



**UNIVERSITI PUTRA MALAYSIA**

***EXAMINING THE INFLUENCE OF ADVOCACY ADVERTISING  
CREDIBILITY ON CONSUMER'S PERCEPTION OR COMMERCIAL  
CORPORATE IMAGE***

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ADVOCACY ADVERTISING CREDIBILITY  
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COMMERCIAL CORPORATE IMAGE**



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Examining the influence of advocacy advertising credibility on  
consumer's perception or commercial corporate image / Chong  
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by

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This project is submitted as a partial fulfillment of the  
requirement for the degree Master of Business  
Administration to Malaysian Graduate School of  
Management, Universiti Putra Malaysia.

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## DECLARATION

Here I declared that:

- No part of this research study has been copied from any other person's work except where due acknowledgement is made in the text, and
- No part of this research study has been written for me by any other person except where such collaboration has been authorized by the lecturer concerned.

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# ABSTRACT

Dramatic changes in the environment, ranging from developments of public concern on physical, social and economic issue to the emergence of a global marketplace – representing both threat and opportunity – is increasingly competitive nature of business market. Hence, commercial firms are beginning to establish, alter or maintain the corporation's identity and one of the way most rapidly used is advocacy ad.

This study stress the importance of understanding on how consumers make sense of the advocacy advertising and contribute to corporate image generally perceived. Preliminary, exploratory research was conducted to gain ideas on how did interviewees link advocacy ad credibility and advertiser image. In the proceeding stage, questionnaires with a sample of advocacy ad were distributed targeting participants with variety of ages, education and economic background to gain deeper insight of their perception of the advocated issue and advertiser image.

The present research proposed that consumers' main concern in evaluating a sponsor image is the ad *attractiveness*, followed by *trustworthiness* and *advocacy message value congruency*. However, consumers are less concern of the advertiser *expertise* and *action beyond words* of its advocated position. In addition, consumers were found to be passively involved with the advocated issue.

It would be interesting to enhance more topical coverage in future research to test the validity of the findings, e.g. exploration on expanding or modifying present measurable dimensions of organizational credibility, testing the effect of commercial and non-commercial advocacy speech in detail, creativity of advocacy advertising, effectiveness of fear or threat appeals compared to constructive messages, and impact of consumer involvement and confidence in the product as mediating variables.

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# CHAPTER 1

## INTRODUCTION

### 1.0 EVOLUTION OF ADVOCACY ADVERTISING

Advertising in Malaysia has traditionally been product oriented. However, with the advent of modern corporations with multiple product and/or service offerings, a different type of advertising has appeared, the primary purpose being to promote corporation.

“Corporate image” has been defined with some very basic consistency since 1950’s but has broadened to include “advocacy” and “issue” advertising (Ewing, 1982; Heath and Douglas, 1986; Heath and Nelson, 1985).

As we move into the last decade of the 20<sup>th</sup> century, certain factors in the physical, social, and economic environment suggest an expanded role for corporate advertising.

Threat to the environment has become an increasingly important to public concern. With the image of acid rain and oil spills, the dumping of industrial waste in rivers, and concern about storage of toxic chemicals, a growing number of companies are criticized for their role in creating adverse environmental conditions (Business Week, 1990; Simon, 1990).

Corporate advertising is expected to promote image of environmentally responsible citizens (Levine 1989, Advertising Age).

In the economic arena, Malaysian business faces its most serious challenge to date, increased global competition. To better position Malaysian products against competition, Malaysian business and industry have begun to focus on greater quality and customer satisfaction. This too suggests an expanded role for corporate advertising.

Over the past five decades, corporate advertising experienced a number of shifts in emphasis. Initially, goodwill and portraying a positive image were the primary objectives. As political and economic changes influenced Malaysian business and industry, corporate advertising extended itself to issue/advocacy presentations.

In other words, image advertising soon broadened to include advocacy and issue advertising, providing means for companies to promote political, social and/or economic ideas and eliciting public support for corporate positions.

Today the demands of the marketing environment require that corporate image advertising continue to promote goodwill, but also that the message being conveyed have more clout. This can be achieved through issue or advocacy advertising, that combines promotion of products and/or services while communicating a general message about the company (Hartigan and Finch, 1986).

A number of companies have employed advocacy/issue type corporate advertising to provide important information to the public. For example, to fight illiteracy, International Paper developed an advertised brochure on reading and writing tips and was inundated with requests for reprints (Deitrich, 1984).

## 1.1 DEFINITION OF ADVOCACY ADVERTISING

The term “advocacy advertising” has been used interchangeably with corporate

advertising, image advertising, idea corporate advertising, issue-oriented corporate advertising, counter corporate advertising, public interest corporate advertising, information corporate advertising, and adversary corporate advertising (Meadows, 1983).

It can be defined in terms of its purpose: to establish, alter or maintain the corporation's identity.

Advocacy advertising is a special form of advertising in which organizations express their opinions on (often-controversial) issues in an attempt to sway public sentiment.

It is a competitive business tool that marketers and organizations use to affect public opinion and create an environment more favorable to their position (Haley, 1996).

Conceptually, advocacy advertising is one form of corporate/image advertising. Corporate advertisers expect audiences to think well of companies that take appropriate stands on key issues (Fox 1986).



Advocacy advertising differs from sales corporate advertising that it focuses on non-product corporate advertising and its objective is not to sell products or service. Instead, it is directed at creating a positive company image by likening the corporation to a hero, a responsible citizen, and a force for good (Allen, 1971).

The issue/advocacy approach typically employs lengthy arguments, targeting elite through broadcasting media and placement in select newspaper and magazines.

A variety of organizations use advertising techniques to influence public opinion or behavior. Government and nonprofit political and social organizations have traditionally used public service announcements (PSAs), to address issues of concern, e.g. *don't drink and drive*.

Middleton (1991) suggested that the ads containing both political and commercial speech may be classified as commercial speech, if the expression is 1) is paid for, 2) makes reference to a specific product, and 3) is economically motivated.

Corporate advertising may be political, commercial or both. If a corporate ad primarily benefits the advertiser or ad sponsor, the ad is likely to be considered



commercial speech (Cutler and Muehling, 1991).

Many corporate ads do much more than propose a commercial transaction. Many paid advertisements contain political statements as well as product references but never specifically offer a product for sale.

Since a dominant element of such advertisements is a statement of opinion on an issue, commercial organizations could frame its messages as follows;

1. Do not make any reference to the source's product or service, e.g. *MAS*, *Toyota*, and *Petronas* ads.
2. Contain some commercial element (e.g. paid sponsorship or reference to a product and its attribute implicitly, such as *P&G*, *RHB Bank* and *Hong Kong Bank* ads) or it may be treated as commercial speech (Cutler and Muehling 1991). Another example is *ALCOA* that designed its ads to explain the importance of *ALCOA* and aluminum to America's economic future (Gropp 1979). A follow-up survey found that 65 percent held a favorable attitude toward the aluminum industry while 90 percent were favorable towards *ALCOA*.

Thus, anticipating a source credibility effect in corporate image appears logical.

In other words, a message recipient who is presented with a framed message will try to determine the source of the message and make a final judgement of the company image (Yong Zhang and Richard Buda 1999).

## 1.2 PROBLEM STATEMENT

Advocacy advertising is now a mainstay of corporate advertising strategy. Despite the growth of advocacy advertising, relatively little research has explored the dynamics or dimensions of advocacy messages.

Though much research has been done on source credibility in general, little attention has been given to how consumers make sense of organizational sponsorship of advocacy advertising on corporate image.

Much of corporate advertising research has focused on four areas of investigation;

1. Identified corporate image attributes and components associated with attitudes toward corporations or corporations' responsibilities toward communities

- (Carroll, 1979; Reeves and Ferguson-De Thorne, 1980; Winters, 1986, 1988)
2. Designing methods to assess the effects of corporate image and social responsibility (Clevenger, Lazier, and Cklark, 1965; Gruig, 1979; Reeves and Ferguson-De Thorne, 1980; Grass, Bartges and Piech, 1972; Heath and Douglas, 1986; Kilbourne and Mowen, 1986).
  3. Assessing the profitability of corporate social responsibility (Moskowitz, 1972; Bragdon and Martin, 1972; Bowman and Haire, 1975; Parket and Eilbirt, 1975; Vance, 1975; Heinz, 1976; Abbott and Monsen, 1979; Aupperle, Carroll and Hartfield, 1985)
  4. Examining the political dimension of corporate advertising (Lehman and Cardozo, 1973; Garnet, 1975; Meadows, 1983).

In general, research on corporate image attributes has identified two major components corporate image;

1. Marketing or economic performance (Grunig, 1979; Reeves and Ferguson-De Thorne, 1980; Aupperle, Carroll, and Hartfield, 1985; Winters, 1986, 1988).
2. Social conduct or concern for the public interest, activities conducted to promote public goods (Carroll, 1979; Grunig, 1979; Winters, 1986, 1988).

Hammond (1987) observed that much of the source credibility research has used

individuals as the sources of message, while Stern (1994) noted prior research has assumed a single communicator (persona) within the message and the researchers do not differentiate between the spokesperson and the company he or she represents (Haley, 1996).

In addition, a number of studies that has dealt with the topic of issues/advocacy advertising effectiveness, sometimes with contradictory findings. For instant, the Opinion Research Corporation (Heath and Douglas, 1986) found that not only was 90 percent of the public aware of (or had read) issue advertisements, but only 57 percent reported being influenced by such ads. Contrarily, Coe (1983) reported that a majority of executives from Fortune 500 companies were dissatisfied with the overall impact of issue advertising in terms of the position and prestige of the company.

The ORC study employed a general sample of consumers while the Coe study reported results from executives. Having more experience in corporate politics, executives might logically tend to be more skeptical of the effectiveness of advocacy advertising.

Despite these mixed perceptions of effectiveness, a number of companies have



employed campaigns with highly successful outcomes. For example, Smith-Kline (Maier, 1985) developed a campaign to argue the company's side in a dispute with the government. They found that consumers who recalled the ad were 71 percent more likely to side with the company against the government and 67 percent more likely to write to Congress on behalf of Smith-Kline.

Hence, research on the creative side should focus on specific forms of message persuasion. Many companies find themselves with a need to advocate a position (e.g. against foreign competition). However, the questions are;

1. What types of creative message strategies will be effective in persuading the target audience to agree with the position offered by the company?
2. In the case of position advocacy, are fear appeals or threats more effective than constructive messages?
3. Should a spokesperson presenting the company's position be internal (e.g. the CEO of the company) or would an external spokesperson (e.g. a respected celebrity) be more influential?

Issue advertising is a topic of considerable controversy. Business executives divided on whether this form of advertising represents an effective allocation of corporate resources. With corporations expanding a hefty budget on corporate



advertising and community enhancement programs, what are the conditions contributing to the image that the general public and consumers have of a corporation?

With the movement towards corporate stress on quality and consumer satisfaction (Demming, 1986), it seems apparent that corporate advertising will increase its focus on the customer.

Because consumers encounter advertising messages from many sources and through various media, advertisers are increasingly concerned about the effectiveness of their messages.

Advertisers should not only know how to frame their advocacy messages, but also should focus on how do consumer's responses to the framing.

With the increased use of advocacy message in advertising among commercial companies in Malaysia, a valid and reliable instrument measuring the consumer's perception of advocacy message/source's credibility is essential for understanding the impact of using advocacy advertising in creating or enhancing corporate image.

### 1.3 OBJECTIVES OF THE STUDY

This study examined how sponsoring advocacy advertising program influences the image consumers perceived on the advertiser or sponsoring corporation.

The major objectives of this research are;

1. To relate the dimensions of source credibility to respondent's perception on corporate image.
2. In the efforts to understand the effect of advocacy issue or message on corporate image, the author would examine the influence of moderating variables.

In detail, the purpose of this analysis is to study;

1. The relative strength of each source/advocacy message credibility dimensions (trustworthiness, expertise and attractiveness) in influencing consumer attitudes toward the company image.
2. The correlation of those dimensions used by the consumer to describe the effectiveness of advocacy message to build up a corporate image and determine the causal order among these constructs.
3. What are the factors found to have mediating effects on consumer's perceptions of advocacy issue and its impact on the company image.

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