Abstract

Comparative advertising is often used in the United States of America but not in Asia. Contradictions of comparative advertising to the culture and avoids direct confrontation often used to explain its' phenomenon. Hence further studies are needed to strengthen the evidence of antecedent and consequences for comparative advertising. This study was aimed to investigate whether comparative advertising provides a better change in consumer attitude as well as brand loyalty and explore mediating effect of product attributes on those relationships. Results of this study show that, attitude toward the Ad, attitude toward the brand, purchase intention are significantly become antecedents of comparative advertising. Further consequences of comparative advertising are shown at product attributes and brand loyalty. Product attributes are significant for mediator on comparative advertising and brand loyalty relationship.

Key words: Comparative Advertising, Product Quality Attributes, Brand Loyalty

1. Introduction

As competition in world markets intensifies, an increased use of comparative advertising, where permitted, appears inevitable. Recent studies examine comparative advertising in a cross-cultural context. However this issue that heretofore has mostly been neglected. Donthu’s (1998) study of cross-country differences in recall of and attitude toward comparative advertising yielded for several reasons such as comparative advertisements were suggested to be more than non-comparative advertisements, respondent’s nationality, negative attitude toward comparative advertisements than toward non-comparative advertisement and attitudes toward comparative ads were especially negative for respondents in countries where comparative ads have not been widely used.

Conceptually, comparative advertising is massage format in which a competing brand attacks another brand(s) in the marketplace by making in a direct or indirect comparison of one or more product attribute or benefit. Scholars (Cho 1996; Ki and Lee 2000; Lyi 1988) have widely understood on this literatures. Previous studies (La Tour and Rotfeld 1997; Machelit and Wilson 1988) indicates that Attitude toward the Advertisement (Aad), attitude toward the brand (Ab), and purchase intention (PI) as antecedents of effectiveness of advertising. However, growing competitiveness of markets requires firms to generate competitive advantages by establishing long-term relations with customers, as
argued from the position of relational marketing (Garbarino and Johnson, 1999; Johnson, 1999). The strategy implies attaining a series of intermediate objectives, such as higher perceived quality, and achieving satisfaction, greater commitment and confidence on the part of customers, as well as a final objective, which may enhance loyalty. Accordingly, developing long term relationships put marketing approach into practice such as attracting, maintaining and intensifying relations with the customer (Berry, 1983), and integrate the relational marketing process into their strategic plans (Evans and Laskin, 1994). However, few scholars investigate the impact of comparative advertising on brand loyalty and explain on how those constructs are related. Hence, this study was aimed to investigate the effect of comparative advertising on brand loyalty and explore mediating effect of product attributes on its relationship.

2. Literature Review

2.1 Brand Loyalty

Brand Loyalty is a construct that has both attitudinal and behavioral element when defined as the biased (i.e., non-random) behavioral response (i.e., purchase) expressed over time by some decision-making units with respect to one or more alternative brands out of a set of such brands, which a function of psychology - decision making, evaluative- processes (Jacoby and Chestnut, 1978). Measuring only one facet, that is, attitudinal on behavioral aspect, of brand loyalty, therefore, would result in measuring a spurious attitude (unstable attitudes that do not influence the subsequent behaviors) or a spurious behavior (internal behavior that are unstable and unpredictable). For this reason, several studies (e.g., Bloemer and Kasper 1995; Odin, Odin, and Valette-Florence 2001) have recently suggested the need for understanding the difference between true loyalty and spurious loyalty. They argue that the true meaning of attitudinal aspects of brand loyalty has been lost in traditional brand loyalty research (Fournier 1998), because of indifferent operation of inertia and true loyalty. Stressing this, several distinguishers of moderator for true brand loyalty and inertia have been suggested (e.g., relative attitude: Dick and Basu 1994; Brand sensitivity: Odin, Odin, and Valette-Florence 2001, and Blomer and Kasper 1995).

2.2 Advertising Effectiveness

Cultural characteristic are found to be directly reflect in advertising practice (Han and Shavitt 1994; Taylor, Miracle, and Wilson 1997). For example, advertisements within individualistic values were found to be more persuasive in U.S, whereas advertisements with collectivistic appeals were more effective with Korean. U.S advertisement were found to stress more individualism, self-improvement, and product benefit, whereas Korean Advertising massage were more concerned about family, groups, and other people.

Alden, Hoyer, and Lee (1993) reported that collectivistic countries (Korea and Thailand) had large number of humorous advertisements with three or central characteristics, whereas individualistic countries (the United States and Germany) had fewer advertisement with three or more characteristics. Accordingly, comparative advertising become depend on the culture of the audience. For examples, Lyi (1988) reported that comparative advertising in Korea is perceived as ethically undesirable and less believable than non-comparative advertising. Therefore, collectivist and high context- Korean consumers, who are concerned with issues of face management, probably feel relativity uncomfortable with
comparative advertising. Conversely, highly individualistic, low context U.S consumers probably feel relativly more comfortable with comparative advertising. Accordingly effectiveness advertising become cultural based.

Lavidge and Steiner (1961) proposed three dimensions of effectiveness on ad are included Attitude toward the Advertisement (Aad), attitude toward the brand (Ab), and purchase intention (PI). Hence, this study extends for following hypothesis:

H1: Attitude toward Advertising, Attitude toward Brand, and Purchase Intention are significantly become antecedents of comparative advertising

2.3. The Concept of Quality

The literature contains abundant studies of quality (Parasuraman et al., 1985; Zeithaml, 1988), reflecting the considerable complexity of the concept and the multiple dimensions into which it can be broken down (Garvin, 1987; Brucks et al., 2000).

Quality can, then, be defined in terms of the moment at which the consumer receives information or cues about the characteristics of the product while shopping for or consuming it (Becker, 2000). Consequently, when consumers form a value judgement as to their quality perceptions, it becomes necessary to break the concept of quality down into two major groups of factors Intrinsic and Extrinsic attributes (Zeithaml, 1988).

According to Olson and Jacoby (1972), intrinsic attributes are specific to each product, disappear when it is consumed and cannot be altered without changing the nature of the product itself. Extrinsic attributes are aspects that are related to the product but are not physically a part of it, such as its name or the brand image. These are also known as image variables. They differ from the product itself but are strongly associated with it and should be considered in any evaluation of its characteristics. Other authors, such as Erickson et al. (1984), have argued that image variables may include the brand, the price, the support of well-known authorities or the region of origin.

Following literature review concerning the concepts of Comparative advertising, Intrinsic and extrinsic attributes propose a model sets out for analysis and ground the relationships that may be established. Researchers found that intrinsic and extrinsic quality attributes are address on perceived risk (Calvo, 2001), consumer trust (Bredahl et al., 1998), on consumer satisfaction (Hansen 2005), and on consumer loyalty (Krystallis and Arvanitoyannis, 2006) as well as on the framework Comparative Advertising. However, question are addressed to comparative advertising included evoke counter-argumentation and be discounted by consumers as being less than entirely truthful (Gorn & Weinberg, 1984; Swinyard, 1981). Based on literature, therefore formulation of following hypothesis:

H2: Comparative advertising significantly reinforce to Intrinsic and Extrinsic Attribute

The analysis shows that consumers rely more heavily on intrinsic than extrinsic attributes to predict the quality of foodstuffs such as meat on the basis of visual inspection. However, not all of these attributes can be adequately perceived by the individual until the product is actually eaten (Fandos and Carlos, 2006). The level of perceived extrinsic attribute quality may also be expected to have an influence in the proposed model. Thus, the perceived quality of traditional food products is higher because the consumer recognizes that the product was produced in a given region with
its own specific geography and climate, tradition and know-how (Calvo, 2001). The results of Fandos and Carlos (2006) study in the food industry reveal the existence of a positive and significant relationship between the intrinsic attributes, extrinsic attributes of the product and the loyalty expressed by consumers. The extending hypotheses are:

H3 : Intrinsic Attribute effect to brand loyalty
H4 : Extrinsic Attribute effect to brand loyalty

Advertising and brand loyalty are known to have mutually beneficial relationship. In found on literature Raj (1982) that the loyal users of a brand increased their volume purchase in responses to increased advertising, while non loyal users did not increase their purchase in spite of the increased advertising. According to Smith and Swinyard (1983), advertising can influence the formation of brand loyalty by establishing source credibility and setting up a predisposition for favorable usage experience, which would have an effect on subsequent purchases. Other literature that includes the relationship the between comparative advertising and brand loyalty (Deighton 1984). Fandos and Carlos (2006) are indicate that intrinsic attributes has a positive and significant effect on the consumer’s loyalty, extrinsic attributes is positively and significantly associated with loyalty. Accordingly this study tests the following hypotheses:

H5 : Intrinsic Attribute mediate the relationship between comparative advertising and brand loyalty
H6 :Extrinsic Attribute mediate the relationship between comparative advertising and brand loyalty

3. Method

3.1. Sample and Participants

Extra Joss is an energy drink product. Extra Joss Ad contains the comparative advertisement. The ad compares the benefits of Extra Joss product of its main competitor product, Kuku Bima Energy. A total of 220 Indonesian product customer used as respondent spread based on the age classification participated in research. Age classification is grouped base on demographics advertising age of Dobrow (2006). A total of 70 out of 220 gave wrong in fulfilling control variable; they are excluded from the analysis. This process resulted in a final sample of 150 participants.

3.2. Measure

Following exposure to the ads, subject responded to multiple item scale assessing Attitude Toward the Ad (Aad), Attitude Toward The Brand (Ab), and Purchase Intention (PI), Brand Loyalty, and Product Quality Attributes. Respondents were asked to indicate levels of agreement or disagreement with a series of statements based on a 5-point Likert scale.

Comparative advertising questionnaire developed by (e.g. Putrevu and Kenneth 1994; Choi and Miracle 2004) was adapted in this research. Second ordered analysis was used to confirm 12 items of comparative advertising on Aad, Ab, and PI. All variabel five point scale and were
reverse coded as needed to match anchors with their appropriate valence.

Product Quality Attributes questionnaire adapted from Fandos and Carlos (2006). Data were obtained using a structured questionnaire containing closed questions to investigate perceptions of product such as flavor, bouquet, color and aroma for intrinsic attributes, and place of origin, traditional product image for extrinsic attributes.

Brand Loyalty adapted from 5 items questionnaire developed by Kim J., Morris, and Joffre (2008). Sample of question is “The brand name is the first thing I’m looking at for the purchase of this product category”.

4. Result

This study was conducted involving confirmatory factor analysis (CFA) and structural equation modeling (Anderson and Gerbing, 1988). Overall measurement of model fit was assessed with four indices: the $\chi^2$ statistics; the comparative fit index (CFI, Bentler, 1990); the goodness-of-fit index (GFI, Jöreskog and Sörbom, 1988); and rootmean square error of approximation (RMSEA, Vandenberg and Lance, 2000).

Hierarchical regression analysis was used to examine the mediating and moderating effect proposed in this study. Pertaining to the measurement model, CFA result yielded support for the 5-factor model, indicating the distinctiveness of the four constructs in this study. The chi-square/df value was 2.37 significantly lower than 3 and fit for model ($\chi^2=560.62$, df =237, p <0.01; CFI = 0.96, RFI=0.93, NFI=0.96, GFI = 0.86, RMSEA = 0.070).

Second ordered model of comparative advertising fit showed The chi-square value was 2.49 significantly lower than 3 and fit for model ($\chi^2 = 102.1$, df =41, p <0.01; CFI = 0.98, RFI=0.95, NFI=0.96, GFI = 0.94, RMSEA = 0.070).

The model of fit showed that The chi-square value was 2.41 significantly lower than 3 and fit for model ($\chi^2 = 588.43$, df =244, p <0.01; CFI = 0.96, RFI=0.93, NFI=0.93, GFI = 0.85, RMSEA = 0.071). It is found that comparative advertising has a significant positive effect on brand loyalty ($\beta=0.75$), comparative advertising has a significant positive effect on Intrinsic Attribute ($\beta=0.81$), comparative advertising has a significant positive effect on Extrinsic Attribute ($\beta=0.51$), Intrinsic Attribute has a significant negative effect on brand loyalty ($\beta=-0.15$), Extrinsic Attribute has a significant positive effect on brand loyalty ($\beta=0.20$), whereas Attitude Toward Ad ($\beta=0.48$), Attitude Toward The Brand ($\beta=0.88$) and Purchase Intention ($\beta=0.88$) has positive effects on comparative advertising.

Mediation effect analysis (table 2) showed that beta values of each independent variable become decreased (Attitude Toward Advertising $\beta=0.313^{**}$, $\beta'=0.201^{**}$ and $\beta=0.313^{**}$, $\beta'=0.187^{**}$, Attitude Toward The Brand $\beta=0.585^{**}$, $\beta'=0.492^{**}$ and $\beta=0.585^{**}$, $\beta'=0.503^{**}$; Purchase Intention $\beta=0.485^{**}$, $\beta'=0.345^{**}$ and $\beta=0.485^{**}$, $\beta'=0.395^{**}$; comparative advertising $\beta=0.572^{**}$, $\beta'=0.482^{**}$ and $\beta=0.572^{**}$, $\beta'=0.485^{**}$), and the $\Delta r^2$ are increase significantly (Attitude Toward Advertising $\Delta r^2=0.132^{**}$ and $\Delta r^2=0.101^{**}$; Attitude Toward The Brand $\Delta r^2=0.021^{**}$ and $\Delta r^2=0.047^{**}$; Purchase Intention $\Delta r^2=0.029^{**}$ and $\Delta r^2=0.074^{**}$; comparative advertising $\Delta r^2=0.014^{*}$ and $\Delta r^2=0.031^{**}$) when mediators of intrinsic attribute and extrinsic attribute are included. Hence the result showed that both Intrinsic and extrinsic Attribute significantly mediate...
the relationship between Attitude toward Advertising, Attitude toward The Brand, Purchase Intention, and comparative advertising, and brand loyalty. Accordingly hypotheses 5 and 6 are supported.

5. Discussion and Conclusion

The theoretical framework of comparative advertising (Swinyard, 1981) support to increase brand loyalty. Hence, this result strengthens previous findings (e.g., Raj, 1982; Smith and Swinyard, 1983). The construct of comparative advertising are proofed on three dimension included Attitude toward the Advertisement (Aad ), attitude toward the brand (Ab), and purchase intention (PI). This finding consistent to previous investigations (La Tour and Rotfeld, 1997). Intrinsic attributes of the product have clearly negative influence on Brand Loyalty. With regard to extrinsic attributes, the consumer may conceive of the product influence brand loyalty variable. Thus, when consumers perceive the image of the product, the region of origin, or other such attributes, these will positively influence their feelings and affects, generating true loyalty towards the products (Fandos and Carlos, 2006). Comparative advertising are found significantly affected to Intrinsic and Extrinsic Attribute. Both intrinsic and extrinsic product quality are successfully mediate the between comparative advertising toward brand loyalty.

Table 1 Mean, Standard deviation, cronbach alpha, and correlation matrix

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Attitude Toward Ad</td>
<td>3.36</td>
<td>.872</td>
<td>.860</td>
<td></td>
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<td></td>
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<tr>
<td>2.</td>
<td>Attitude Toward The Brand</td>
<td>3.12</td>
<td>.724</td>
<td>.387**</td>
<td>.834</td>
<td></td>
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<tr>
<td>3.</td>
<td>Purchase Intention</td>
<td>3.16</td>
<td>.888</td>
<td>.300**</td>
<td>.647**</td>
<td>.740</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>comparative advertising</td>
<td>3.21</td>
<td>.601</td>
<td>.753**</td>
<td>.836**</td>
<td>.787**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Intrinsic Attribute</td>
<td>3.37</td>
<td>.644</td>
<td>.295**</td>
<td>.545**</td>
<td>.636**</td>
<td>.605**</td>
<td>.820</td>
</tr>
<tr>
<td>6.</td>
<td>Extrinsic Attribute</td>
<td>3.39</td>
<td>.688</td>
<td>.369**</td>
<td>.356**</td>
<td>.316**</td>
<td>.442**</td>
<td>.266**</td>
</tr>
<tr>
<td>7.</td>
<td>brand loyalty</td>
<td>2.78</td>
<td>.770</td>
<td>.313**</td>
<td>.588**</td>
<td>.487**</td>
<td>.574**</td>
<td>.437**</td>
</tr>
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</table>

N = 300 figures in parentheses are α reliability, **p <0.01; *p <0.05.

Table 2 Mediation Effect of Intrinsic and Extrinsic Attribute on the relationship between comparative advertising and Brand Loyalty

<table>
<thead>
<tr>
<th>Control Variable</th>
<th>Age</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Ages</td>
<td>.107</td>
<td>.107</td>
<td>.118</td>
<td>.088</td>
<td>.096</td>
<td>.099</td>
<td>.108</td>
<td>.096</td>
</tr>
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</table>

Independent Variable
1. Attitude Toward Advertising | 0.313** | 0.201** |
2. Attitude Toward The Brand | 0.565** | 0.492** |
3. Purchase Intention | 0.485** | 0.349** |
4. comparative advertising | 0.572** | 0.482** |

Mediators
5. Intrinsic Attribute | 0.381** | 0.171** |
6. Extrinsic Attribute | 0.341** | 0.232** |

\( r^2 \) | 0.110 | 0.242 | 0.354 | 0.374 | 0.247 | 0.276 | 0.358 | 0.532 | 0.110 | 0.210 | 0.354 | 0.401 | 0.247 | 0.521 | 0.538 | 0.369 |

\( AR^2 \) | 0.098** | 0.133** | 0.342** | 0.331** | 0.230** | 0.329** | 0.327** | 0.014** | 0.089** | 0.101** | 0.342** | 0.047** | 0.236** | 0.018** | 0.327** | 0.031** |
6. Limitations and Suggestions for Future Research

The findings of this study are subject to several limitations. Hence it is necessary to further research to refine, strengthen, and even discover new findings. The research was conducted only for one type of product. To be able conclusions a wider then these findings should be tested on more than one product. Use of other products besides energy drinks product will be able to strengthen understanding us all of how consumers evaluate a comparative advertisement toward brand loyalty.

The type of product i.e., product of energy drinks, are classified as low involvement product. It will be interesting to conduct further research by analyzing the use of comparative advertising in high-involvement products. Different uses of comparative advertising effect on brand loyalty become attractive to be investigated.

Variations in comparative advertising can be used to know the limits of consumer tolerance on different types delivery comparative advertising. The research in this regard would be helpful to know the comparative advertising like what is acceptable by consumers.

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References