European Journal of Marketing
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Article information:
To cite this document:
Permanent link to this document: http://dx.doi.org/10.1108/EJM-11-2015-0764

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The ad format-strategy effect on comparative advertising effectiveness

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Abstract

Purpose – Extant research on comparative advertising has focused only on “market leader” comparisons (a brand targeting the market leader), whereas in the marketplace, “multi-brand” comparisons are more prevalent (Kalro et al., 2010). Moreover, most research focuses on direct comparisons only. Hence, this research aims to investigate the interplay between comparison ad strategy (“market leader”/“multi-brand” comparisons) and comparison ad format (direct/indirect comparisons) on the effectiveness of comparative advertising.

Design/methodology/approach – This paper uses four 2 × 2 fully crossed factorial designs (comparison ad format: direct vs indirect and comparison ad strategy: market leader vs multi brand) with established and new brands in two categories: powdered detergents and smart phones. All studies were conducted in metropolitan cities of India.

Findings – By and large, the experiments indicated that direct (indirect) comparisons lowered (heightened) perceived manipulative intent and enhanced (reduced) attitude-toward-the-ad for multi-brand (market leader) comparisons.

Practical implications – Findings suggest that when advertisers use comparative advertising, they may use direct ads when using multi-brand comparisons and use indirect ones when using market leader comparisons. It could also be argued that when advertisers use multi-brand comparisons because of fragmentation in the marketplace, they may directly compare against these multiple brands. When advertisers need to compare against a market leader, they may do so indirectly.

Originality/value – This research is among the first to investigate multi-brand comparisons that are widely used in the industry and that too in the context of both direct and indirect comparison formats.

Keywords “Market leader” comparisons, “Multi-brand” comparisons, Direct and indirect comparative ads, Perceived manipulative intent, Attitude-toward-the-Ad

Paper type Research paper

Authors would like to thank the editor, associate editor and the anonymous reviewers for their valuable feedback. Authors are grateful to Tanuja Awasthi, Shrutika Trehan, Siddhartha Sarkar, Sunny Arora, Kalpak Kulkarni, Preeti Virdi, Vartika Srivastava and Vishwas Raichur for their support and useful comments. Authors acknowledge the feedback received from the audiences of the 2014 AMA Winter Marketing Educators’ Conference, 2012 Asia Pacific Association of Consumer Research Conference and 2009 NASMEI Conference on the initial versions of this manuscript.
Introduction
Comparative advertising has been studied in developed countries for quite some time (Beard, 2013), possibly because the Federal Trade Commission (FTC) legalized its use in 1979. However, in recent times comparative ads are growing fast even in emerging markets like India (Irani, 2009; Kalro et al., 2010), Philippines (Millward Brown, 2009) and China (Wageman and Tang, 2012). Some recent comparative ad campaigns include Samsung attacking Apple's iPhone 6 launch with a string of advertisements called “It doesn’t take a Genius” (Chambers, 2014), “Microsoft mocking Apple-Samsung rivalry in latest Lumia ad” (Chawla, 2013) and Bing explicitly comparing its search performance to Google (Sayed and Hulley, 2013).

The use of comparative advertising is not a new phenomenon. Even before the formal approval for the use of comparisons in advertisements by the FTC in the USA in 1979 (Ash and Wee, 1983), advertisers conveniently used the “Brand X” approach of comparative advertising, where they implicitly referred to the leading brand, an ordinary brand or an immediate competitor in that category (Muehling and Kangun, 1985). Since then, there has been no let-up in the use of comparative ads in developed (Beard, 2014; The Economist, 2009) and increasingly developing countries (Chatterjee and Sahadeva, 2013; Kalro et al., 2010).

The rise in comparative advertising then spawned considerable research in this area. Between the 1970s and the early 1990s, researchers investigated the effectiveness of comparative advertisements (specifically direct comparisons) vis-a-vis non-comparative advertisements. Despite considerable research on comparative advertising, there was no accord among the researchers on the effectiveness or otherwise of comparative advertising (Grewal et al., 1997). For example, one school of researchers (Dröge, 1989; Grewal et al., 1997) claimed that comparative ads were more effective than non-comparative ads in terms of generating attention, message recall and brand awareness, heightening involvement, providing more information and enhancing favorable sponsored brand attitudes. On the other hand, the other school (Belch, 1981; Goodwin and Etgar, 1980) reported that comparative advertising produced undesirable consequences such as evoking lower source believability, encouraging competition reprisal through lawsuits and being perceived as more offensive. Hence, of late, the focus of research has been to show that the effectiveness of comparative advertising depends on certain moderating conditions. For instance, Choi and Miracle (2004) show that national culture influences the effectiveness of comparative advertising; further, they also demonstrate that self-construal has mediating effects on attitudes toward the advertisement for both indirect comparative ads and non-comparative ads. Polyorat and Alden (2005) find that comparative ads (non-comparative ads) produce more positive brand attitudes and stronger purchase intentions for high (low) need for cognition consumers. Thompson and Hamilton (2006) find that comparative ads (non-comparative ads) are more effective when consumers use the analytical information-processing mode (imagery information processing mode). Chang (2007) suggests that comparative ads (non-comparative ads) encourage greater levels of brand-evaluation involvement among men (women). Pillai and Goldsmith (2008) propose that a non-comparative ad will be more persuasive when the attribute under consideration is typical, whereas both types of ads (comparative and non-comparative) will be equally effective for atypical attributes. Jewell and Saenger (2014) show that direct comparisons, particularly of a dissociative nature are superior in broadening the position of a brand. Beard (2015) shows that older consumers are less likely to purchase or recommend a service after viewing a comparative print advertisement (in the US context), whereas young consumers respond similarly to direct and non-comparative ads. Pornpitakpan and Yuan (2015) find that perceived similarity between the advertising and the comparison products moderates the effects of comparative advertising claims on brand responses. Their study shows that when perceived
similarity between the products is high, a combination of superiority (distinct) and parity (common) ad claims yield best brand responses (i.e. attitude toward the ad, attitudes toward the new use and usage intentions). When the perceived similarity is low, superiority claims are more effective.

In general, studies in this genre have looked at the advertising brand being compared to a single competitor, particularly the market leader or an established brand in that category (Ang and Leong, 1994; Chattopadhyay, 1998; Gorn and Weinberg, 1984; Gotlieb and Sarel, 1991, 1992; Pechmann and Stewart, 1990, 1991), which we refer to as “market leader” comparisons. However, a recent content analysis (Kalro et al., 2010) revealed that 70 per cent of the comparative ads use a “multi-brand” comparison strategy rather than comparing themselves to a single competitor (traditionally, the market leader or the immediate competitor). In other words, the advertised brand compares itself with multiple brands rather than just the market leader. According to Kalro et al. (2010), a possible use for the wide prevalence of “multi-brand” comparisons could be fragmented product markets. Some recent examples include Nissan Terrano comparing itself to Ford EcoSport, Renault Duster, Mahindra XUV and Mahindra Scorpio; Chevrolet Spark comparing itself to Hyundai’s Santro and i10, Maruti’s Wagon R and Zen Estilo (all these are in India); BMW X3 comparing itself to Volkswagen, Volvo and Audi; Austrian Airlines comparing itself to Lufthansa, Air France, British Airways (all these in Europe/USA) and so on. Despite increased use, the effectiveness/ineffectiveness of highlighting salient advantages over multiple competitors in the same category (“multi-brand” comparisons) has not been studied in the advertising literature. The literature has confined itself to only “market leader” comparisons when “multi-brand” comparisons are widely used. Because “multi-brand” comparisons contain references to many competitors and contain much more information, consumer reactions to these kinds of ads may differ, vis-à-vis “market leader” comparisons. Hence, there is a need for research on “multi-brand” comparisons.

Advertisers use “multi-brand” comparisons more often in practice (Kalro et al., 2010). What is interesting is that they sometimes choose to use direct comparative ads in which they explicitly name/show the competitors (e.g. Yahoo comparing itself to Google/Gmail, Rediff, Indiatimes, MSN and Sify). At other times, they use indirect comparative ads, which do not name the competitors explicitly, but they make references to competitors (e.g. Malayala Manorama claiming that it has a circulation that is greater than that of the No. 2, No. 3, No. 4 dailies put together in Kerala; BMW X3 comparing itself to other players with the ad copy “other systems merely react to the road”).

Fundamentally, thus, comparative advertising differs along these two dimensions: comparative ad strategy and comparison ad format. Comparison ad strategy can be either “market leader” (targeting the market leader alone) or “multi-brand” (targeting multiple competitors). Comparison ad format can be either direct (directly naming competition) or indirect (implicitly referring to competition e.g. better than Brand H instead of Horlicks). There has been no attempt to empirically test the effectiveness of these two comparison strategies (“market leader” and “multi-brand”) across different comparative advertising formats (direct and indirect). Most of the extant literature on comparative advertising focuses on direct comparisons versus non-comparative ads (Earl and Pride, 1984; Jewell and Saenger, 2014; Pillai and Goldsmith, 2008; Polyorat and Alden, 2005; Thompson and Hamilton, 2006; Stutts, 1982). It is not sufficient to look at only direct comparisons because direct and indirect comparisons are processed differently (Kalro et al., 2013; Snyder, 1992; Walker and Anderson, 1991). Snyder (1992) showed that direct comparisons promote exemplar-based processing and indirect comparisons promote prototype-based processing. Walker and Anderson (1991) show that the degree of explicitness of a comparative claim may
determine if the information in a comparative ad is likely to be believed. In many consumer markets (such as USA, India and Philippines) advertisers use a mix of both direct and indirect comparisons (Millward Brown, 2009). Consistent with this report, Kalro et al. (2010) find that 68 per cent of all comparative ads in India are direct, whereas 32 per cent are indirect.

While the decision to go in for “multi-brand” or “market leader” comparisons may be mainly a function of market characteristics, the decision to have a direct or indirect comparison ad format is predominantly a function of the outlook/philosophy of the company. Therefore, the key research question that we investigate is as follows:

**RQ1.** Is the effectiveness of comparison strategy (“market leader” versus “multi-brand”) contingent on the type of comparative advertising format (direct versus indirect) used by the advertisers?

In other words, if a brand decides to use “market leader” comparisons, should it directly name the market leader or implicitly refer to the market leader? Likewise, if another brand decides to target multiple brands, should it directly name them or implicitly refer to them? The answer to these questions is at present not clear and our research would lend a helping hand from a managerial standpoint. From a theoretical standpoint, there is hardly any research that studies comparative advertising using multiple brands and our work would plug this gap in the literature.

Literature provides evidence that comparative advertising is effective for new rather than established brands (Chattopadhyay, 1998). However, Kalro et al. (2010) show that around 70 per cent of the comparative ads are used by established brands, whereas 30 per cent are done by new brands. Hence, in this study, we mirror reality by using both established and new brands making comparisons to the market leader or to other brand(s) in that category. Keeping this background in mind, this study aims to answer the following question as well:

**RQ2.** Is the interplay between comparison strategy (“market leader” versus “multi-brand”) and comparative advertising format (direct versus indirect) same/different for new and established brands?

The rest of the paper is structured as follows: The next section on the conceptual framework discusses the research hypothesis drawing on extant literature from persuasion theories, information processing and comparative advertising. Then, the section on methodology discusses the product selection, measures and details of the four experiments that were conducted. Subsequently, the general discussion section highlights the managerial implications and contributions of this study along with the limitations.

**Conceptual background**

Before we delve into hypothesis development, we first describe the key dependent variables that we intend using in our study. The dependent variables that we describe measure the effectiveness of comparative advertising.

**Comparative advertising effectiveness**

Comparative advertisements are more involving than non-comparative advertisements because they attract the attention of the audience, as they are more personally relevant (Dröge, 1989). Particularly, direct comparisons increase consumers’ motivation to process the message arguments (Pechmann and Esteban, 1993). However, this increase in attention may sometimes evoke negative responses (Chang, 2007). Past research has shown that comparative advertising is more informative, but, in the process of comparing itself to the competitor, it may generate certain undesirable outcomes like lower message believability.
Also, the Persuasion Knowledge Model suggests that consumers are well aware of the psychology of persuasion and advertising, and this awareness includes the knowledge regarding what persuasion tactics are appropriate and fair and under what circumstances (FRIESEND AND WRIGHT, 1994). When an advertiser does not use persuasion tactics appropriately, then consumers are encouraged to think why such tactics were used (CAMPBELL, 1995). CHANG (2007) elaborates on the findings of BOUSH ET AL. (1994) by showing that though skepticism toward advertising is a general phenomenon; this skepticism is further magnified when certain tactics like comparative advertising are used. Hence, we measure skepticism to understand ad effectiveness. We operationalize skepticism as perceived manipulative intent as a construct, which refers to a state in which a “consumer infers that the advertiser is attempting to persuade him/her by inappropriate, unfair, or manipulative means” (CAMPBELL, 1995; CHANG, 2007).

Previous studies have shown that consumers often view comparative ads with suspicion (DONTHU, 1998). WILKIE AND FARRIS (1975) explain that the “users of the comparison brand” see the comparison as an attack on their brand, causing them to disbelieve either the source or the content of the message. DRÖGE (1989) reviewed the literature and concluded that comparative advertisements are more aggressive and less believable. Many researchers have studied consumers’ attitudes toward comparative ads versus their attitudes toward non-comparative ads (BELL, 1981; DONTHU, 1998; DRÖGE AND DARMON, 1987; GOODWIN AND ETGAR, 1980; GORN AND WEINBERG, 1984; SWINYARD, 1981). Hence, this paper includes attitude toward the ad (A_ad) as the second dependent variable.

**Interaction between comparison strategy and comparison advertising format**

Prior research has shown that the effectiveness of direct and indirect comparative advertisements is moderated by certain conditions such as culture (JEON AND BEATTY, 2002), brand position in the marketplace (SNYDER, 1992), claim substantiation (WOONBONG ET AL., 2006) and information processing modes (KALRO ET AL., 2013). There is typically no main effect of comparison ad format, that is, direct and indirect comparison ads do not produce differential consumer reactions. Hence, we too do not posit a main effect of comparison ad format. The other factor that we incorporate is comparison strategy (“market leader” vs “multi-brand” comparisons). In most cases, brands may make the decision of choosing market leader or multi-brand comparisons based on market dynamics. Hence, we do not posit a main effect of comparison strategy. In this research, we, therefore, focus on the interaction between comparison ad format and comparison strategy.

Consumers may perceive a comparative campaign negatively because such an advertisement illustrates the weaknesses of a competitor’s brand while playing up the advertiser’s own brand. As modelled by ANDERSON ET AL. (2012), comparative advertising offers a unique platform to the advertisers to “push up” their brand and to “pull down” their rivals brands. Negative responses may get augmented if the advertiser targets a particular competitor, especially an established, well-accepted brand. This may be because of the consumer’s perceived information asymmetry between the advertiser and the consumers. Also, GOODWIN AND ETGAR (1980) suggested that comparative ads that attack the leading brand directly are disbelieved as a result of the inherent strength of belief in the leading brand. Therefore, a direct comparative advertisement using a market leader comparison strategy will elicit more negative thoughts because consumers will perceive explicitly comparing the advertising brand against the leading brand as an “attention-seeking” tactic. Thus, consumers may perceive that the advertiser is manipulating them, as the information is slanted in favor of the advertising brand.
The economics literature on comparative advertising shows that the rationale for a favorable attitude toward comparative advertising is that it improves consumers’ information about alternative brands (Anderson and Renault, 2009; Barigozzi and Peitz, 2006). Also, studies in advertising have shown that comparative ads generate more information processing (Muehling et al., 1990; Yagci et al., 2009) and aid in information search (Dröge, 1989). Negative responses caused by targeting the market leader can be countered by increasing the information content of the advertisement by presenting comparative information on multiple competitors rather than just a single competitor. Marketers provide information so as to enhance consumer perceptions and purchase intentions (Franke et al., 2004). Hence, availability of information across multiple competitors may reduce the perceived information asymmetry between the advertiser and the consumer and increase the vividness of the information. Thus, this will encourage the readers to engage in the elaboration of message information and also activate pre-existing knowledge structures. The elaboration likelihood model (Petty and Cacioppo, 1981) proposes that individuals with high level of need for cognition use the “central” route of persuasion, and they are enthused by merits and veracity of arguments (Kaynar and Amichai-Hamburger, 2008). Comparative ad claims have the ability to encourage a particular point of reference during encoding of brand information (Lien, 2001). Because external reference points to multiple brands can enhance consumers’ ability to process and understand information (Moorman, 1990), consumers who lack the knowledge necessary to understand some information may benefit from the benchmarks provided by reference information (Lien, 2001). Comparative advertisements, by naming dominant, familiar brands, attempt such activation of pre-existing knowledge structures directly and, thereby, encouraging the consumers to use the central route of information processing (Dröge, 1989). Thus, this enhanced message involvement in direct multi-brand comparisons encourages rational thinking and reduces skepticism or suspicion in the minds of the consumers.

Now, let us consider the strategy of a brand comparing itself implicitly with multiple brands. In a similar vein to direct comparisons, multi-brand comparisons will reduce the perception of manipulative intent even in indirect comparisons but not to the extent as in direct comparisons. Here, we need to consider how the consumer processes the information in an indirect multi-brand comparison. Snyder (1992) shows that while direct comparisons promote “exemplar-based processing” (particular member/members to which the new stimulus is compared in a holistic fashion), indirect comparisons promote “prototype-based processing” (an idealized or averaged set of features of category members to which the new stimulus is compared in an analytic fashion). From a cost of thinking perspective, it could be the case that consumers look at the information about the leading brand and compare it with the advertised brand. Alternatively, consumers may use some heuristics to combine the information (such as averaging). If the referred-to brands are known, then the consumer is likely to process the information about the multiple brands in comparison to the test brand. The case where multiple brands are not identified imposes the most difficulty in processing the heuristics and comparing the test/advertised brand with various competitors. In this situation, consumers may avoid the uncertainty that comes from the missing information (Dhar, 1997). Hence, when brands use indirect comparisons such as “compared to Brand X, Brand Y and Brand Z” or “compared to other brands”, consumers here first need to decipher the brands being referred to and then evaluate the advertising brand against these brands. This reduces the incentive for them to engage in message elaboration, thus, providing a chance for suspicion or skepticism surfacing in the course of information processing. In this scenario of indirect comparisons, it becomes easier to process market leader comparison rather than comparing to multiple players in that category.
Previous studies show that the ease with which consumers process information depends on the congruence between the type of processing being done, the organization of this information (Payne et al., 1992) and also on the consistency between the ad format (comparative versus non-comparative) and consumer's information processing mode (analytical versus imagery) (Thompson and Hamilton, 2006). Studies have further shown that greater information processability produces a positive affective response (Winkielman et al., 2003). In this study, in a similar vein, we propose that a consistency between the comparison strategy and the comparison ad format improves ad effectiveness and we hypothesize a comparison strategy—comparison ad format interaction. Specifically, we posit that the effectiveness of multi-brand comparisons strategy will be enhanced when advertisers use the direct comparative ad format, whereas the effect of market leader comparisons would be enhanced when brands use indirect comparative ad formats. In other words, the perceived manipulative intent (attitude toward the ad) would be lower (higher) for multi-brand direct comparisons as opposed to multi-brand indirect ones and perceived manipulative intent (attitude toward the ad) would be lower (higher) for market leader indirect comparisons vis-à-vis market leader direct ones.

Research in the area of comparative advertising has commonly considered two stages of the advertising brand, that is, introduction and maturity. Many studies have, however, considered a new brand comparing itself to an established brand (Chattopadhyay, 1998; Etgar and Goodwin, 1982; Gotlieb and Sarel, 1991; Muehling et al., 1990; Shimp and Dyer, 1978). This is because studies have shown that consumers are more familiar with market leaders, which are frequently purchased and are generally perceived to have desired attributes (Pechmann and Ratneshwar, 1991). This is why we see low share brands typically comparing themselves to the leading brands in the market because the leading brands have more equity (Aaker and Keller, 1990; Pechmann and Esteban, 1993). However, in recent times, we see both new and established brands deploying comparative advertising tactics (Kalro et al., 2010). New brands use strategic multi-brand comparisons to break through the clutter of “me-too” brands by differentiation, whereas established brands claim superiority over multiple competitors to arrest their falling market shares (Kalro et al., 2010).

Following Rogers and Williams’ (1989) procedures, Beard (2013) collected survey data from advertising agency creative directors, and the results of both these studies show that comparative ads work most effectively for brands with smaller market shares and for brands new to the market. Whether new or established, most underdog brands prefer to use comparative advertising (Hoch and Deighton, 1989; Kalro et al., 2010), as most underdog brands are not as well-known as top-dog ones (Hoch and Deighton, 1989). Consumers have low awareness of most underdog brands; they are hard to access and retrieve from memory. Consumers obviously have low or no awareness of new brands for the most part. Hence, we posit a similar effect for both new and established brand conditions. In other words, direct multi-brand comparisons will be more effective (vs indirect multi-brand) and indirect market leader (vs direct market leader) comparisons will be more effective for both new and established brand conditions.

Methodology
Advertisers often use a combination of several formats of advertising (non-comparative, direct comparative and indirect comparative advertising) (del Barrio-García and Luque-Martínez, 2003; Kalro et al., 2013). However, to get different combinations of interactions between comparison formats and strategies for the same brands would not have been possible. Also, we had to create manipulations across new and established brand
conditions. Therefore, consistent with similar research in this area (Chang, 2007; Miniard et al., 2006; Thompson and Hamilton, 2006), we use an experimental design for this study.

**Product selection**

A detailed analysis of the comparative advertising literature shows that a majority of product categories used in previous studies are consumer goods that are low-involvement products (Barry, 1993) or products high on utility and functional benefits. Also, earlier studies had concluded that utilitarian and convenience goods seem to be the most conducive to comparative advertising (Ash and Wee, 1983). Kalro et al. (2010) however reveal in their content analysis that comparative advertising is used equally for both utilitarian and hedonic products. Because the use of comparative advertising has spread across product categories, we need to study it for categories having not just utilitarian attributes but hedonic ones as well. Different products can be high or low on both hedonic and utilitarian attributes at the same time (Khan et al., 2005). Hence, following the procedures and guidelines of Batra and Ahtola (1990), Crowley et al. (1992) and Voss et al. (2003), a series of pre-tests were conducted to select product categories based on their hedonic and utilitarian attributes. The three steps are as follows:

**Step 1**: In total, 55 respondents were given the definitions of hedonic and utilitarian dimensions of a product, and they were asked to list products that they mostly buy for utility and functional benefits and pleasure and excitement. On the basis of the responses, a list of 15 hedonic and 15 utilitarian products was selected.

**Step 2**: Another set of 30 respondents was asked to map these short-listed 30 products onto 4 different quadrants (high utilitarian and low hedonic; high hedonic and low utilitarian; low utilitarian and low hedonic; high utilitarian and high hedonic), depending on the consumption benefits of the products. Based on the responses, these 30 products were mapped onto the four quadrants.

**Step 3**: After classifying these products into the four quadrants, based on high frequency, the following ten products were selected from three quadrants: detergent (powder), refrigerator, pen, washing machine, toothpaste, chocolate, ice cream, smart mobile phone, digital camera and laptop. The first five products are high on utility and low on hedonism; chocolate and ice cream are high on hedonism and low on utility and smart mobile phone, digital camera and laptop are high on both, utility and hedonism. The low hedonic-low utilitarian quadrant was excluded because there were no responses for this quadrant.

Another set of respondents (sample sizes mentioned in Table I) were asked to evaluate these ten product categories using the ten-item, seven-point Hedonic/Utility (HED/UTI) scale (Voss et al., 2003). This scale is an improvisation of the Batra and Ahtola’s (1990) scale used

<table>
<thead>
<tr>
<th>Sample size</th>
<th>HED</th>
<th>UTI</th>
<th>Cronbach’s α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detergent</td>
<td>100</td>
<td>3.050</td>
<td>5.908</td>
</tr>
<tr>
<td>Refrigerator</td>
<td>100</td>
<td>3.266</td>
<td>6.036</td>
</tr>
<tr>
<td>Pen</td>
<td>100</td>
<td>4.636</td>
<td>6.428</td>
</tr>
<tr>
<td>Washing machine</td>
<td>100</td>
<td>3.244</td>
<td>6.070</td>
</tr>
<tr>
<td>Tooth paste</td>
<td>100</td>
<td>3.702</td>
<td>6.224</td>
</tr>
<tr>
<td>Chocolate</td>
<td>75</td>
<td>6.008</td>
<td>3.793</td>
</tr>
<tr>
<td>Ice cream</td>
<td>75</td>
<td>6.400</td>
<td>3.826</td>
</tr>
<tr>
<td>Smart mobile phone</td>
<td>100</td>
<td>5.064</td>
<td>6.132</td>
</tr>
<tr>
<td>Digital camera</td>
<td>100</td>
<td>6.136</td>
<td>6.240</td>
</tr>
<tr>
<td>Laptop</td>
<td>100</td>
<td>5.716</td>
<td>6.392</td>
</tr>
</tbody>
</table>

Table I. Average HED/UTI values of the short-listed products
in prior studies to measure hedonic and utilitarian aspects of a product. The average scores on the hedonic and utilitarian values are stated in Table I.

Two criteria were considered for the selection of two out of ten products as the stimuli in the studies. The first, as mentioned earlier, is the consumption benefits (utilitarian and hedonic) derived from various products. The second criterion was that the participants of the experiments needed to have a reasonable level of familiarity and usage experience with the product category chosen. Based on these criteria, detergent powder and smart mobile phones were selected for further study. As seen in Table I, detergent powder is a high utility and low hedonic product category ($M_{UTI} = 5.908, M_{HED} = 3.050$; Cronbach’s $\alpha = 0.734$), and smart mobile phone is a high utility and high hedonic ($M_{UTI} = 6.132, M_{HED} = 5.064$; Cronbach’s $\alpha = 0.805$) category. In this step, we selected the top two most familiar products, and, hence, product categories high on hedonism (chocolates and ice creams) got eliminated. Also, in reality, it is unlikely that chocolates and ice creams use comparative ads. Hence, detergent powder and smart mobile phone were shortlisted for the experiments.

Because we test the interaction between comparative ad strategies and comparative ad formats, across established and new brand conditions for two product categories, we conducted four experiments. Study 1 test whether direct (indirect) comparative ads are more effective for multi-brand (market leader) comparisons for an established brand. Subsequently, in Study 2, we test whether the results hold good even for a new brand in the same category. These two studies were conducted for a high utility low hedonic product category (powdered detergent). Study 3 and Study 4 are replicas of Study 1 and 2, respectively, but for a product category that is high on both utility and hedonism (smart mobile phone).

Measures for the experiments
The study adopted all scales for both the dependent variables from extant literature. Perceived manipulative intent of the advertiser was adopted from Chang (2007), and attitude-toward-the-advertisement ($A_{atd}$) was adapted from Mitchell and Olson (1981), Dröge (1989), Muehling (1987) and del Barrio-Garcia and Luque-Martinez (2003). The study used “users of comparison brand” and “subjective product class knowledge of the consumers” from Mitchell and Dacin (1996) as covariates. Along with these two covariates, following the procedures of Pornpitakpan and Han (2013), additional potential covariates such as age, gender, income, occupation and educational qualification were measured (further details on the scales available from the corresponding author).

Experiments
Study 1 (high utility, low hedonic: established brand)
Stimuli. Powdered detergent is a high utilitarian-low hedonic product. The INR 130bn (US$2.03bn @ INR 44.60 = US$1 as on March 31, 2011) Indian fabric wash market (in 2011) consists of synthetic detergents (bars, washing powder and liquids) and oil-based laundry soaps (NPCS Report, 2014).

A pre-test was conducted among 35 respondents (hostel students from prominent universities in the South Indian cities of Chennai, Cochin and Mysore who buy detergents for their own laundry) asking them which brand of detergent they usually buy and their attribute preferences. The results of the pre-test revealed that 65 per cent of the respondents used detergents in the premium segment. This segment (INR 90 to 120/Kg) includes variants of Surf, Henko and Ariel, which are most commonly used in urban India, the setting of our study. Hence, we selected the premium segment. Also, the two attributes that emerged most important were quick stain removal and no harm to colored clothes. The copy for the advertised brand stressed on the following product attributes: Path-breaking “Dye-lock
formula” that keeps the color locked in the garment, zero bleeding technology that prevents bleeding of colors from darker onto lighter ones and no bleaching agent – reduces fading of colored garments.

Method, procedures and sample. We conducted a 2 (comparison strategy: market leader/multi-brand) × 2 (comparison format: direct/indirect) between-subjects design experiment (n = 362). The study assigned participants randomly to the four ad conditions (all experimental stimuli available on request from the corresponding author). Respondents (from prominent universities in Indian cities of Chennai, Cochin, Mysore and Mumbai who buy detergents for their laundry; Female = 50 per cent) were explicitly asked to process the advertisement for 2-3 minutes, and, then, they were asked to fill in the questionnaire applicable to that manipulation condition. The ads were not embedded with any other material.

Manipulation for the established brand condition
Biological Ariel (of P&G), which is the market challenger in the premium segment of detergents, was used as the advertising brand with the tagline “makes stain looks harmless”. This variant was introduced with the same three superior attributes mentioned above. In the market leader condition, Biological Ariel was compared favorably with Surf Excel Blue [Hindustan Unilever’s Surf Excel Blue has the leading share of 37.5 per cent in India (Pinto, 2010)].

Manipulation for direct and indirect comparisons. The manipulations for direct and indirect comparisons were in line with Miniard et al. (2006), Choi and Miracle (2004) and Yang et al. (2007). In direct comparisons, the competitors were explicitly named. In indirect comparisons, the ad showed that Biological Ariel was better than the market leader, whereas in the multi-brand comparison, Biological Ariel was compared to Brand X, Y and Z (using the same fonts and logos these brands use in the market).

Results. Cronbach’s α values were calculated to test the reliability of the scales used for measuring perceived manipulative intent and Aad. The distribution of the variables and individual scale reliabilities are mentioned in Table II.

In all conditions (direct and indirect), the respondents were asked to name the brand(s) that was/were being referred to. In the direct condition, this was superfluous. In the indirect market leader and multi-brand conditions, only those respondents who correctly guessed the leading brand being referred-to were considered for analysis.

A 2 (comparison strategies: market leader/multi-brand) × 2 (comparative advertising formats: direct/indirect) MANCOVA was conducted on the dependent variables (perceived manipulative intent and Aad) with “users of comparison brand”, “subjective knowledge of consumers”, age, gender, income, educational qualification and occupation of the respondents as the covariates to test the hypotheses. The two-way interactions between comparison strategy (market leader/multi-brand) and comparison ad formats (direct/indirect) were significant (Pillai’s Trace = 0.132; Wilks’ λ = 0.888; Hotelling’s Trace and Roy’s Largest Root = 0.153, F (2,350) = 26.694, p < 0.001, ω² = 0.050). The main effects of the covariates were not significant, and their results are mentioned individually: “users of comparison brand” (p > 0.10), age (p > 0.90), gender (p > 0.10), educational qualification

<table>
<thead>
<tr>
<th>Variables</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived manipulative intent (Cronbach’s α = 0.760)</td>
<td>1.000</td>
<td>7.000</td>
<td>3.785</td>
<td>1.080</td>
</tr>
<tr>
<td>Attitude-toward-the-Ad (Aad) (Cronbach’s alpha = 0.855)</td>
<td>1.428</td>
<td>7.000</td>
<td>4.574</td>
<td>1.125</td>
</tr>
</tbody>
</table>
Perceived manipulative intent. There is a marginal main effect of comparative advertising formats on perceived manipulative intent ($M_{DCA} = 3.894, M_{ICA} = 3.705; F(1,351) = 3.173, p < 0.10$). The main effect of comparison strategy on perceived manipulative intent is significant, thus suggesting that market leader comparisons are considered more manipulative when compared to multi-brand comparisons ($M_{Leader} = 3.954, M_{Multi} = 3.644; F(1,351) = 8.739, p < 0.05$). As predicted, the interaction between comparison strategy and comparative ad formats is highly significant ($M_{DCA-Leader} = 4.422, M_{DCA-Multi} = 3.366, M_{ICA-Leader} = 3.487, M_{ICA-Multi} = 3.922; F(1,351) = 49.009, p < 0.001, \omega^2 = 0.090$). As hypothesized, in the multi-brand comparison condition, direct comparisons are perceived less manipulative and in the market leader condition, indirect comparisons are more effective in reducing perceived manipulative intent.

Attitude-toward-the-advertisement. No main effect of comparative advertising formats is found on $A_{ad}$ ($p > 0.90$). However, the main effect of comparison strategy on $A_{ad}$ is significant such that multi-brand comparisons have more positive $A_{ad}$ vis-à-vis market leader comparisons ($M_{Leader} = 4.394, M_{Multi} = 4.737; F(1,351) = 9.322, p < 0.05$). As predicted, the interaction between comparative ad formats and comparison strategy is significant ($M_{DCA-Leader} = 4.090, M_{DCA-Multi} = 5.039, M_{ICA-Leader} = 4.697, M_{ICA-Multi} = 4.435; F(1,351) = 28.208, p < 0.001, \omega^2 = 0.053$) for established brand condition. For an established brand, in the multi-brand comparison condition, direct comparisons enhance attitude-toward-the-advertisement. In the market leader condition, indirect comparisons are more effective in enhancing attitude-toward-the-ad (interaction figures are available on request from the corresponding author).

Study 2 (high utility, low hedonic: new brand)
The previous study discusses the context of an established brand comparing itself to the market leader and multiple players in the detergent category. In this study, we investigate whether the results of the previous study hold good for a new brand. This new brand condition is a way of avoiding any cognitive biases that may have arose because we used a known brand in the previous experiment.

Method, procedures and sample. The study ($n = 243$; students from prominent universities in Indian cities of Chennai, Cochin, Mysore and Mumbai; Female = 49.7 per cent) was thus a 2 (comparison strategy: market leader/multi-brand) x 2 (comparison format: direct/indirect) between-subjects design. Procedures were the same as mentioned above in the previous study.

Manipulation for the new brand condition. A fictitious new brand New Shield was introduced with the tagline “stronger than dirt” as the advertising brand; this brand had three superior attributes relative to the referred-to brand(s). In the market leader condition, New Shield was compared favorably with Surf Excel Blue (the market leader). As there were three players in the premium category of detergents, in the multi-brand condition, New Shield was compared with the three players, Surf Excel Blue, Ariel Oxy Blue and Henko.

The manipulations for direct and indirect comparisons were kept the same as the previous study, except for the name Biological Ariel, which was changed to New Shield.

Results. The distribution of the variables and individual reliabilities of each of the scales are given in Table III.

The two-way interactions between comparison strategy (market leader/multi-brand) and comparison ad formats (direct/indirect) were significant in this study as well (Pillai's
Trace = 0.039; Wilks’ λ = 0.961; Hotelling’s Trace and Roy’s Largest Root = 0.041, F (2,231) = 4.685, p = 0.01, ω² = 0.011. In this study, the covariates, “users of comparison brand” and “subjective knowledge of consumers”, age, income, educational qualification and occupation were not significant (p > 0.20). However, gender as a covariate was significant (p < 0.05). The follow-up univariate ANOVA results for both the dependent variables are discussed further.

Perceived manipulative intent. We found that there is a main effect of comparative advertising formats on perceived manipulative intent (M\text{DCA} = 3.523, M\text{ICA} = 3.185; F (1,232) = 5.303, p < 0.05). There is also a main effect of comparison strategy on perceived manipulative intent, such that the market leader comparison is considered more manipulative than the multi-brand comparison (M\text{Leader} = 3.544, M\text{Multi} = 3.136; F (1,232) = 6.978, p < 0.05). As predicted, the interaction between comparative ad formats and comparison strategy is significant (M\text{DCA-Leader} = 3.915, M\text{DCA-Multi} = 3.131, M\text{ICA-Leader} = 3.174, M\text{ICA-Multi} = 3.142; F (1,232) = 5.793, p < 0.05, ω² = 0.014). In the multi-brand condition, direct comparisons are perceived to be less manipulative.

Attitude-toward-the-Advertisement. No main effect of comparative advertising formats is found on A\text{ad} (p > 0.30). On the other hand, there is a main effect of comparison strategy on A\text{ad} such that market leader comparison has an inferior attitude-toward-the-advertisement as compared to the multi-brand comparison strategy (M\text{Leader} = 4.177, M\text{Multi} = 4.652; F (1,232) = 10.052, p < 0.05). However, the interaction between comparative ad formats and comparison strategy is not significant (M\text{DCA-Leader} = 4.291, M\text{DCA-Multi} = 4.675, M\text{ICA-Leader} = 4.062, M\text{ICA-Multi} = 4.629; F (1,232) = 0.365, p > 0.50). The direction of the interaction is as hypothesized.

Studies 1 and 2 highlight the interaction of comparison strategy and comparison ad formats in enhancing the efficacy of comparative ads for a product high on utility and low on hedonism. In Studies 3 and 4, we test whether the results shown in Studies 1 and 2 hold across a product category that is high on both hedonic and utilitarian dimensions.

Study 3 (high utility, high hedonic: established brand)

Stimuli. In this experiment, we selected a product (smart mobile phone) based on the hedonic/utility measure (Voss et al., 2003) (high on both, utility and hedonism). Moreover, subjects were familiar with and had used this product. Subjects processed a print ad of an established (real) brand to other brand(s).

After selecting smart mobile phones as the product category, we conducted another pre-test with 37 respondents to understand the specific attributes consumers consider important. The pre-test responses revealed that smart phones such as Apple iPhone 5S, Samsung Galaxy S4 Active, Nexus 5 and LG G2 gratify both hedonic and utilitarian needs of the consumers.

Also, according to IDC Worldwide Mobile Phone Tracker [www.idc.com/getdoc.jsp?containerId=prUS24645514 (accessed 27 January 2014)], the top four smartphone vendors in 2013 were Samsung, Apple, Huawei and LG. Based on these responses, we used Nexus 5 as the advertising brand for the established brand condition as the stimulus in this study. Based on the pre-test, the copy for the advertised brand stressed on the following unique attributes:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived manipulative intent</td>
<td>1.166</td>
<td>7.000</td>
<td>3.377</td>
<td>1.212</td>
</tr>
<tr>
<td>Attitude-toward-the-Ad (A\text{ad})</td>
<td>1.000</td>
<td>6.875</td>
<td>4.429</td>
<td>1.152</td>
</tr>
</tbody>
</table>
Caller ID (for unknown numbers, will search for callers from local listing of businesses on Google Maps), Wireless Charging, Dimension, Weight, Screen Size and Camera Resolution (Megapixel). The ads in this experiment mirrored reality in terms of the tagline and the product attributes for the established brand.

Method and procedures and sample. The study (n = 265; students in the full-time bachelors’, masters’ and doctoral programs and working professionals in executive programs from prominent universities in Mumbai, India; Female = 49.4 per cent) was thus a 2 (comparison strategy: market leader/multi-brand) × 2 (comparison format: direct/indirect) between-subjects design using the same procedures mentioned in Studies 1 and 2.

Manipulation for the established brand condition. Nexus 5 was used as the advertising brand with the tagline “made for what matters”. Nexus 5 was shown to have the same Caller ID and wireless charging attributes. In the market leader condition, Nexus 5 was compared favorably with Samsung Galaxy S4 Active.

In India, the commonly used smartphone comparison websites such as www.phonearena.com and www.androidcentral.com compared Nexus 5 with Apple iPhone 5S, Samsung Galaxy S4 Active and LG G2; hence, these three brands were chosen. In other words, in the multi-brand condition, Nexus 5 was compared with Samsung Galaxy S4 Active, Apple iPhone 5S and LG G2.

Manipulation for direct and indirect comparisons. In direct comparisons, the competitors were explicitly named. In indirect comparisons, the ad showed that Nexus 5 is better than the market leader, whereas in the multi-brand comparison Nexus 5 was compared to Brand X, Y and Z (using the same fonts and logos these brands use in the market).

Results. The distribution of the variables and individual reliabilities are mentioned in Table IV.

The two-way interaction between comparison strategy (market leader/multi-brand) and comparison ad formats (direct/indirect) was marginally significant in this study (Pillai’s Trace = 0.020; Wilks’ λ = 0.980; Hotelling’s Trace and Roy’s Largest Root = 0.020, F (2,250) = 3.090, p < 0.10, ω² = 0.004). The covariates, “users of comparison brand” (p > 0.60), “subjective product class knowledge of consumers” (p > 0.10), age (p > 0.90), gender (p > 0.10), income (p > 0.30), educational qualification (p > 0.80) and occupation (p > 0.30) were not significant. The follow-up univariate ANOVA results for both the dependent variables are discussed further.

Perceived manipulative intent. The main effect of comparative advertising formats is marginally significant on perceived manipulative intent (MDCA = 3.873, MICA = 3.603; F (1,251) = 3.729, p < 0.10). There is no main effect of comparison strategies on perceived manipulative intent (p > 0.70). As predicted, the interaction between comparison strategy and comparative ad formats is significant on perceived manipulative intent (MDCA-Leader = 4.057, MDCA-Multi = 3.688, MICA-Leader = 3.459, MICA-Multi = 3.747; F (1,251) = 5.037, p < 0.05, ω² = 0.011). Similar to a high utility and low hedonic product category, as hypothesized, even in a high hedonic and high utility category, direct multi-brand comparisons reduce perceived

<table>
<thead>
<tr>
<th>Variables</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived manipulative intent (Cronbach’s α = 0.780)</td>
<td>1.000</td>
<td>7.000</td>
<td>3.753</td>
<td>1.087</td>
</tr>
<tr>
<td>Attitude-toward-the-Ad (Aad) (Cronbach’s α = 0.841)</td>
<td>1.428</td>
<td>7.000</td>
<td>4.687</td>
<td>1.052</td>
</tr>
</tbody>
</table>

Table IV. Characteristics of variable distributions and scale reliabilities of Study 3 (Nexus 5)
Manipulative intent. Also, under the market leader condition, indirect comparisons are more effective in reducing perceived manipulative intent.

Attitude toward the advertisement. No main effects of comparative advertising formats and comparison strategies are found on attitude toward the advertisement ($p > 0.10$). Moreover, the interaction between comparison strategy and comparative ad formats is not significant too ($M_{DCA-Leader} = 4.508$, $M_{DCA-Multi} = 4.716$, $M_{ICA-Leader} = 4.824$, $M_{ICA-Multi} = 4.780$; $F(1,251) = 0.794, p > 0.30$).

In the previous experiment with a high utility product category, we saw that when an established brand directly compares itself to multiple competitors, the effectiveness of such an ad is higher (i.e. reduced perceived manipulative intent) and the sponsoring brand targets only the market leader then indirect comparisons are more effective in terms of reducing perceived manipulative intent. These results hold good for an established brand even in a product category that is high on both, utility and hedonism.

**Study 4 (high utility, high hedonic: new brand)**

Study 3 used an established brand in the high utilitarian, high hedonic case. In Study 4, we test if direct (indirect) comparisons enhance the effectiveness of multi-brand (market leader) comparisons in a new brand condition as well (for the same product: a high utilitarian, high hedonic one).

*Method, procedures and sample.* The study ($n = 262$; students in the full-time bachelors’, masters’ and doctoral programs and working professionals in executive programs from prominent universities in Mumbai, India; Female = 49.8 per cent) was thus a 2 (comparison strategy: market leader/multi-brand) × 2 (comparison format: direct/indirect) between-subjects design. The methods and procedures were the same as mentioned above in the previous study.

*Manipulation for the new brand condition.* A fictitious new brand, *Quova P300* was introduced with the tagline “think smarter” as the advertising brand; this had Caller ID and wireless charging attributes. In the market leader condition, *Quova P300* was compared favorably with *Samsung Galaxy S4 Active* (market leader). In the multi-brand condition, *Quova P300* was compared with *Samsung Galaxy S4 Active, Apple iPhone 5S* and *LG G2*. For the new brand condition, except for the name and the tagline, all the features were the same as the established brand. The manipulations for the direct and indirect comparisons were the same as Study 3, except that the name was changed from *Nexus 5* to *Quova P300*.

*Results.* The distribution of the variables and the individual scale reliabilities are mentioned below in Table V.

The two-way interaction between comparison strategy (market leader/multi-brand) and comparison ad formats (direct/indirect) was highly significant for the new brand condition (Pillai’s Trace = 0.055; Wilks’ $\lambda = 0.945$; Hotelling’s Trace and Roy’s Largest Root = 0.058, $F(2,249) = 7.270, p < 0.01$, $\omega^2 = 0.017$). The covariates, “users of comparison brand” ($p > 0.10$), “subjective knowledge of consumers” ($p > 0.40$), age ($p > 0.70$), gender ($p > 0.60$), income ($p > 0.90$) and educational qualifications ($p > 0.90$) were not significant. However, occupation as a covariate was significant ($p < 0.05$). The follow-up univariate ANOVA results are discussed further.

### Table V.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived manipulative intent</td>
<td>1.000</td>
<td>7.000</td>
<td>3.815</td>
<td>1.112</td>
</tr>
<tr>
<td>Attitude toward the Ad ($A_{ad}$)</td>
<td>1.000</td>
<td>7.000</td>
<td>4.338</td>
<td>1.146</td>
</tr>
</tbody>
</table>
Perceived manipulative intent. The main effects of comparative advertising formats ($p > 0.80$) and comparison strategies ($p > 0.40$) are not significant on perceived manipulative intent. As predicted, the interaction between comparative ad formats and comparison strategy is significant ($M_{DCA-Leader} = 4.092, M_{DCA-Multi} = 3.472, M_{ICA-Leader} = 3.621, M_{ICA-Multi} = 4.005; F (1,250) = 12.663, p < 0.001, \omega^2 = 0.032$). In the multi-brand comparison condition, direct comparisons are perceived less manipulative and in the market leader condition, indirect comparisons are more effective in reducing perceived manipulative intent.

Attitude-toward-the-Advertisement. No main effects of comparative ad formats and comparison strategies are found on $A_{ad}$ ($p > 0.40$). As predicted, the interaction between comparison strategy and comparative ad formats is significant ($M_{DCA-Leader} = 4.135, M_{DCA-Multi} = 4.632, M_{ICA-Leader} = 4.461, M_{ICA-Multi} = 4.175; F (1,250) = 7.318, p < 0.01, \omega^2 = 0.017$). In the multi-brand comparison condition, direct comparisons enhance attitude-toward-the-ad, and, in the market leader condition, indirect comparisons are more effective in enhancing attitude-toward-the-ad.

A summary of the mean values of the two-way interactions and a summary of the MANCOVA results for all the four studies are presented in Tables VI and VII.

### General discussion

For both new and established brands (in both the product categories), results show that under multi-brand (market leader) comparison strategy, direct (indirect) comparison format is more effective in reducing perceived manipulative intent. We found strong support for this thesis for all the four experiments. However, for the high utility-low hedonic, new brand (i.e. New Shield), the perceived manipulative intent for indirect market leader and indirect multi-brand conditions were very similar.

We see that the direct multi-brand strategy and the indirect market leader strategy are more effective in enhancing attitude-toward-the-ad in two out of four situations [i.e. the

<table>
<thead>
<tr>
<th>Comparison ad format-strategy</th>
<th>Perceived manipulative intent</th>
<th>Attitude-toward-the-Ad</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Study 1 (high utility and low hedonic, established brand – Biological Ariel)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct market leader</td>
<td>4.422</td>
<td>4.090</td>
</tr>
<tr>
<td>Direct multi-brand</td>
<td>3.366</td>
<td>5.039</td>
</tr>
<tr>
<td>Indirect market leader</td>
<td>3.487</td>
<td>4.697</td>
</tr>
<tr>
<td>Indirect multi-brand</td>
<td>3.922</td>
<td>4.435</td>
</tr>
<tr>
<td><strong>Study 2 (high utility and low hedonic, new brand – New Shield)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct market leader</td>
<td>3.915</td>
<td>4.291</td>
</tr>
<tr>
<td>Direct multi-brand</td>
<td>3.131</td>
<td>4.675</td>
</tr>
<tr>
<td>Indirect market leader</td>
<td>3.174</td>
<td>4.062</td>
</tr>
<tr>
<td>Indirect multi-brand</td>
<td>3.142</td>
<td>4.620</td>
</tr>
<tr>
<td><strong>Study 3 (high utility and high hedonic, established brand – Nexus 5)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct market leader</td>
<td>4.057</td>
<td>4.508</td>
</tr>
<tr>
<td>Direct multi-brand</td>
<td>3.688</td>
<td>4.716</td>
</tr>
<tr>
<td>Indirect market leader</td>
<td>3.459</td>
<td>4.824</td>
</tr>
<tr>
<td>Indirect multi-brand</td>
<td>3.747</td>
<td>4.780</td>
</tr>
<tr>
<td><strong>Study 4 (high utility and high hedonic, new brand - Quova)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct market leader</td>
<td>4.092</td>
<td>4.135</td>
</tr>
<tr>
<td>Direct multi-brand</td>
<td>3.472</td>
<td>4.632</td>
</tr>
<tr>
<td>Indirect market leader</td>
<td>3.621</td>
<td>4.461</td>
</tr>
<tr>
<td>Indirect multi-brand</td>
<td>4.005</td>
<td>4.175</td>
</tr>
</tbody>
</table>

Table VI. Summary of the mean values of the two-way interactions
Table VII.
Summary of MANCOVA results (two-way interactions)

<table>
<thead>
<tr>
<th>Study</th>
<th>Effect</th>
<th>Dependent variables</th>
<th>$MS$</th>
<th>df</th>
<th>$F$</th>
<th>$p$</th>
<th>Effect size $(\omega^2)$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Study 1 (high utility and low hedonic, established brand – Biological Ariel)</td>
<td>Comparison format (direct vs indirect) $\times$ comparison strategy (market leader vs multi-brand)</td>
<td>Perceived manipulative intent</td>
<td>48.010</td>
<td>1</td>
<td>49.009</td>
<td>0.000***</td>
<td>0.090</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Error</td>
<td>0.980</td>
<td>351</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attitude-toward-the-Ad</td>
<td>31.764</td>
<td>1</td>
<td>28.208</td>
<td>0.000***</td>
<td>0.053</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Error</td>
<td>1.126</td>
<td>351</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Study 2 (high utility and low hedonic, new brand – New Shield)</td>
<td>Comparison format (direct vs indirect) $\times$ comparison strategy (market leader vs multi-brand)</td>
<td>Perceived manipulative intent</td>
<td>7.929</td>
<td>1</td>
<td>5.793</td>
<td>0.017*</td>
<td>0.014</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Error</td>
<td>1.369</td>
<td>232</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attitude-toward-the-Ad</td>
<td>0.471</td>
<td>1</td>
<td>0.365</td>
<td>0.546</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Error</td>
<td>1.291</td>
<td>232</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Study 3 (high utility and high hedonic, established brand – Nexus 5)</td>
<td>Comparison format (direct vs indirect) $\times$ comparison strategy (market leader vs multi-brand)</td>
<td>Perceived manipulative intent</td>
<td>5.901</td>
<td>1</td>
<td>5.037</td>
<td>0.026*</td>
<td>0.011</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Error</td>
<td>1.171</td>
<td>251</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attitude-toward-the-Ad</td>
<td>0.868</td>
<td>1</td>
<td>0.794</td>
<td>0.374</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Error</td>
<td>1.092</td>
<td>251</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Study 4 (high utility and high hedonic, new brand – Quova)</td>
<td>Comparison format (direct vs indirect) $\times$ comparison strategy (market leader vs multi-brand)</td>
<td>Perceived manipulative intent</td>
<td>15.348</td>
<td>1</td>
<td>12.663</td>
<td>0.000***</td>
<td>0.032</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Error</td>
<td>1.212</td>
<td>250</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attitude-toward-the-Ad</td>
<td>9.333</td>
<td>1</td>
<td>7.318</td>
<td>0.007**</td>
<td>0.017</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Error</td>
<td>1.275</td>
<td>250</td>
<td>–</td>
<td>–</td>
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</tbody>
</table>

Notes: ***Significant at $p < 0.001$; **significant at $p < 0.01$; *significant at $p < 0.05$
hypotheses were supported for high utility-low hedonic established brand (i.e. Biological Ariel) and for high utility-high hedonic new brand (i.e. Quova). In the new brand condition, particularly for the high utility-low hedonic product category (New Shield), the hypothesis is not significant for attitude-toward-the-ad. Also, in the high utility-high hedonic category established brand condition (Nexus 5), the hypothesis is not supported for attitude-toward-the-ad.

In Study 3, though the hypothesis for attitude-toward-the-ad was not supported, the direction of the means is as proposed. That is, for the multi-brand comparison condition, direct comparisons are effective in creating superior attitude-toward-the-advertisement. For the market leader comparison condition, indirect comparisons are more effective in creating superior attitude-toward-the-ad. However, in the case of attitude-toward-the-ad for New Shield, for the multi-brand comparison condition, direct comparisons are effective in creating superior attitude-toward-the-advertisement, but the direction in the indirect comparison was opposite of what was hypothesized.

Broadly, results showed that for the multi-brand comparison strategy, direct comparisons reduce perceived manipulative intent and enhance attitude toward the ad, whereas for market leader comparisons, indirect comparisons reduce perceived manipulative intent and enhance attitudes toward the advertisement. These results were by and large consistent for both established and new brands. Our research makes a number of theoretical and managerial contributions.

From a substantive viewpoint, this paper extends the literature on comparative advertising in a couple of ways. First, most prior research in this genre has focused on market leader comparisons alone (Ang and Leong, 1994; Chattopadhyay, 1998; Gorn and Weinberg, 1984; Gotlieb and Sarel, 1991, 1992; Pechmann and Stewart, 1990, 1991), while ignoring multi-brand comparisons, when market reality shows that multi-brand comparisons are the norm, rather than an exception (Kalro et al., 2010). In this research, we study multi-brand comparisons and show that multi-brand comparisons ought to be studied not only because they are widely prevalent but also because they have differential effects on consumers. To the best of our knowledge, our work is the first to study widely used multi-brand comparisons. To wit, we show that the findings of market leader comparisons cannot be applied directly to multi-brand comparisons; there are considerable differences between them. Second, but for a few exceptions, most research in comparative advertising focuses on direct comparative ads versus non-comparative ads and ignores indirect comparisons. In this paper, we extend the work of Jeon and Beatty (2002), Kalro et al. (2013), Miniard et al. (2006), Snyder (1992) and WoonBong et al. (2006), who have identified moderating conditions that enhance the effectiveness of direct versus indirect comparative ads. We add to the list of moderators that influence the effect of comparison ad formats on advertising effectiveness. We study direct versus indirect comparative ads in conjunction with comparison strategy. Thus, our work makes important contributions theoretically.

Our work has a number of pointers for brand managers of consumer products and advertisers. In many countries, the use of comparative advertising is quite prevalent (Millward Brown, 2009), and a significant portion of the advertising budget is devoted to this form of advertising. Hence, advertisers need to answer the question “given that I am going to use comparative advertising, what should my comparison ad format and strategy be?” Our research helps answer this question. Several product markets are characterized by fragmentation. For instance, the car market in India is one such example. In this market (and other similar ones), many segments have numerous brands that are not too far apart in terms of market share. Therefore, a new entrant (or a low share brand) in this market needs to not only target the market leader but also multiple other brands in that category. If the new
entrant or low share brand wishes to target multiple brands, it must directly name them and not implicitly refer to them because the latter would raise manipulative intent and lower attitudes, whereas the former would lower perceived manipulative intent and render attitudes more positive. On the other hand, certain other markets may be more concentrated and less fragmented. For example, consider the case of the life insurance market in India that is dominated by Life Insurance Corporation of India (LIC). LIC has a 75 percent market share, and, hence, for a low share player/new entrant, it makes sense just targeting LIC (market leader comparison) and not other low share players. Here, the low share player/new entrant must not directly compare/name LIC but implicitly refer to LIC. This is because our results suggest that directly naming a market leader would be seen as manipulative and render ad attitudes less positive.

Clients may also differ in their outlook toward comparative advertising. Some clients may be aggressive and may not feel shy about explicitly naming competition. To these kinds of clients, our results suggest that agencies should try and persuade them to use multi-brand comparisons if possible (assuming their product markets are fragmented enough to enable these kinds of comparisons). This is because for direct comparisons, multi-brand comparisons are perceived less manipulative/more attitude enhancing. On the other hand, other clients may be more “gentlemanly” and may refrain from naming competition directly, i.e. they may prefer indirect comparisons. To these clients, agencies may advocate market leader comparisons rather than multi-brand ones. If conditions do not favor market leader comparisons (because those markets may be fragmented), agencies may try and persuade them to go in for direct comparisons (“you can shed your gentlemanliness or be prepared to lose market share!”).

Alternatively, at times, clients are too “in your face” and aggressive and name the market leader directly in their advertising. For instance, the Hyundai Eon took on Maruti Alto in the entry-level segment of the car market in India directly. This according to our results was not wise and the Hyundai Eon may have implicitly referred to the Alto rather than directly naming it. For example, an underdog in the biscuits market in India, Sunfeast, indirectly refers to the market leader, Britannia in its recent advertising (www.youtube.com/watch?v=V5vkh4SwbOU), which is probably the right thing to do (based on our results).

Moreover, prior research points out conditions under which comparative advertising needs to be used. For instance, Thompson and Hamilton (2006) show that when consumers use analytical processing, comparative advertising works better. However, they do not consider the question of advertising format: direct or indirect or comparison strategy: multi-brand or market leader. For example, if there is a market dominated by consumers using analytical processing dominated by one player (e.g. life insurance in India), using direct comparisons may backfire on the company. Our research suggests that it would be better to use indirect market leader comparisons in such a scenario. On the other hand, if there is a market that is fragmented (and is dominated by consumers using analytical processing, for example, the car market), the use of direct comparisons is preferable, given that multi-brand comparisons suggest themselves naturally (because the market is fragmented). Thus, our research gives more nuanced, specific managerial insights.

Our findings to some extent resonate in the marketplace. For example, ITC’s Sunfeast “Yippee!”, an instant noodles brand, used an extensive campaign comparing itself to Nestle’s “Maggi” noodles, the market leader with 50 per cent market share. “Yippee!” is giving tough competition to Nestle’s Maggi and has secured 15 per cent market share in the US$627m noodles market in India (The Financial Express, 2014). On the other hand, Hyundai Eon launched a controversial comparative campaign in November 2012 raising a direct question against the market leader in that segment, “Maruti Alto 800 – Trendsetter V/S Follower?”
Some other ineffective direct market leader campaigns include Maruti Wagon R targeting Hyundai i10 or Safari Dicor referring to Mahindra Scorpio. Also, Hitachi, a brand of air-conditioners launched a campaign in April 2015 comparing itself to multiple brands but indirectly (to Competition Brand A and Competition Brand B) which has not made an impact so far. Hitachi still has only about 7 per cent market share in the room AC segment when compared to Voltas, LG and Samsung, though it is the best brand in terms of technical parameters. This shows that marketing communications may be a reason for this low market share. Finally, Microsoft recently, directly and explicitly, compared its browser Edge, with Chrome, Opera and Firefox and claimed that when it is used, battery life is much longer compared to the other three (http://timesofindia.indiatimes.com/tech/tech-news/-Chrome-is-bad-for-your-laptops-battery-claims-Microsoft/articleshow/52848868.cms).

In their content analysis, Kalro et al. (2010) found that out of 203 comparative ads, approximately 20 per cent of all the ads attacking the market leader ads or the immediate competitor were direct in nature and 21 per cent of all multi-brand ads were indirect. This means that while a lot of advertisers are getting their comparison ad tactics right, a significant number are doing it wrong.

**Limitations of this study**

While this research has valuable contributions, it suffers from some shortcomings as well. A drawback of this study is that subjects were exposed to the test advertisements only once. In the real world, typically the number of advertisement exposures is more than one.

We selected perceived manipulative intent (PMII) and attitude-toward-the-ad ($A_{ad}$) as the dependent variables. However, past research has shown that in the case of established brands, comparative advertising is done for two purposes:

1. to nullify any new advantage claimed by a competitor; and
2. to claim a new advantage that may give the brand a leg up at least with some sections of the consumer base.

Hence, relevant dependent measures for established brands would include both attitude-toward-the-ad ($A_{ad}$) and attitude-toward-the-brand ($A_{br}$). Evaluating attitude-toward-the-sponsoring-brand in the second and fourth studies was not appropriate because in the “new” brand condition, fictitious brand of detergent (New Shield) and smartphone (Quova) were introduced, respectively. Attitude toward the brand is developed over time with prolonged brand experiences and encounters. In an experiment that is done in a short time with limited materials, the intended evaluation of brand attitude shaping toward the new brands was not feasible. Hence, because of the new brand conditions, attitude toward the new brand was dropped from the experiments.

Another limitation of this research is that only three competitors were referred to in the multi-brand manipulations in the first study, contrary to many competitors being referred to in the real market. This is because in the premium segment of detergents in India there are only three prominent players. Also, in Study 3, Nexus 5 (established brand) was compared to LG G2. Though Nexus was co-launched by Google and LG, most Indian consumers refer to this phone as Google Nexus 5 and not as LG Google Nexus 5. This perhaps could have been a concern with respondents scoring high subjective product class knowledge. Hence, we checked the open-ended thoughts listed by the respondents about the ad, brand and message. We found that only two respondents in the Nexus data set ($n = 265$) had mentioned this point. An important area for future investigation is to identify which brands and the optimal number of brands that should be used in multi-brand comparisons. We also used only print ads and not TV ads or social media ones. Future research may study these as well. We did not
consider framing of message valence: positive or negative (Jain, 1993). Given that negative
information is processed differently (Ahluwalia, 2008), could there be some differences in the
results for negatively framed comparative ads? Future research can study this variable.

As seen above, for both the dependent variables, the new brand condition in the detergent
category had issues. The plausible reason could be the low-involvement level with
detergents. Jain et al. (2015) show that direct comparative ads affect Indian consumers’
attitudes toward the ad for products with varying involvement levels. Future studies can
consider product involvement as one of the variables.

In sum, this study deepens our understanding of the comparative advertising literature
by investigating multi-brand comparisons and provides key managerial insights. The
crucial insight is that, even in consumer markets where consumer skepticism toward direct
comparative ads is high, when the comparative ad strategy is coupled with the right
comparison ad format, it augments the effectiveness of the advertising message.

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