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Doing the Right Things and Doing the Things Right - Endorsers in Retail Store Flyer Advertising

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Store flyers are an important but rarely investigated medium in influencing store image perceptions and store sales. This paper investigates whether depicting of entrepreneurs with their associates, or showing physically attractive models, or no endorsers at all can make a contribution to such influence. We examined the impact of endorsers' effectiveness and efficiency on consumer perceptions by interviewing 300 respondents, as well as their effect on purchasing behavior by disseminating 90,000 store flyers. The findings demonstrate new insights on the impact of endorsers on consumer perceptions, however, the results do not support the same influence on purchasing behavior.

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EXTENDED ABSTRACT

Store flyer advertising is a medium that is well accepted by consumers and also popular among retailers. Nevertheless, the body of research available on the effectiveness of store flyer advertising is very small (Arnold, Kozinets and Handelman 2001, 245). Of course, findings on print advertising could be transferred to store flyer advertising in some cases, but there are some distinct differences such as available advertising space. Unlike printed ads, for example, store flyers usually consist of more than four pages. Thus, retailers are able to promote more products or can use the advertising space available for other design elements, such as endorsers. Some retailers, for example Wal-Mart, use photos of the entrepreneurs with their associates as endorsers to build up a retail image on the basis of trustworthiness and honesty (Arnold et al. 2001). Other retailers, particularly large retail chains, use physically attractive endorsers on the basis of the "What-is-beautiful-is-good" hypothesis to apply persuasiveness in advertising (DeShields, Kara, and Kaynak 1996). Indeed, the extensive use of endorsers in advertising is not a recent phenomenon, as the vast endorser literature indicates. However, the impact of depicting entrepreneurs with their associates on advertising effectiveness has been less analyzed (Reidenbach and Pitts 1986).

Against this background, our study has two objectives. Firstly, we propose to investigate for the first time in a field setting the efficiency of showing entrepreneurs with their associates and of using physically attractive models in terms of consumer perception and purchasing behavior, i.e. which endorser type is better. Furthermore, in order to assess whether the use of endorsers is generally justified, we propose investigating the effectiveness of endorsers, i.e. is it better to depict entrepreneurs with their associates or physically attractive models rather than no endorsers at all?

We have, therefore, developed a conceptual framework based on the dual mediation hypothesis. In order to test these hypotheses, we conducted our survey in a field setting. For this purpose we printed three original store flyers, differing only in the endorser groups and one flyer without any endorser, in cooperation with a local medium-sized retailer and a professional advertising agency. The impact of the endorsers on consumer perceptions was then evaluated in 300 face-to-face interviews using a standardized questionnaire. We measured attitude toward the ad (A_{AD}), perceived corporate credibility, store image perceptions, and visit intention on established, seven-point semantic differential scales. Subsequently, we analyzed the impact of different endorser types on purchasing behavior. We divided the trading area of the retailer advertised into three regions with the same statistical distribution of the corresponding population in terms of age, gender and number of households. Then 90,000 store flyers (30,000 of each type of flyer) were disseminated evenly throughout the regions on a Sunday by a local newspaper. A baseline approach was employed to measure the purchasing behavior for each region. Thus, we recorded the number of customers making a purchase of the advertised product category two weeks before (control weeks) and two weeks after distribution (experimental weeks) and aligned them to the region of origin.

In the analysis of consumer perceptions, our conceptual framework indicates partial mediation and provides strong support for the dual mediation hypothesis. We conclude that the A_{AD} mediates the store image perceptions directly as well as indirectly by means of the perceived corporate credibility, whereas the indirect effect is even stronger, meaning that the perceived corporate credibility strengthens the impact. Hence, our findings underline the notion that the perceived corporate credibility plays an important role in advertising persuasiveness.

In order to investigate the moderating effect, the results of the mean value comparison and the path strength comparison show ambiguous results. The mean value comparisons indicate that depicting of entrepreneurs with their associates leads to a more positive effect in terms of A_{AD} , perceived corporate credibility, and store image perceptions compared to use of physically attractive models. This result is in accordance with Goldsmith et al. (2000), who also identified highly credible endorsers as an efficient advertising instrument. Moreover, our results demonstrate that depicting of entrepreneurs with their associates also outperforms the store flyer with no endorsers at all in terms of perceived corporate credibility and store image perceptions. On the other hand, the flyer using physically attractive models is ranked even lower in terms of corporate credibility than the control flyer with no endorsers. In summary, we conclude that depicting of entrepreneurs with their associates is more efficient than depicting physically attractive models and also more effective than no endorser at all for non-attraction-related products in store flyer advertising, while depicting of physically attractive models is even detrimental. However, the results of the path analysis demonstrate no significant differences. Thus, we conclude according to MacKenzie and Spreng (1992) that the moderating effect of different endorser types influences the extent, but not the nature of information processing.

The analysis of purchasing behavior does not show the same results. This can be explained by several factors. Firstly, we can assume that there is an attitudinal behavior gap. Chandon, Morwitz, and Reinartz (2005) stated that attitude could be overestimated in such a way that behavior could not be measured. Secondly, by analyzing purchasing behavior shortly after flyer distribution we only take the direct effect into consideration. However, in order to improve store image perception in particular, a certain time period must be allowed to elapse. Nevertheless, the analysis of purchasing behavior reveals interesting findings for retailers. Firstly, according to Burton, Lichtenstein, and Netemeyer (1999), we identified a strong direct effect by store flyer advertising on sales, with an increase of nearly 19%. This underlines the considerable importance of this advertising medium. Secondly, the baseline approach applied offers retailers an easy-to-handle means of measuring the performance of their store flyer advertising.

As with all empirical studies, this study has limitations. A major limitation is the single product setting of our study, which limits the extent to which our findings can be generalized. Thus, additional multi-product studies are needed to establish whether the effects are also stable for attraction-related products.

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