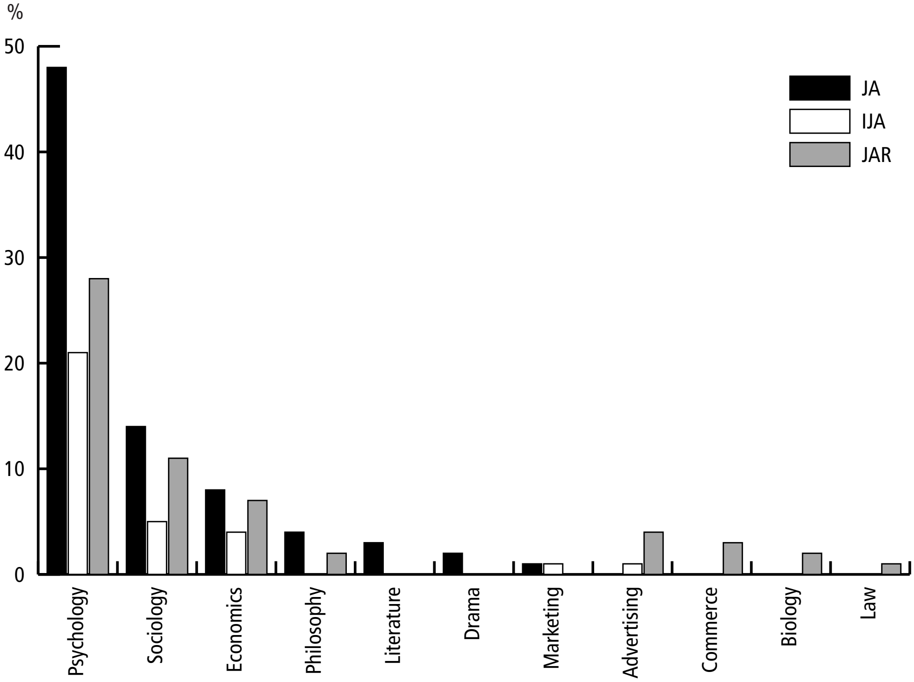
Figure 1: Time series of the percentage of papers that make an explicit mention of theory in each journal



that psychology, sociology and economics, rather than advertising and marketing, are providing the theories that are being used in the three journals. While IJA published the narrowest spread in terms of theories cited, as compared to JA and JAR, the range of theories cited in JAR (which tends to publish empirical research) seems to be a little wider than in the other two journals and includes papers applying theories from relatively unrelated disciplines such as biology and law. It will also be observed from Figure 2 that there were only five papers based in advertising theory and two in marketing theory. These results provide support for P2, which held that, of the theory-driven articles in premier advertising journals, the majority will rely on theory developed in disciplines outside advertising and marketing.

Table 2 shows the most frequently used theories in the three journals over the period studied. Theories from advertising and marketing did not feature at all among the ten dominant theories appearing in these journals. Interestingly, persuasion theory figures predominantly in IJA, while JA made particular reference to social comparison theory, socialisation theory,

Figure 2: Discipline of origin of theory-driven papers as a percentage of all papers



JA	48	14	8	4	3	2	1	0	0	0	0
IJA	21	5	4	0	0	0	1	1	0	0	0
JAR	28	11	7	2	0	0	0	4	3	2	1

Table 2: The ten most frequently used theories

	JA	IJA	JAR	Total
1. Persuasion theory	0	6	0	6
2. Social comparison theory	4	0	1	5
3. Socialisation theory	4	0	1	5
4. Emotion theory	3	0	1	4
5. Classical conditioning theory	3	0	1	4
6. Information processing theory	2	0	2	4
7. Learning theory	1	3	0	4
8. Means end chain theory	0	3	1	4
9. Prospect theory	2	1	1	4
10. Agency theory	1	1	1	3

emotion theory and classical conditioning theory to explain advertising and marketing phenomena. On the other hand, reference to explicit theories was fairly evenly distributed in JAR.

Discussion

This paper has considered the role of theory in the advertising literature over an 11-year period, utilising a content analysis of the three major advertising journals. Results show that only a minority of articles made explicit use of theory and the majority of theories used in advertising research come from disciplines outside advertising and marketing. In more detail, it was found that explicit theories feature with greater prevalence in articles published in JA, although the trend seems to be towards a greater reliance on theory in all three journals. Psychology is the discipline from which the greatest number of articles drew their theoretical frameworks, followed by sociology and economics. Theories from marketing and advertising are in a minority.

Any generalisations should bear two points in mind. First, we have used a mention of theory in the text of a paper as a surrogate for that paper being theory-driven. Second, the results pertain only to the three premier advertising journals considered. Other advertising journals are likely to be weaker in terms of usage of theory. However, there seems to be a growing recognition of the importance of theory in research in the major advertising journals. If this trend continues then there is no doubt that authors will increase their chances of publication by grounding their research more strongly in theory. This is particularly true when deciding which journal to target for publication – at the moment, for example, it would seem that the research published in JA is based on theory to a considerably greater extent. Perhaps the greatest publication opportunities for advertising and marketing scholars (as well as the prospects of making a lasting contribution to their disciplines) lie in their willingness to develop the new theories that will change the way we think about our subject areas.

Acknowledgements

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Comments

Edited by Professor John Ford
Old Dominion University, Virginia, USA

The subject for this issue's Comments section represents a significant departure from what we have previously published. *International Journal of Advertising* Editor, Douglas West, recently presented awards for reviewing excellence to two members of the Editorial Review Board, Barbara Stern at Rutgers University and Albert Caruana at the University of Malta. It was our feeling that their views on the reviewing process would be of interest not only to potential contributors, but also to other members of our Editorial Review Board. Having been a reviewer for a number of journals over the past 20 years, I am always happy to see how others approach the reviewing process. We can always learn from the best. Barbara posits a meaningful series of steps in the review process from an assessment of the references to a final evaluation decision, while Albert discusses the particular challenges faced by every reviewer. Albert stresses the need for the reviewer to put themselves in the mindset of the authors and to allow time after the initial completion of the review to think over the suggestions for the authors before sending them out. We hope you will find these essays both informative and valuable. These different perspectives are really quite complementary. As always, we would welcome your comments at ijacomments@warc.com.

The art of reviewing
by Barbara Stern

I consider being asked to review as an accolade for expertise, a debt of honour owed to the profession and an opportunity to improve my own research. Of course, it is time-consuming, but a major reward is the opportunity to enhance my own research and writing skills – every manuscript conveys information about good and bad research, marketing one's own work and avoiding fatal flaws.

Perhaps the most artful part of a review is the beginning: I try to keep in mind the lesson from my days as an English professor – say something kind about every paper. The justification is that a paper is someone's intellectual offspring and harsh criticism damages the soul. To avoid this, I now follow the *Journal of Consumer Research* requirement that reviews be no more

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than one page long. Limiting oneself to the essentials not only curbs the reviewer's spleen, but also enables the authors to work through problems on their own – comparable to teaching hungry people how to fish rather than giving them a fish for one meal.

I first turn to the references section, which reveals the quality of the paper's scholarship. What I'm looking for here is the relevance and thoroughness of the references in order to determine the solidity of the paper's scholarship. If the cited works are skimpy, derivative or dated, the scholarship is unlikely to be sophisticated enough to contribute to the field. Insofar as advertising and marketing are eclectic theory-borrowers, I expect the references to indicate that authors have consulted original sources, not merely secondary ones. A chronological trail from foundations research to current adaptations is a proxy for thoroughness. Further, I expect to see in-field research, with citations from advertising, marketing and consumer behaviour journals to indicate that the authors are doing more than grafting an introductory paragraph onto a body of unrelated ideas.

After the references, I next turn to the introductory pages to find out what the authors are doing, why they are doing it and why we should care. If a paper's purpose is not stated on page one, I begin to suspect that the clarity of conceptualisation may be compromised. By page two, I expect the 'So what?' question to be answered and substantiated – what does the paper contribute to current research? Triggers for scepticism are an authorial claim to have discovered something totally new in the universe on the one hand and, on the other, a lengthy dissertation-ese introduction that repeats what everyone who has read an introductory textbook already knows.

Reading further, I find it useful to remember that even the best data collection, analysis and findings must be based on solid conceptualisation – a weak idea well executed does not advance the research canon. Neither does a sound idea poorly executed, and in this regard I pay particular attention to the sample to determine whether the responses are likely to yield useful and generalisable findings.

In the final reviewing step, evaluating the fate of the paper, I think it more decent to accept papers without nitpicking them to death by checking off the 'accept with minor revisions' box. I also think it kinder to reject papers outright rather than string authors along for five or so rounds of revisions only to reject the paper at the end.

Professor Barbara Stern is Chair of Marketing at Rutgers Business School in Newark, United States. Her research helps advertisers understand consumer behaviour and how to more effectively target customers.

How I regard the art of reviewing
by Albert Caruana

Reviewing is a burden that many of us carry. It is indeed an onerous task. However, when conducted properly it represents an important act of giving and a source of satisfaction. It is an important activity that makes it possible for the community of scholars to maintain and enhance standards and knowledge. You need to have written a few papers yourself before you agree to review since a good reviewer needs to be able to put him/herself a little in the frame of mind of the person(s) submitting the paper. I would like to think that I am not just saying this because it is the correct thing to say.

In truth reviewing is far easier said than done, and I would guess everyone has his or her own way of going about it. Certainly, it would be an uphill struggle to convince me of only one optimum method. I have therefore tried to reflect a little on how I go about conducting a review with as little post hoc rationalisation of the process as possible. Perhaps the main thing I try to do is not leave a manuscript that I have received for too long. Requests for reviews tend to come out of the blue. They often arrive at times when you are already trying to do two or three things. But then, when is it ever a good time? I am the sort of person who likes to get a job out of the way expediently. I have been at the waiting end, indeed who among us has not suffered weeks (or maybe months) of waiting for reviewers' comments on a submitted paper? However, because of my desire (or compulsion) to deal with outstanding matters quickly, I often opt to leave my initial review on my computer for about a week before I send it off, just in case I was too hasty at the time. When I come to send it off I give it a final read to see if I get any pangs of conscience about having been too hard or not sufficiently fair during the initial review. I try to remind myself how I feel when I read reviewers' comments on some piece I have toiled over.

In terms of actual paper review, what is at the back of my mind is how well it fits into an acceptable research process. I do not have a form that I just tick: because I longed to make the process more objective I had, at least initially, sought to develop a model form that looked at the standard issues. I thus asked the following questions.

- Are the concepts clear?
- Is the paper grounded in theory?
- What exactly is the research focus?
- Is the work interesting in a broad sense?
- Is the operationalisation proper?
- Is the data collection reasonable?
- Are the statistical procedures, if any, applicable?
- Are the implications of the findings of interest to the audience of the journal?
- How are the readers of the journal likely to feel about spending as much time as I have reading this?

Despite these and other questions that I kept adding to the model form as I sought to improve it, I could not seem to get it quite right – the total was never just the sum of the parts. At least in part, the process remains subjective. Perhaps it is a little like knowledge itself – you cannot ever really say you are done.

Reviewing: simple really, but it is understanding and explaining it properly that is the problem!

Albert Caruana is Associate Professor of Marketing at the Centre for Communication Technology at the University of Malta. His research interests include services marketing and marketing communications.

Book Reviews

Edited by Dr. Stephanie O'Donohoe
University of Edinburgh

Advertising and Promotion: Communicating Brands
Chris Hackley
Sage Publications, 2005, £24.99

The author holds his chair at the Royal Holloway College of London University, a palatial building funded towards the end of the 19th century by 'Professor' Thomas Holloway's patent medicines, which 'mend the legs of men and tables equally well, and will be found an excellent article for frying fish in', according to *Punch* at the time. Academic specialists, students of marketing and studious practitioners who read the 10 concise chapters of his textbook will discover much more than a DIY guide to surgery, furniture repair and British *cucina casalinga*. It is a readable and absorbing account of what advertising people try to achieve (whether or not they know quite how or why), grounded in Chris Hackley's real and recent acquaintance with the practicalities of advertising, as well as its principles

In particular, he makes a far better stab than his rivals do at trying to weld hierarchy-of-effects models, discourse analysis, semiotics and the like into a coherent overall methodology for decoding the words and pictures in advertisements, and hence ensuring one's own copy and visuals are grounded in semi-science rather than based on black arts. In so doing, he minimises the inevitable jargon of linguistics and communication theory. His own language is always accurate and clear and often engaging. The well managed flow from chapter to chapter sustains interest and enjoyment. I read the book from cover to cover in one sitting.

However, there are features that could discourage other potential readers. First, the book's subtitle: *Communicating brands*. It acknowledges, perhaps, the fashion among advertising agencies in the 1990s to cast themselves as custodians of their clients' brands. If so, one would expect branding to be a thread running through the text. In fact, it appears abruptly in a sub-heading in Chapter 3, remains the focus of another half-dozen pages and then more or less disappears for good.

Then we have the main title: *Advertising and Promotion*. For readers of most student texts, 'promotion' is one of the Four Ps of the marketing mix, and therefore contains advertising. In its plural form, it denotes sales promotion, a separate ingredient of the promotional mix within the marketing mix, alongside advertising. In the business, it can be used very loosely, as Hackley himself remarks. Competing

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authors mostly use marketing communications in place of promotion, these days, and focus on the integration of advertising, sales promotion and the rest in a campaign that speaks with one voice in many modes.

So, the combination of advertising, promotion and brands in the complete title sends out confusing messages about the book's probable focus and scope. Chapter 1, 'Introducing Advertising and Promotion', misses the opportunity to define, delimit and clarify.

Scanning other chapter titles, I wondered why 'Cognitive, social and cultural theories of advertising and promotion' was at the very end of the book, so far removed from 'Theorising advertising and promotion', Chapter 2. The answer is that it draws the book's theoretical themes together, and it does so effectively. But that explanation appears only at page 4 of Chapter 1. Do you routinely read introduction chapters? Do students, or time-pressured practitioners? I suspect not.

If we all did, we would find a clear synopsis of an entirely sensible rationale on page 2: in effect, the bridging of two literature streams. Less overt is what I happen to know is another of the author's intentions: to locate theory and principles more firmly than competing textbooks do in a framework of management practice, as distinct from hypothetical strategic planning. In short, the content of *Advertising and Promotion: Communicating Brands* is well worth the effort required to unearth it.

Keith Crosier
University of Strathclyde
Editor, *Marketing Intelligence & Planning*

Madison and Vine: why the entertainment and advertising industries must converge to survive
Scott Donaton
McGraw-Hill, 2004, £13.99

I read this book on a long haul flight and just like many other airport titles that vie to attract weary business travellers looking for an interesting, but not too taxing distraction, this book fills the role nicely; interesting but lightweight. Not that the author or those writing the sleeve endorsements would agree. Their eulogising spin seems to know no bounds: 'A superb analysis', 'Unique and insightful', 'might help you figure out what you ought to do with the rest of your life before it's too late'.

Having been wooed by the sleeve notes, anyone involved in the marketing communications business could be forgiven for believing that this is a must read book. Frankly, anyone involved in the business should already be familiar with its contents and be able to provide a more balanced perspective than is offered here. I was immediately irritated by the publisher's hyperbole adorning the book's cover and opening pages. Yet I could not quite put my finger on what it was that so bothered me until I realised that my irritation was borne out of the book's insistence that Madison meeting Vine was a groundbreaking revolution heralding the start of a new 'invitation-based market economy'. In this context, the book is at least a decade, probably two, out of date. Anybody worth their salt in the advertising, film and related industries will be well aware of the book's main message, if not the detail.

So what is the book's main message? *Madison & Vine* is a simple articulation of the already well-recognised meeting of advertisers' use of film, and Hollywood's use of advertisers, in product placement (and, of course, the use of related merchandise, although the book is conspicuously quiet on this). This convergence is symbolised in the title by the avenues representing the (American) epicentres of each. And, yes, the book bears the hallmarks of American egocentricity.

The author, Scott Donaton, to give him his due, is a gifted writer. Editor of *Advertising Age*, he was recently inducted into the Advertising Hall of Achievement. He has a story to tell and tells it in an entertainingly journalistic way, drawing on contact with advertiser and agency personnel. The book's origins are explained in the preface. In the summer of 2002, *Advertising Age* introduced a weekly email newsletter called Madison & Vine. These emails, the magazine's regular coverage, the author's own column and a 2003 Madison & Vine conference formed the basis of the book, which seeks to 'outline the revolutionary changes that are sweeping the advertising industry and various segments of the entertainment industry – primarily film, TV, and music'. He refers to the need for a new market economy model and comes to his view having spoken to industry leaders – whom he quotes throughout the book to enhance its credibility and credentials. What I find contentious is not the significant business pressures identified, but the claim that these are revolutionary.

For me, most of the interest lies in the first four and final chapters. Chapter one opens with an extract from the keynote address given at the Madison & Vine conference by Stephen J. Heyer, President-COO, Coca-Cola Co. This sets the scene for the book as a whole, outlining the financial imperative for a revolutionary alliance between the ad and entertainment industries through product placement/integration. This lies at the heart of the new market economy model espoused, but not greatly elaborated upon, by the author. In a not untypical aggrandisement, the author describes this as 'nothing short of a reinvention of the business of marketing communications, a fundamental transformation from an intrusion-based market economy to an invitation-based model' (p. 3). Intrusion is defined as TV advertising, while invitation is marketing communications such as product placement. Many would argue, however, that exploiting film, TV programmes, video and music to promote the commercial interests of brands is no less intrusive than advertising and is possibly more subversive. Moreover, the transformation referred to by Donaton is not revolutionary but has taken place inexorably over the last half century. The over-riding sense created in this chapter (and thereafter) is that advertising in general, and TV advertising in particular, is the most significant part of marketing communications – the rest is virtually ignored. Unfortunately, the author's analysis is too narrowly focused, biased and uninformed by other significant dynamics within the marketing communications environment.

Chapter two expands on the author's solution – the need for 'alliances that integrate content and commerce' (p. 13) – alliances between ad agencies and film, music and video makers to create opportunities for product placement. Chapter three revisits points raised by Heyer's keynote speech to support the authors' contentions. However, in a postscript at the end of this chapter, the author reports on a further meeting with Heyer in which he begins to adopt a less extreme stance. In chapter four, Donaton shoots himself in the foot. Contradicting his previous arguments, he documents how 'The integration of products into media is hardly a new phenomenon… Product placement indeed has its origins in the '50s, but it's more like the 1550s' (pp. 40–41). Presumably, Donaton wishes to emphasise that product placement in today's marketplace is of greater scale and value. However, such intentions are not made clear in the book and the author looks like someone trying to have his cake and eat it.

The remaining chapters highlight some of the technological and social changes that are encouraging product placement – VCR, TiVo, reality TV, and the resurgence of cinema audiences. There is also a little about the process of product placement and the need for measurement and accountability. Finally, a couple of chapters feature people the author has serendipitously selected as key players.

Donaton summarises the book with 'six quick rules that will serve as guidelines for the development of the Madison & Vine space' (p. 177). The first rule – reject the status quo – presumes that the marketing communications and entertainment industries are not already working together, which is patently not the case. The remaining rules are – collaborate, demand accountability, stay flexible, let go and respect the audience.

In summary, this book is not inconsequential, but it is not a revelation and significant points are over-stated. The case for a revolution is not made, although the book does highlight changes that represent major issues for the marketing communication industry. The analysis, while entertaining, is not supported (although this is not to deny its relevance). Product placement is growing, but I would not accept the claim for this being a revolution. The book is a light and entertaining read and may be enjoyed as such but, sadly, does little to further our understanding.

David Pickton
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EX LIBRIS
Sue Unerman

Although I have spent many years in media now, and have read loads about the industry, there is really only a handful of books which I can remember or to which I ever return. My absolute top two books which, if you read nothing else, you absolutely must read in order to understand communication in the 21st century are both by John Grant. He is one of the original founders of St Lukes and one of the most innovative writers about the big picture of communications strategies rather than just about advertising.

The New Marketing Manifesto (Texere Publications, 2000) – published at the turn of the millennium – turned the world of advertising and marketing on its head. Old paradigm rules of marketing tended to be a little patronising about the consumer and to be rigid in structure. Grant gives us 12 new rules of marketing (now newish but still well worth following), with many examples and applications.

The second must-read book is *After Image* (Profile Business Books, 2003). This is more theoretical, although still very applicable, and deals with the issue which still troubles many in the marketing and advertising community, but is obvious to anyone who watches televsion with a real family. Advertising is not what it used to be. Consumers both see through advertisers' claims more and pay less attention to them. *After Image* 'describes the opportunity to create real value (changing people's lives) and to be part of the education and enlightenment revolution that's sweeping through society'. I find that I return to these books again and again for inspiration.

Recently I have been catching up on the latest marketing books. These include *Blink* by Malcolm Gladwell (Allen Lane, 2005): this could be summarised as first thought best thought (except when it isn't). Remember the cliché of the chairman's wife's favourite magazine? In the bad old days of media planning the gut feel of the chairman was the final arbiter of the schedule. And more often than not that would come down to whatever his wife read or watched, irrespective of the exact target market – or essentially the man with the chequebook's gut feel and prejudice. We have notionally come a long way since then with increasingly sophisticated (and expensive) research and analysis tools that help us to more accurately define and more effectively reach our audience. However, Gladwell's (*The Tipping Point*) new book examines the idea of gut feel and weighs it up against other, slower and more conscious forms of decision making and restores it to credibility – so long as it is based on experience rather than prejudice. Essentially he asks the question – appropriately enough as you are reading his book when he asks it – can you judge a book by its cover? In many cases he says yes, you can, and proceeds over 250 or so pages to explain why and how.

The other more recent book I wish to highlight is *How brands become icons* by Douglas B. Holt (Harvard Business School Press, 2004). The general premise could be described as: don't expect to create an iconic brand simply by following conventional marketing thinking. Instead, think in terms of cultural tensions – and how your brand can resolve them.

This somewhat complicated but thoughtful book has rather radical suggestions to make about the brand management process. Holt suggests conventional brand management has nothing to do with the development of iconic brands and (in this extremely ad-centric interpretation) argues icons are created largely by accident or due to the gut feel of advertising agencies.

Holt argues that iconic brands have nothing to do with brand pyramids or onions. He describes a world which has, as far back as memory, been dominated by cultural icons – from ancient gods and goddesses to Nelson Mandela, Madonna, Woody Allen and John Wayne. Those cultural icons – once religious – are now a central economic activity. Through the course of the book he picks out some acknowledged brand icons including VW, Budweiser and Harley Davidson, and explains how they have followed a set of tacit principles entirely different from those found in conventional branding frameworks.

Sue Unerman is Director of Strategic Solutions and Real World Communications, MediaCom.

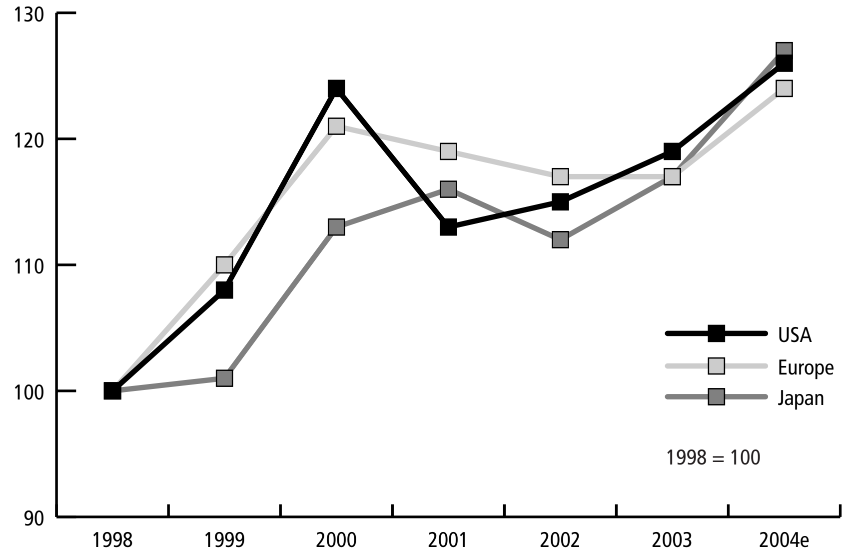
Global adspend trends

Colin Macleod
Research Director, WARC

Table 1 compares advertising expenditure in the US, Europe and Japan. The data are shown in purchasing-power parities (PPPs) which equalises the effective purchasing power of currencies and removes the distorting effects of exchange rate fluctuations. The PPPs shown here use the US$ as the equalising currency.

US advertising expenditure dropped sharply in 2001 but the annual growth rate since then has increased each year and 2004 adspend was boosted by both the presidential election and the Olympic Games (Figure 1). In Japan the downturn came a year later – while in Europe, significant growth only really returned last year.

Figure 1: Regional adspend (current prices, PPPs)



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TV continues to be the dominant medium in Japan accounting for 46% of total adspend, compared with a 36% share in Europe. Just over half of European adspend goes into print media – compared with around a third in Japan.

Table 1: Adspend – million PPPs

	1998	1999	2000	2001	2002	2003	2004e
USA							
Newspapers	42,190	44,420	46,707	42,042	41,830	42,601	44,648
Magazines	13,714	14,599	16,070	14,470	13,913	14,346	14,981
TV	43,076	45,745	52,424	47,517	50,778	52,849	56,642
Radio	13,716	15,666	17,558	16,254	17,178	17,381	18,080
Cinema	—	—	—	—	—	—	—
Outdoor	1,261	1,380	4,141	4,107	4,140	4,354	4,508
Internet	1,383	2,832	6,507	5,645	4,883	5,650	6,726
Total above	115,341	124,642	143,406	130,035	132,721	137,181	145,585
Europe							
Newspapers	29,433	32,045	35,016	33,529	32,108	31,677	33,200
Magazines	14,276	15,435	16,925	16,870	16,163	15,777	16,373
TV	25,457	28,196	31,121	30,871	31,286	32,075	34,324
Radio	3,920	4,415	4,877	4,833	4,849	5,166	5,554
Cinema	527	609	742	789	804	839	877
Outdoor	4,034	4,657	5,307	5,524	5,534	5,612	5,896
Internet	—	—	—	—	—	—	—
Total above	77,647	85,358	93,987	92,416	90,744	91,146	96,224
Japan							
Newspapers	6,537	6,579	7,386	7,454	6,870	7,031	7,391
Magazines	2,351	2,376	2,577	2,581	2,588	2,690	2,767
TV	10,184	10,269	11,596	12,075	11,691	12,281	13,469
Radio	1,176	1,148	1,208	1,220	1,161	1,192	1,237
Cinema	—	—	—	—	—	—	—
Outdoor	2,998	2,987	3,165	3,271	3,234	3,235	3,422
Internet	60	131	333	434	516	754	1,209
Total above	23,305	23,488	26,265	27,036	26,061	27,182	29,497

e = estimated figure

About the Authors

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