A STUDY ON ADVERTISING EFFECTIVENESS OF

A BRAND PRODUCT EXTENSION STRATEGY FOR A CIGARETTE BRAND

OVER A MULTIPLE EXPOSURE ADVERTISING CAMPAIGN

AT LOW PRODUCT-RELEVANCE CONDITIONS

by

SHUM, Wing Fai David

岑永輝

TSANG, Leung Lun Lennon

曾良倫

MBA PROJECT REPORT

Presented to

The Graduate School

In Partial Fulfilment

of the Requirement to the Degree of

MASTER OF BUSINESS ADMINISTRATION

TWO-YEAR MBA PROGRAMME

THE CHINESE UNIVERSITY OF HONG KONG

May 1992

MS. Stella L. M., SO

Advisor

ACKNOWLEDGEMENTS

Completing such a project is by no means the efforts of only two of us, we have received immense help from many knowlegeable and respectable people.

We especially acknowledge our advisor, Ms. Stella So, for her sincere help in this project and her reviewing of our manuscript. In addition, we like to thank Dr. Goldstein and Dr. Alan Tse, who have withheld some time of their lecture periods for us to conduct the laboratory experiment.

Last but not the least, we wish to thank the many MBA classmates who have paricipated in our experiment for no reward.

ABSTRACT

In this research project, the researchers assume the audience responses toward cigarette advertisements as affective responses in which attention to the message in the advertisement is more important for persuasive process. With the assumption that brand product extension is a cosmetic advertising variation strategy over a multiple exposure advertising campaign which would have greater impact under low product relevance conditions, the researchers had conducted a laboratory experiment and a consumer research to study the advertising effect of such strategy in terms of brand name recall and overall attitudes toward the brand product.

The laboratory experiment found that brand product extension, under the research assumptions, did have positive impact on brand name recall of, but did not have any statistical significant impact on overall attitudes toward, a new cigarette brand. The consumer research, on the other hand, revealed that brand product extension of existing cigarette brand had varying effects on different groups of audiences in overall attitudes.

The research results, to certain extent, conform with the frameworks of the Repetition-Variation Hypotheses and the Elaboration Likelihood Model of persuasion. From the laboratory experiment, the following results were discovered:-

1)   At low product-relevance conditions, brand product extension over a multiple exposure campaign would result in better brand name recall of the cigarette brand.

2)   At low product-relevance conditions, brand product extension over a multiple exposure campaign do not seem to have positive impact on attitudes toward the cigarette brand.

From the consumer research, the following findings were observed:-

1)   The extended product enables the cigarette brand to restore the channel of television and probably helps to mainatain or increase top-of-mind awareness of the brand through frequency effect.

2)   Brand product extension may not have significant positive effect on brand awareness for a well established brand, like Marlboro.

3) In general, respondents have a rather favourable overall feeling towards the advertisement of the extended product.

4) The advertisement of the extended product is more effective in capturing the attention of female respondents who find it more interesting, impressive and attractive; whereas, male respondents noramlly find the advertisement better in terms of processing of information as they consider it clearer and more informative.

5) Smokers normally are more positive than non-smokers toward the advertisement of the extended product on the five viewpoints, namely clarity, degree of interest, impressiveness, attractiveness and communication of information.

6) Apparently, smokers tend to have higher probabilities of purchasing the brand's cigarette after watching the respective extended product's advertisement.

7) With reference to different sex, there is no difference in purchase intent after watching the advertisement of the corresponding extended product.

In accordance with findings obtained from the laboratory experiment and consumer research of this

project, brand product extension strategy seems to be an effective tool for a less-established or newly launch cigarette in its introductory stage, especially when the target customers are female smokers.

TABLE OF CONTENT

CHAPTER I

INTRODUCTION

Advertisement Variation

Several consumer researchers (e.g. Pechmann and Stewart 1989; Craig and Sternthal 1986), in the past, have spent most of their efforts to investigate how repeated advertising of a particular product affects the consumers. Cacioppo and Petty (1979), and Calder and Sternthal (1980) showed in their researches that multiple exposures of identical advertisement, although initially effective, would lead to reduced effectiveness as repetition began to increase. On the other hand, several researchers have proved, either explicitly or implicitly, that the application of varied advertisements in a repetition programme can forestall tedium. For instance, some researchers made use of repeated and slightly varied printed advertisements[1] in their experiment and found that, as exposures was increased, liking for the product also increased accordingly.

---

[1]Schumann, David W., Richard E. Petty, D. Scott Clemons. "Predicting the Effectiveness of Different Strategies of Advertising Variation: A Test of the Repetition-Variation Hypotheses," Journal of Consumer Research, 17 (9, 1990), pp.192-202.

Grass and Wallace (1969) utilized in their experiment the CONPAAD technique which allowed the viewers to control and maintain the clarity of the video picture by continuously pressing a foot pedal. The number of pressing by each individual viewer was recorded automatically and interpreted by the researchers as a measure of the degree of interest, that is, a higher frequency was considered as a higher interest level. They discovered that when the same commercial of a product was exposed for six times within a multiple exposure program, the subjects showed rapidly decreasing interest. However, when six different commercials of the same product were shown, there was no notable loss of interest from the subjects. Although the explicitly controlled advertisement variation of this experiment was of great relevance for the understanding of the role of advertising variation; but, unfortunately, the subjects' attitudes toward the product were not assessed in this investigation.

In a more recent study, Burnkrant and Unnava (1987) made use of an "encoding variability hypothesis" to explain why simply changing the copy of an advertising campaign would be more effective than multiple exposure to a single advertisement. Effectiveness was measured in terms of brand recall and attitude measures; and it was found that brand recall was notably better under the varied conditions but attitudes were not affected.

The idea that repetition of similar but nonidentical advertisements is more effective than repetition of identical advertisements in terms of both recall and persuasion is by no means new; however, there is relatively little direct empirical

support for this opinion. An examination of previous literature reveals that there are different strategies for varying advertisements and it is also not clear from prior research whether the type of advertisement variation is important and, if so, under what circumstances.

A recent research done by David W.Schumann, Richard E. Petty and D. Scott Clemons (1990) found that two strategies for varying the content of advertisement over a multiple exposure campaign can increase its effectiveness under different levels of consumer motivation to process the advertisement. Cosmetic variation (variation in nonsubstantive features, like colour, graphics, layout and print fonts, etc., of the advertisement across multiple presentation) in repeated advertisements has a greater impact on overall attitudes when product-relevance or motivation to process is low, and substantive variation (variation in relevant product attributes across multiple presentation) in repeated advertisements has a greater effect on overall attitudes when product-relevance or motivation to process is high.

Research Objective and Title

Although previous studies[2] have been conducted on the specific characteristics of advertisement variation that may be significant in multiple exposure campaign and the situations in which different variation strategies will have greater effect on overall attitudes; however, relatively little number of consumer researchers has shown their interest on the consequence of a brand product extension for the same brand name under a repeated exposure campaign. This research investigates the effectiveness of brand product extension strategy of a cigarette brand name on recall of and attitudes toward the cigarette brand over a repeated advertising schedule.

The title of this research is as follows:

A Study on the Advertising Effectiveness of a Brand Product Extension Strategy for a Cigarette Brand over a Multiple Exposure Advertising Campaign at Low Product-Relevance Conditions

---

[2]*ibid.*

CHAPTER II

LITERATURE REVIEW

Background of the Ban on Cigarette
Television Advertising

Hong Kong Government has strongly discouraged cigarette smoking for years and quite a number of laws and regulations have been enforced to achieve this goal. Cigarette labelling, anti-smoking advertising on radio and television, heavy cigarette taxation, prohibition of smoking in certain public areas and tight advertising standard for tobacco advertisements are the different measures adopted by the Hong Kong Government to discourage smoking.

The first restrictions on cigarette advertising on television in Hong Kong were imposed in 1983, when cigarette advertisements were banned between the period from 4:30pm to 6:30pm and health warnings were required at the end of each cigarette commercials.

Moreover, tobacco advertisements on the television are subjected to tight advertising standard[3] like:

"1.   such advertising should be directed only to the adult audience and no children or adolescents should be allowed to participate in the presentation of these advertisements;

2.   such advertisements should not be screened in proximity to children's programmes; or at other times when television programmes, in the opinion of the Broadcasting Authority, are designed for and directed to young people;

3.   tobacco advertisements should be directed toward genuine brand competition and undesirable advertising of tobacco smoking will not be permitted. Undesirable advertisements include those which attempt to present smoking as a desirable new experience or which portray smoking as indispensable to popularity and success."

Obviously, under such tight measures, it is difficult for cigarette companies to promote their products' attributes through advertising on television. Such standards also make situation themes not applicable for cigarette advertisements. As a result, cigarette companies mainly make use of advertisements for building their brand names' awareness among the consumers.

---

[3]Government Information Services. Television Advertising Standards -- Code of Practice 2. Hong Kong: Government Information Services, 1990

In the last few months before the removal of cigarette advertising from television, cigarette advertising were permitted on screen only within the period from 4:00pm to 10:00pm. Besides, a written health warning is required throughout the screening of each cigarette commercial, with a verbal warning lasting not less than three seconds at the end of the commercial.

On 1st December 1990, broadcast of tobacco advertisement on electronic media was finally banned; and for tobacco, it is defined as cigarettes, hand-rolling tobaccos, pipe tobaccos, cigars, chewing tobaccos and snuff. The ban simply intensifies the situation that advertising options are gradually placed beyond the reach of the cigarette brands, and consequently, cigarette marketing will change dramatically in character.

As shown from Appendix.1, the major media expenditure of the cigarette industry in 1990, the year before the ban, was on television advertising (54.7% of the total media expenditure of the industry). Thus, the impact on cigarette marketing would be very great due to such ban. Accordingly, there would be radical changes in media mix for all cigarette brands and also below-the-line specialists might have the opportunities for major business gains.

Situation after Bans in Other Nations[4]

Increasing constraints on advertising options for cigarette companies are a feature of most of Asian's markets, and in fact, Hong Kong is not the first place in the world which enforces a ban on broadcast cigarette advertisements. In the early 1960's, Denmark, Ireland, Italy, The Netherlands, the United Kingdom and New Zealand passed bans on cigarette advertising on television. In the case of the United States, voluntary ban first began in September 1970 and official ban became effective after 1st January 1971. Hong Kong is twenty years later than these other nations to ban television advertising of cigarette.

The goal of such ban, obviously, is to reduce the per capita consumption of cigarette. However, past figures had shown that these bans were quite unsatisfactory in achieving this goal. Previous researches done in the 1980's showed that the average increase in cigarette consumption in 21 nations with bans was 17.2% since their bans were imposed, whereas in 17 nations without bans it was 18.9%. The only countries that experienced a decrease in per capita consumption are India and Mexico; both of them permitted broadcast cigarette advertisements at that period of time.

Besides, some empirical studies conducted in the 80's also found that advertising has little or no effect on aggregate demand; however, the effect of

---

[4]Schneider, Lynne. The Economic Effects of the Ban on Broadcast Cigarette Advertising, London: University Microfilms International, 1980.

advertising on cigarette market shares were found to be significant and positive. In other words, cigarette advertising has found to have little or no effect in inter-industry demand but to have a positive and significant effect on intra-industry demand. The aggregate demand, on the other hand, was found significantly related to price of cigarette and deflated disposable income in these similar studies.

Rationale of the Research

From the standpoint of a cigarette company, losing access to broadcast media may, to certain extent, influences its products' demand. Obviously, the ban on broadcast cigarette advertisements not only pushes all cigarette brands to change their media mix for promotion purposes, but also induces some companies to think of other advertising tools or opportunities to maintain the awareness of their brands. As a matter of fact, some cigarette companies make use of brand product extension to maintain their brands' awareness through advertising these brand products on television, even though most of them deny that such products are carried by their companies[5]. For instance, Mild Seven carries a brand product --- tourist agent "Mild Seven Freedom Holidays", and Kent carries a brand product --- tourist agent "Kent Leisure".

The advertisements of these brand products normally have similar formats or layouts of the original advertisements of their corresponding cigarettes.

---

[5]Hodges, Carol, Kent Leisure. Telephone Interview, March 19, 1992.

Undoubtedly, such advertisements help to increase or maintain brand awareness through frequency effect, and at the same time, they help to restore an indirect access to broadcast media for the cigarette brand.

However, several research questions exist: Will brand product extension have any impacts, either positive or negative, on the recall of and on the attitudes toward a cigarette brand? Will brand product extension increase the acceptance and demand of the corresponding brand's cigarette? Thus, the objective of this research is to explore the influence of brand product extension on a cigarette brand's brand recall and overall attitudes.

CHAPTER III

THE RESEARCH HYPOTHESES

The Repetition-Variation Hypotheses and the

Elaboration Likelihood Model

The repetition-variation hypotheses suggested by Schumann, Petty and Clemons[6] are a framework for predicting the situations in which a particular advertising variation strategy will be most likely to be effective. Two basic categories of variation strategies, namely **cosmetic variation and substantive variation**[7], were identified and the hypotheses were used to predict under what circumstances each of these two strategies was more likely to be successful in influencing the consumer.

Cosmetic variation strategy alters certain nonsubstantive features of the advertisements and keeps the basic product message unchanged. These cosmetic or nonsubstantive features of an advertisement do not represent attributes of the product, nor are they essential to evaluating the merits of the product.

---

[6]Schumann, Petty, Clemons, *op. cit.*

[7]*ibid.*

When applying this strategy in print advertising, cosmetic features like colour, graphics, print fonts, and layout could be altered, but all the advertisements within the same multiple exposure campaign should contain the same substantive message. For instance, the cigarette companies have often used changes in pleasant background scenery such as lakes, mountains, streams, etc. in the promotion of their products; and obviously, one might consider these changes to be of a cosmetic nature. Whereas in television, features might include action, music, colour, voices, people, and so on. It should be noted that, although certain stimuli may serve as cosmetic aspects of an advertisement for certain products, for other types of products these same stimuli may constitute arguments for the use of the product.

In contrast to the cosmetic variation strategy, the substantive variation strategy alters the message content, that is, arguments, attributes, etc., of the advertisement and keeps the cosmetic characteristics of the advertisements reasonably constant over repeated advertisement presentations. As an example, a multiple exposure programme of this type might make use of identical illustration and headings in each advertisement, yet the various advertisements would contain different reasons to use the same product.

In conclusion, in both cosmetic and substantive variation strategies, repeated advertisements provide exposure to different stimuli across repetitions. What distinguishes the two strategies is whether the additional exposures provide more cosmetics or more substance.

The repetition-variation hypotheses are consistent with the theoretical framework presented in the **Elaboration Likelihood Model (ELM)**[8] **of persuasion** offered by Petty and Cacioppo. In short, the ELM identifies the existence of two routes to persuasion. The **"central route"** is adopted when individuals are both motivated and able to think about a persuasion communication, a print advertisement in this case. Thus, consumers are expected to analyze the attributes of the product as presented in the advertisement to make an informed purchase decision. On the other hand, the **"peripheral route"** is employed when individuals either unmotivated or unable to think about the advertisement. In this case, consumers' attitudes will either be unaffected or they may be influenced by cues such as characteristics of the endorser. As a matter of fact, the ELM had been proved to be a very viable framework for predicting advertising communication effects[9].

Consequently, an integration of the two frameworks together suggests that motivation and ability to process an advertisement will act to moderate the effectiveness of the two variation strategies. And it has proved that cosmetic variation will have greater impact when motivation to process is low, that is low product-relevance conditions; whereas, substantive variation will be more influential when motivation to process is high, that is high product-relevance conditions (see Schumann, Petty and Clemons 1990).

---

[8]Cacioppo, John T. and Richard E. Petty. "The Effects of Message Repetition and Position on Cognitive Response, Recall and Persuasion," <u>Journal of Personality and Social Psychology</u>, 37 (1, 1979), pp.97-109.

[9]*ibid.*

Research Hypotheses

Due to the heavy restrictions imposed by the Hong Kong Government on broadcast cigarette advertisements, a cigarette advertisement, either print or television, focuses mainly on building brand awareness even before the ban. Thus, an advertising variation through changes in substantive message may not be applicable for cigarette advertisements; instead, the cigarette industry often altered the background scenery of the commercials in the promotion of their products. Hence, one may consider the industry has employed the cosmetic variation strategy for their advertising program. Therefore, applying the same rationale, one may consider advertising an extended brand product of a cigarette brand is also a cosmetic variation since the basic substantive message is kept the same, that is, the main purpose of the advertisements is to build or maintain the cigarette brand's awareness.

With reference to the above two frameworks, we specifically set the hypotheses of our research as follows:

H1: At low product-relevance conditions, brand product extension of a cigarette brand in repeated advertisements will result in a better brand name recall.

H2: At low product-relevance conditions, brand product extension of a cigarette brand in repeated advertisements will have a positive impact on attitudes toward the cigarette brand.

These predictions are consistent with the two frameworks and, if supported, would illustrate the positive effects of brand product extension on a cigarette brand.

A causal laboratory experiment, supported by a consumer research, were undertaken to test the two hypotheses. The experiment concentrated on testing the hypotheses; whereas, the consumer research sought to back up the experiment by bringing in external validity. The experiment allowed subjects to be exposed to a slide presentation of print advertisements. The whole set of slides were shown in random orders for three times and each slide was viewed for 3 to 4 seconds. It was believed that this procedure could simulate the situation in which the subjects were scanning the print advertisements of a magazine such that the

motivation and ability to process the advertisements were kept low, that is, low product-relevance conditions.

CHAPTER IV

RESEARCH METHODOLOGY

Apart from the literature survey, this research project incorporated two research designs. In the first design, a causal laboratory experiment was conducted in order to test the hypotheses. However, the results found in an experimental design are often of very low external validity. To relieve such limitation of the first design, a second research which involved a consumer research, was executed. Since the major objective of the project is to test the hypotheses, we considered the second research only as a supporting element of the first research.

Causal Laboratory Experiment

Only one experiment was conveyed to test the two hypotheses, namely H1 and H2, since the value of the independent variables (or the experimental conditions), like product-relevance, repetition level and brand product extension, were identical for both hypotheses.

Subjects and Design of the Experiment

An After-Only with Control Group design was adopted for the experiment. This design can be diagrammed as :

$$EG: \quad (R) \quad X \quad O_{e1} \quad O_{e2}$$
$$CG: \quad (R) \qquad\quad O_{c1} \quad O_{c2}$$

The description of the notations adopted is as follow:

i.   EG denotes the experimental group;

ii.   CG denotes the control group;

iii.   (R) denotes that a randomisation of the sample is run;

iv.   X denotes the experimental variables of the experiment, that is, in this case, a brand product extension of the cigarette brand;

v. O_{e1} and O_{e2} denote the observations made in the experimental group of the first and second dependent variables, namely the brand recall and the attitude towards the cigarette brand, respectively and;

vi. O_{c1} and O_{c2} denote the observations made in the control group of the first and second dependent variables respectively.

As illustrated in the above diagram, the experiment involved making observations in two groups of subjects which were the experimental group and the control group. In both groups, all independent variables other than the experimental variables were set identical. In other words, in the experimental

group, the subjects were exposed to the experimental variables, i.e., the subjects were exposed to the advertisement of an extended product that was of the same brand name of the testing cigarette. However, the subjects of the control group were not exposed to the advertisement of the product. The advertising effectiveness of the manipulation of employing a brand product extension of the cigarette brand can be formulated as $e_1 = O_{e1} - O_{c1}$, and $e_2 = O_{e2} - O_{c2}$ while e_1 denotes the advertising effectiveness on brand recall and e_2 stands for the advertising effectiveness on overall attitudes toward the cigarette brand.

The intent of employing this design for the experiment of this project was to eliminate any extraneous sources of error from the experiment. In this case, the main extraneous factors were assumed to affect both the experimental and control groups, and thus their influence was eliminated by getting the difference between O_e's and O_c's, that is, calculating e_1 and e_2. Moreover, there was no interactive testing effect since there was no pretest.

Besides, this design is very sensitive to problems of selection bias and experimental mortality. The prior equality was assumed because of the random assignment of test units to the two groups. However, this assumption was not checked by any before measurement. Thus, it must be taken on faith that demanded the assignment of test units to the groups was indeed random. Moreover, there was simply no way to determine whether those subjects who refused to cooperate or dropped out of the experimental group were similar to those dropping out of the control group. Hence, if experimental mortality did

exist, it called into question the foundation on which the after-only with control group design rested, namely that the groups are equal save for the impact of the experimental stimulus.

The subjects of the two groups were conveniently selected from the students of the Chinese University of Hong Kong. A total of 44 male and female MBA students were self-selected to participate in the experiment. They were equally divided into two groups according to their year of study in the MBA programme. The year 1 MBA students received the exposure of the advertisement of the extended product of the testing cigarette brand, that is, they formed the experimental group. The year 2 MBA students were the control group who received no exposure of the advertisement of the extended product.

Procedure of the Experiment

At the beginning of each session, the subjects were told that the object of the experiment was to test some advertising effects. In addition, they were also told that the experiment was conducted in a way to simulate a situation as if they were scanning print advertisements in a magazine. This was to establish a situation of low product-relevance conditions for this experiment.

Then a set of eleven slides were shown before the subjects for three times. Each slides was shown for 3 to 4 seconds each time. The set of slides were arranged in a new random order before each time they were shown in order to

minimise any sequential effect. The slide-presentation shown to the subjects of the control group was basically identical to that shown to the subjects of the experimental groups. The only difference of the two slide-presentation was that the slide-presentation of the control group consisted of two identical slides showing the testing cigarette brand in each of the three shows whereas the slide-presentation of the experimental group consisted of one slide showing the cigarette and one slide showing the extended product with identical visual demonstration and copy in each of the three shows. The slide showing the cigarette was shown twice in the control experiment so as to offset the frequency effect of the brand in the experimental group as two slides of the same brand name, one for the cigarette and the other for the extended product, were shown.

After the slide-presentation, the subjects were asked to fill in FORM 1 as shown in the Appendix.2. The subjects were given two minutes to complete FORM 1. FORM 2, as shown in Appendix.2, were handed out at the same time when FORM 1 were collected. The subjects were asked to complete FORM 2 in five minutes. After the collection of FORM 2, the subjects were thanked and dismissed.

Non-experimental Independent Variables

Product-relevance. The product-relevance conditions was embodied in the speech delivered at the start of each session. We deliberately told the subjects that we tried to simulate a situation as if they were scanning advertisements in a

magazine so as to establish a low product-relevance condition for the subjects. It is deemed that people pay attention to the editorial content only when they read magazines. Advertisements in magazines are usually scanned quickly or even skipped. In other words, the motivation or ability to process messages communicated by the advertisements in magazines is low in most case. As a result, a simulation of a magazine-reading environment was deemed to have successfully established a low product-relevance condition for the subjects.

Level of Repetition. All subjects received the same level of repetition to the set of slides. In either group of the experiment, the set of slides were shown three times because it is a general belief that exposure to an advertisement three times makes the advertisement an effective one[10]. Besides, 3 to 4 seconds is the average time spent on each advertisement when people scanning the print advertisements in magazines. To prevent any possible sequential effects, we arranged the set of slides in a new random order before each presentation. The random orders were set constant for the three presentations in both the experimental and control group.

Experimental Independent Variables -- X

Cosmetic Variation. As mentioned in Chapter III, we assumed that brand product extension of a cigarette brand name is a cosmetic variation of the cigarette advertisement if the extended product's advertisement is the same or

---

[10]Rust, Roland. <u>Advertising Media Model</u>, Lexington Books, 1986.

very much the same as the advertisement of the cigarette. As a result, this cosmetic variation was incorporated by producing a pair of similar advertisements for the cigarette and the extended product, perfume in this case. The advertisement of the extended product was shown only in the experimental group. The only difference in the experimental condition between the control and the experimental groups is this cosmetic variation.

<div align="center">Dependent Measures -- O_{ij}</div>

To test the two hypotheses, several dependent measures were employed. In FORM 1 (see Appendix.2), the subjects were asked to write down the brand name of the testing cigarette after they had seen the slide-presentation. The brand name of the testing cigarette is **Fahrenheit**. The subject would score one mark if he could correctly rewrite one alphabet of the brand name in the right box. This score of the brand name recall is the first dependent variables (O_{i1}, i = e or c) of the experiment. The advertising effectiveness on brand name recall (e_1) after adopting the cosmetic variation of product extension is then expressed as e_1 = O_{e1} - O_{c1}. To test H1, it is equivalent to test whether $e_1 \geq 0$.

The second dependent variable (O_{i2}, i = e or c), i.e., the attitude towards the testing cigarette, comprised of a number of different scores. In FORM 2 (see Appendix.2), the subjects were asked three questions on whether they liked the brand of cigarette, whether they considered the cigarette a satisfying product, and whether they would buy the brand of cigarette if they wanted to buy some

cigarette. The subjects had to answer these three questions in a nine-point interval scale. This set of the three scores represents O_{i2}. To test H2, it is equivalent to test for any statistical significant difference between O_{e2} and O_{c2}.

Consumer Research

Due to potential limitation in external validity of the experimental design, a consumer research was conducted to seek for a better external validity of this project. A total of 103 successful interviews were conducted in this consumer research.

Questionnaire Design (refer to Appendix.4)

Communication Method. A set of structure-undisguised questionnaire was prepared. The questionnaire could be divided into three sections. In the first section, there were questions asking for the top-of-mind cigarette brand of the respondents. Questions in the second section of the questionnaire addressed to the attitudes of the respondents toward some cigarette brands that had brand product extension. A nine-point interval scale was employed for these attitude measurement questions. The final section included questions on the demographical variables.

Method of Administration. Personal interview was adopted as the method of administration. We conducted the personal interviews by mall intercept

technique. The interviews were carried out on a Sunday in the late March at the City Plaza. At that time, we intercepted those passing by and asked if they would be willing to participate in our research study.

Sample Design

Population. The population of this research was all Hong Kong people that had exposure to cigarette advertisement.

Sampling Frame. People who happened to be at the City Plaza on the day we conducted the interviews.

Sampling Procedure. Since mall intercept was adopted as the method of administration, the sampling procedure could only be a nonprobability one. Convenience sample was drawn as the respondents were selected at their and our convenience.

CHAPTER V

RESULTS DISCUSSIONS

Results Discussions of the Causal
Laboratory Experiment

Brand Name Recall

The design of FORM 1 of the laboratory experiment was intended to test the hypothesis H1 of this project. The FORM consisted of two questions: the first one asked whether the subjects in either group could remember seeing the print advertisement of a cigarette and the second one required those who recalled seeing the cigarette's advertisement to write down the brand name.

Question 1 was used to check whether all the subjects in either groups had watched the cigarette's brand. If there happened that some of the subjects did not remember seeing the cigarette's advertisement, that might be caused by defects in the experiment's design or setup or by problems in the subjects, for instance, subjects who did not pay attention in the experiment might not be able to recall. All the 44 subjects, in both the control and experiment groups, gave a

positive response to this question. Therefore, there would be no problem to proceed the comparing procedure in the following question.

We made use of **Question 2** to measure brand name recall. As aforementioned in Chapter IV, one mark would be given for each alphabet written down in the right box. Consequently, a score of 10 would be given for a total recall of the brand name "Fahrenheit". Based on the observations included in Appendix.3, we could find out that the average score ($\bar{x}_{e1}$=7.87) of the experimental group seemed to much higher than that ($\bar{x}_{c1}$=4.01) of the control group. However, we had to carry out statistical analysis to check whether such a difference of 3.86 would be statistically significant enough to conclude that brand product extension would result in better brand name recall under low product relevance conditions.

The t test for the difference in the means of the two groups was deemed appropriate for the analysis as the sample size (22) is less than 30. The samples were assumed to have been drawn independently of each other. Furthermore, it was assumed that the subjects forming the experimental group were selected from a population of unknown mean μ_1 and unknown variance $(\sigma_1)^2$, that those in the control group were selected from a population with unknown mean μ_2 and unknown variance $(\sigma_2)^2$, and that attitudes toward the brand name and product were normally distributed in each of these populations. Besides, it was assumed that the variances of the two populations were equal, that is, $(\sigma_1)^2 = (\sigma_2)^2$.

A null hypothesis $H_o: \bar{x}_{e1} \leq \bar{x}_{c1}$ and an alternative hypothesis $H_a: \bar{x}_{e1} > \bar{x}_{c1}$ were framed for testing. The null hypothesis was tested at a confidence level of 95%. Originally, the t in this project was distributed with a degree of freedom v = 42; however, we could not find a t-distribution table which provides t values at v = 42, hence we made use of $t_{0.05,40}$ values in our testing as $t_{0.05,40} > t_{0.05,42}$. As reflected from the results in Appendix.3, t_{cal} = 1.726 which was greater than $t_{0.05,40}$ = 1.684; therefore, $t_{cal} > t_{0.05,42}$ and the null hypothesis H_o could be rejected at a confidence level of 95%. In other words, we could accept the alternative hypothesis H_a and conclude that $\bar{x}_{e1}$ was statistically larger than $\bar{x}_{c1}$, or we could conclude that brand product extension of a cigarette brand under low product relevance conditions would result in a better brand name recall.

Overall Attitudes Toward the
Cigarette Brand

The FORM 2 of the experiment was constructed to test the second hypothesis H2 of this project, that is, whether there was any positive impact on attitudes toward the cigarette brand with the brand product extension strategy under low product relevance conditions. The FORM composed of two questions: the first one asked the subjects in both groups whether they could remember seeing the cigarette brand name "Fahrenheit" in the slide-presentation and the second requested those who had seen the brand name to reveal their attitudes in terms of (1) **Degree of Likeness** towards the brand of cigarette, (2) **Degree of Satisfaction** toward the cigarette, and (3) **Purchase Intent**.

Question 1 in the FORM 2 was used to make sure that all the subjects who responded to Question 2 had seen the print advertisement of the cigarette brand; and therefore, to certain degree, had developed their perceptions toward the cigarette brand and the product itself. Otherwise, it would not be suitable to compare the subjects' attitudes if some of them had not seen the brand. All the subjects in both groups declared that they remembered seeing the brand name "Fahrenheit" in the slide-presentation. Hence, we could proceed the testing procedure using the data collected from Question 2 in this FORM.

We designed Question 2 to measure and compare the attitudes of the subjects in both groups in terms of Degree of Likeness, Degree of Satisfaction, and Purchase Intent. The subjects in both groups were asked to rate these three viewpoints on a 9-point scale. As observed from the results on the means of the three viewpoints (see Appendix.3), we found out that the difference between the mean of the experimental group (EXP) and that of the control group (CON) on the same viewpoint were not very large. The means, $\bar{x}_{i2j}$'s, in each group were as follows: degree of likeness (EXP-3.45, CON-3.55), degree of satisfaction (EXP-4.17, CON-3.98), and purchase intent (EXP-3.27, CON-3.01).

Similarly, the t test was employed to check whether there was statistical significant difference between the means of the two groups on each of the three viewpoints. A null hypothesis of $H_o: \bar{x}_{e2j} = \bar{x}_{c2j}$ and an alternative hypothesis of $H_a: \bar{x}_{e2j} \neq \bar{x}_{c2j}$, where j = A, B, and C, were framed to test the respective

viewpoint. Moreover, in this case, we made use of $t_{0.05,60}$ values in our testing as $t_{0.05,60} < t_{0.05,42}$.

As observed from the results in Appendix.3, we found out that $t_{cal} = 0.045$ for the degree of likeness was less than $t_{0.05,60} = 2.000$. Therefore, t_{cal} was smaller than $t_{0.05,42}$ and we could not reject the null hypothesis. Hence, there was no statistical significant difference between the two means of degree of likeness.

For degree of satisfaction, $t_{cal} = 0.078$ was smaller than $t_{0.05,60} = 2.000$ or $t_{cal} < t_{0.05,42}$; therefore, we could not reject the null hypothesis H_o. Consequently, there was no statistical significant difference between the two means.

The $t_{cal} = 0.125$ of purchase intent was smaller than the $t_{0.05,60} = 2.000$. Since $t_{cal} < t_{0.05,42}$, we could not reject the null hypothesis and concluded that there was no statistical significant difference between the two means.

As revealed from the three two-tailed t tests, there were no statistical significant effect on brand attitudes even when the subjects in the experimental group were exposed to the independent variable, brand product extension, of the experiment. Thus, we probably could not accept the second hypothesis, H2, of this experiment, that is, we could not conclude that brand product extension strategy would have positive impact on the cigarette brand based on the experimental results.

<u>Results Discussions of the Consumer Research</u>

Brand Awareness of the Cigarette and

the Corresponding Extended Product

The intent of setting **Question 1** was to check the top-of-mind awareness of the various cigarette brands among the consumers. The respondents were asked to give the names of three cigarette brands that immediately came to their mind. To assess the top-of-mind awareness, we assigned scores to these three brands according to their order of recall with 3-points for the first brand, 2-points for the second one and 1-point for the third one. A total score was calculated for each brand mentioned by the respondents. As revealed from Appendix.5, cigarette brands that with brand product extension, such as Marlboro (score 165), Kent (score 80), etc., seemed to have relative higher scores than those without extension, e.g. Winston (score 24), Double Happiness (score 44), etc..

Obviously, we cannot infer from these observations that brand product extension provides positive effects towards the corresponding brands as there may be other possibilities for such results, for instance, Marlboro scored the highest point (165) might simply due to reason of its well developed brand awareness from its previous marketing performance as revealed from its much higher media expenditure (21.5% of the total expenditure of the industry) than the other brands (see Appendix.1). In addition, Salem is a brand without brand product extension but it scored the second highest mark in this research, this might due to its heavy

media expenditure, 14.0% of the industry total (see Appendix.1). Also, it should be pointed out that there is a certain correlation between the media expenditure and top-of-mind awareness especially when the expenditure is much higher than the other competitors (this is reflected by the four brands: Marlboro (21.5%), Mild Seven (14.6%), Kent (14.3%) and Salem (14.0%), see Appendix.1).

One more important thing to highlight was that brands, like Cartier, Camel and Double Happiness, etc., which spent insignificant amounts of media expenditure (refer to Appendix.1) as compared with the other competitors still existed on the top-of-mind list might due to many implicit reasons. For instance, Camel is a rather old brand to the consumers in Hong Kong, Double Happiness has established high level of awareness among its users, and Cartier has brand product extension on leather goods and fashions. Thus, this further pointed out the possibility that brand product extension might have certain degree of positive effects on the cigarette brand.

With reference to Appendix.6, we could find out that the percentage of respondents who knew about the corresponding brand product extension of their top-of-mind brands was rather high. In this **Question 2**, the respondents were asked whether they knew about any brand product extension of their three top-of-mind brands. It could be observed that there was a higher percentage of respondents who knew about the brand product extensions of both Kent (78%) and Mild Seven (84%) than the other three brands. This result was as expected because Kent Leisure and Mild Seven Freedom Holidays were having rather

intensive promotion through advertising on television during this period of time whereas the other brands did not, e.g. Marlboro Classics did not have any advertising on television. The reason for such observations might be that brand product extension provided advertising opportunities for the two cigarette brands to restore the television media and in turn increased their brands' awareness through frequency effect; therefore, Kent and Mild Seven had better results.

One important point to mention here is that over 90% of the respondents who recalled the five brands were able to accurately identify each brand's corresponding extended product. Relating the results of questions 1 and 2, there may be the possibility that high top-of-mind scores of these brands was, to certain extent, due to the positive effect of brand product extension as most of the respondents who recalled these brands knew about their respective extended product.

In order to further investigate the effectiveness of brand product extension of an existing cigarette brand, we selected three existing cigarette brands that have carried extended products and constructed questions 3 to 8 aiming at the determination of a measure of the resulting brand recall and overall attitudes toward the corresponding brand. The three extended brand products are Marlboro Classics, Kent Leisure and Mild Seven Freedom Holidays.

As expected, the results of **Question 3** (refer to Appendix.7) were very close to that of Question 2. The respondents were asked to state whether they

had seen before any advertisement of the three selected brands. The general increase in the percentage of respondents who recalled the extended product of the three cigarette brands might be addressed to the aided recall characteristic of this question.

We intended to make use of **Question 4** to identify the different channels through which the extended brand products of the three selected brands reached the respondents. All the respondents were requested to identify all the channels, if possible, through which they heard about the extended product's advertisement of the three brands. From Appendix.8, we discovered that extremely high percentage of the respondents saw the advertisements of Kent Leisure and Mild Seven Freedom Holidays on television; but on the other hand, Marlboro Classics did not have any advertising on television.

Apparently, the results of Kent and Mild Seven were consistent with those in the previous three questions in that the extended product enabled the cigarette brand to restore the channel of television, and it is highly probable that this will maintain or increase the top-of-mind awareness of the brand through frequency effect. Actually, the percentage of respondents who recalled these two products under both aided and unaided response were much higher than that for Marlboro Classics as shown in Appendix.6 & Appendix.7.

Nevertheless, there is still a possibility that the high scores of the two brands' recalls is due to recency effect as the two extended products have been introduced for only a rather short period of time.

As revealed from Appendix.8, 98% of the respondents did not recall the channels through which they saw the advertisements of Marlboro Classics. It is obvious that Marlboro do not have the intention of employing the extended product to restore the television channel or to maintain its top-of-mind awareness because Marlboro Classics do not have any television advertising.

However, as reflected from the results of Question 1 (see Appendix.5), Marlboro had the highest score on brand name recall; hence, we could infer that brand product extension do not produce any positive effect on this brand. This may mainly due to the reason of its well established brand awareness among the consumers causes the effect of brand product extension insignificant.

All the three brands did not make use of radio and magazines to promote their extended brand products. In fact, if brand product extension is proved to have positive effect on both recall and attitudes of the brand's cigarette, cigarette companies should consider using these unemployed channels to further intensify this effect.

Marlboro Classics

Question 5a was designed to test the respondents' attitudes toward the advertisement of Marlboro Classics. The respondents' attitudes were measured on five different viewpoints: namely **Degree of Interest, Impressiveness, Attractiveness, Communication of Information, and Clarity.** Each of these five scales were evaluated on a 9-points interval scale with 1 equals the negative pole and 9 equals the positive pole. Thus, the respondents were asked to rate their own perceptions on each of the five scales under the 9-point scales. Noted that in our analysis of Question 5, we placed the positive poles of all the five scales on the right hand side and constructed **Snake Diagrams.** In this way, the dominant lines would always on the right hand side of the diagram.

As observed from the results in Appendix.9, we could find out that the 58 respondents' attitudes, on the whole, found that the advertisement of Marlboro Classics very unattractive (average 1.45). In addition, the group also considered the advertisement rather dull (average 3.34), unimpressive (average 2.61), uninformative (average 2.79) and confusing (average 2.63).

In addition, we also carried out comparisons on the results against different **sex**, 35 male and 23 female, and **user status**, 17 smokers and 41 non-smokers. As reflected from the results of Appendix.9, respondents who are smokers had higher scores on each of the five scales than non-smoking respondents, that is, smoking respondents in general had more positive attitudes toward the advertisement.

The average scores for both smokers (S) and non-smokers (NS) in each scale were as follows: degree of interest (NS-3.22, S-3.39), impressiveness (NS-2.12, S-3.82), attractiveness (NS-1.33, S-1.50), communication of information (NS-2.42, S-2.94) and clarity (NS-2.12, S-2.89).

With reference to the snake diagram in Appendix.9, female (F) respondents had more positive attitudes toward the advertisement than male (M) respondents on degree of interest (M-3.12, F-3.67), impressiveness (M-2.22, F-3.20), and attractiveness (M-1.30, F-1.67). While on communication of information (F-2.34, M-3.47) and clarity (F-2.22, M-3.25), male respondents had more positive response.

Kent Leisure

A total of 84 respondents recalled seeing the advertisement of the product. The overall response of the group towards the advertisement on each of the five viewpoints, although better than those of Marlboro Classics, was still far from satisfactory. From Appendix.10, we found that, on the whole, the group found the advertisement a little bit dull (average 4.33), unimpressive (average 3.35), rather unattractive (average 2.22), uninformative (average 3.51) and confusing (average 3.69).

Out of the 84 respondents, there were 38 male and 46 female. The comparison against different sex followed the same pattern as that of the

Marlboro Classics, see Appendix.9. In other words, the female respondents considered Kent Leisure's advertisement more interesting (M-4.21, F-4.42), impressive (M-3.00, F-3.63) and attractive (M-1.69, F-2.65) than the male respondents. On the other hand, male respondents found the advertisement more informative (F-3.16, M-3.93) and clearer (F-3.24, M-4.23).

There were 28 smokers and 56 non-smokers in the group. Similar to the results for Marlboro Classics, the smokers were more positive on all the five viewpoints (refer to Appendix.10): degree of interest (NS-4.18, S-4.64), impressiveness (NS-3.05, S-3.97), attractiveness (NS-1.89, S-2.89), communication of information (NS-3.34, S-3.85) and clarity (NS-3.46, S-4.15).

It should be noted here that in both the cases of Marlboro Classics and Kent Leisure, the perceptions of different sex and user status followed an identical pattern. Moreover, the difference in perception on each of the five viewpoints were larger in the case of Marlboro Classics. This might due to the reason that Marlboro Classics were introduced to the consumers much earlier than Kent Leisure, and as a result, the consumers had more time to build up their own individual perceptions against the advertisement. Hence, a more distinctive difference was resulted.

Mild Seven Freedom Holidays

There were 91 respondents who remembered seeing the advertisement of Mild Seven Freedom Holidays. The average attitudes of the group toward the advertisement on each of the five viewpoints were better than those for Marlboro Classics. Nevertheless, the result was more or the less the same as that of Kent Leisure. In general, the group distinguished the advertisement as a little bit dull (average 4.71), unimpressive (average 3.13), unattractive (average 3.15), uninformative (average 3.45) and confusing (average 3.81) (refer to Appendix.11).

There were 33 male and 58 female respondents in the group. Unlike the cases in Marlboro Classics and Kent Leisure, the female respondents found the advertisement more interesting (M-4.55, F-4.80), impressive (M-2.91, F-3.25), and attractive (M-2.76, F-3.36) than the male (see Appendix.11). Moreover, the female also considered the advertisement clearer (M-3.70, F-3.87). However, in terms of communication of information, both the male and female respondents had the same score of 3.45.

Out of the 91 respondents, 63 of them are non-smokers and the remaining are smokers. The comparison, see Appendix.11, in this case is much different from the aforementioned two cases. The smokers considered the advertisement more attractive (NS-3.08, S-3.30) and impressive (NS-3.07, S-3.25) than the non-smoking respondents. On the other hand, the non-smokers found the

advertisement clearer (S-3.68, NS-3.86), more informative (S-2.98, NS-3.65) and more interesting (S-4.60, NS-4.75).

Apparently, the patterns of the snake diagrams in this case were much different from those of Marlboro Classics and Kent Leisure. This might mainly because the much later introduction of the advertisement caused the consumers to have lesser time to establish their own perception. We predicted that the same patterns as that of Marlboro and Kent would finally be obtained after a longer period of time.

Overall Feeling towards the Advertisements

To measure the respondents overall feeling towards the extended product's advertisement; in **Question 6,** we asked them to state their feelings on a 9-point scale (with 9 stands for "favourable" whereas 1 stands for "unfavourable"). In general, the different groups of respondents declared a rather favourable feeling towards their corresponding advertisements. From Appendix.12, we discovered that Mild Seven Freedom Holidays had the highest score (7.22), followed by Kent Leisure (6.61) and Marlboro Classics (5.34). There might be two reasons for such observation:

(1) As the advertisement of Mild Seven Freedom Holidays were introduced in the most recent time, there would be a **recency effect** for the more favourable feeling.

(2) As the advertising volume on television of the advertisement of Mild Seven Freedom Holidays is higher than the other two, there might be a correlation between advertising volume and the degree of favourable feeling as a result of the **frequency effect.**

Recall of the Brand's Cigarette when

Viewing the Advertisement

Question 7 was designed to check, on a 9-point scale, whether the respondents would think of the corresponding brand's cigarette after viewing its extended product's advertisement. All the respondents in each of the three groups declared that they definitely recalled in memory, that is a score of 9, the brand's cigarette after viewing the corresponding extended product's advertisement (refer Appendix.12).

This result was expected because the three brands were on the first few brands in the list of top-of-mind awareness. Since these brands already had established such a high brand awareness through their past marketing performance, it might not be possible to draw a conclusion that the result was completely caused by the positive effect of brand product extension.

However, as the causal experiment proved that brand product extension did have positive effect on the cigarette brand; therefore, if the cigarette brand was not a well developed one, then the effect of brand product extension would be more notably distinguished.

Purchase Intent

Question 8 was designed to investigate the effect of brand product extension on purchase intent on the corresponding brand's cigarette. The respondents were asked to rate on a 9-point scale their probability of buying the cigarette after watching the extended product's advertisement. The overall scores for each of the three brands are (refer to Appendix.13): Marlboro (5.55), Kent (5.41), and Mild Seven (4.91).

With reference to different sex, there is no difference on the average scores in purchase intent on each of the three brands after watching the advertisement of the respective extended product.

When comparing the purchase intent of smokers and non-smokers, we discovered a certain degree of difference between the two groups on each of the three brands: Marlboro (NS-4.53, S-7.92), Kent (NS-4.34, S-7.58), and Mild Seven (NS-4.11, S-6.77). Apparently, the smoking respondents tended to have higher probabilities of purchasing the brand's cigarette after watching the respective extended product's advertisement.

One point that worth mentioned here was that Marlboro Classics had the lowest score on overall feeling toward its advertisement, followed by Kent Leisure and Mild Seven Freedom Holidays; whereas in terms of purchase intent, a reverse order of scores among these three brands was observed. This might due to the

much well established brand acceptance of Marlboro than that of the other two brands' cigarette.

CHAPTER VI

COMMENTS AND RECOMMENDATIONS

Persuasive Process

To explain the rationale of this research project, the persuasive process of advertisements, either print or television, has to be considered. In the traditional model of the persuasive process, an individual has to expend considerable effort in actively processing the information embodied in the message and go through the following five basic stages before persuasion[11] can occur:

i.   Attention to the Message

ii. Comprehension of the Message

iii. Yielding to Message Arguments

iv. Retention of the Message

v.   Response

However, in the measurement of the advertising effectiveness of an advertisement, either print or television, **attention** to the advertisement is often not considered as a guarantee to persuasion, even though all persuasive advertisements require attention. **Recall**, on the other hand, is considered to be

---

[11]Michell, Andrew and Linda Alwitt. Psychological Process and Advertising Effects, LEA, 1984.

of greater importance in persuasion. In this approach of measuring advertising effectiveness, it is assumed that a **cognitive response** to the message in which heuristic processing of the information included in the message is required.

There are three levels of responses[12] namely: **cognitive, conation, and affective responses.** Affective response requires the lowest involvement to the message. For affective, it means that the induction of certain feelings towards a stimulus which lead to relative preferences for that stimulus out of a class of similar stimuli. In other words, affective responses require very little or no advertising recall for persuasion; and therefore, in this case, attention is the most important stage in persuasion.

Consequently, the fact that cigarette advertising, either print or television, are important only on influencing the intra-industry demand but not on influencing the inter-industry demand can be explained by the greater importance of **affective responses** than that of cognitive response to the cigarette advertisements as the industry intentionally and intensively makes use of the advertising program to build up brand awareness instead of communicating attributes of their products.

As a matter of fact, brand awareness is the key to persuasion for affective responses to a cigarette brand. Moreover, brand awareness will be built up more

---

[12]*ibid.*

easily on those who smoke because non-smokers normally will not pay attention to the cigarette advertisements even when they are exposed to the advertisements.

Information Processing

The effect of cigarette advertisements on intra-industry demand can also be explained by the information acquisition processes. There are two alternative information acquisition processing[13] approaches as follows:

Brand Processing

With brand processing, the individual generates counter arguments and support arguments during exposure to the advertisement which, in turn, result in attitude formation or change. This verbal processing also results in information concerning the brand being stored in memory. In addition, a memory trace of the advertisement is also simultaneously stored in memory. Hence, the first three stages of the traditional persuasive process, that is, attention to the message, comprehension of the message, and yielding to message arguments, are more important in this approach of processing of information.

---

[13]*ibid.*

Nonbrand Processing

With nonbrand processing, there is little, if any, verbal processing of information concerning the advertised product. Some verbal information, however, is acquired and a memory trace of the advertisement is stored in memory. At some later point in time, if an individual tries to form an evaluation of the brand, he or she must retrieve from memory whatever information is available about the brand. This will include whatever information that can be retrieved and the memory trace of the advertisement, if it can be retrieved. Consequently, the fourth stage of the traditional persuasive process, namely, retention of the message, is main constituent of this approach of processing of information.

Thus, from the above analysis, we could say that recall is more important in persuasion when an individual adopts the approach of nonbrand processing to the information embodied in the advertisement; on the other hand, attention to the advertisement is more important when an individual adopts the approach of brand processing to the information. As a result, a brand processing of information would have significant effect on market shares within the cigarette industry as brand acceptances are normally built up during exposure to the advertisements.

Apparently, we may probably accept that smokers make affective responses after brand processing of the information inside the cigarette advertisements.

However, with brand processing, it has assumed that a verbal information generation or heuristic analysis during the process and this is contradicting to the low involvement of the audiences as assumed in an affective response. Due to technology advances, zapping of television commercials has greatly reduced the probability of heuristic analysis of an advertisement by an audience during exposure. In other words, a brand processing of information is not likely the reason for advertising effects on market shares within the cigarette industry.

Consequently, in our research project, we had made the assumption that affective response is the main reason of the advertising effects on market shares within the cigarette industry. Therefore, we constructed low product relevance conditions in which we launched our laboratory experiment; besides, we also made the assumption that brand product extension strategy in multiple exposure advertising program is a cosmetic variation strategy.

Implications from Laboratory Experiment

As reflected from the observations in the laboratory experiment, we can see that brand product extension strategy on a multiple exposure campaign of print advertisements of a cigarette definitely has **positive effect on brand name recall.**

Whereas in the case of **overall attitudes**, in terms of degree of likeness of the cigarette brand, degree of satisfaction of the cigarette, and purchase intent,

toward to cigarette brand under such brand product extension strategy, it can be shown from the results that there is **no statistical significant positive effect**.

As a consequence, it can be concluded that brand product extension strategy seems to be an effective tool for a less-established or newly launch cigarette in its introductory stage in which building brand name awareness among the consumers is the key factor of getting market shares from the big players in the industry.

Limitations

There are a few limitations built in the laboratory experiment:

i. The low product relevance conditions in which the experiment was conducted were only implicitly established. It was not so well constructed and it was possible that subjects were not led to such conditions by the simple announcement before the execution of the experiment.

ii. The sample sizes of both the experimental and control groups seemed to be too small, and if possible, much larger samples should be employed to have more concrete conclusions.

iii. The laboratory experiment only tested the effectiveness of multiple exposure campaign of print advertisements of the brand product extension strategy and had not included the analysis of the effect of television advertising. Therefore, it seemed to be not so appropriate to conclude the

advertising effectiveness of the brand product extension simply based on the experimental results.

iv. The cigarette brand name, Fahrenheit, that we employed in the experiment was hypothetically constructed by us. Therefore, what we could infer from the results of the experiment were limited to a new brand name. Hence, we could not tell what the results would be if the cigarette brand was a well-developed one as there might be changes in the results when the audiences already have a certain degree of perceptions, either good or bad, against the brand.

v. Since the set of slides was shown only for three times, thus the subjects were exposed to the cigarette brand name for only six times, it was difficult to tell whether the subjects could really able to establish their perceptions toward the cigarette. Hence, the measure of overall attitudes toward the cigarette seemed to be not so relevant if the audiences' perceptions were, in fact, not yet constructed.

Implications from Consumer Research

In view of the limitations of the laboratory experiment, the consumer research in this project is used as a back up of the laboratory experiment by bringing in external validity. Nevertheless, there are a number of valuable findings that can be obtained from the results. We discovered that male respondents of the research felt that the advertisements of extended products of the three selected brands were more informative and less confusing. This seemed

to imply that the audiences really brand processed the message incorporated in the advertisements; hence, if the brand extension is in fact a substantive variation strategy, then it would be more effective on male audiences. Thus, this seemed to contradict to the assumption of our project.

On the other hand, female respondents found the advertisements of the cigarette brands' extended products more attractive, impressive, and interesting. Thus, these advertisements were able to attract the female respondents' attention. Therefore, if the assumptions that low product relevance conditions was necessary and the audiences had affective responses toward the advertisements were held, then the attention to the messages in the advertisements was the most important. As a result, the brand product extension strategy seemed to be more effective towards the female audiences.

In accordance with these observations, we can infer that if a less-established or newly launch cigarette is targeting at female consumers, then it would be better for it to adopt the brand product extension strategy to promote its brand.

Furthermore, based on the results of the consumer research, we also found out that smokers tended to have more favourable attitudes toward the advertisements of the extended product; while the non-smokers' attitudes were comparatively not so positive. Obviously, the brand product extension strategy seemed to have more positive impact on the cigarette when the target audiences

were smokers. This conforms with the fact that advertisements has found to have little or no effect on aggregate demand, that is, it would not be possible to induce non-smokers to smoke simply through advertisements.

However, it should be pointed out that the better responses of the smokers would be the result under high product relevance conditions since they were users of cigarettes and as a result, they tended to pay more attention to advertisements of the products they actually consumed; whereas, the non-smokers were not so sensitive to the advertisements of the products that they did not consume.

Brand Product Extension

Brand product extension has long been considered as the guiding strategy of product planners. Capitalizing on an established brand name is a growth strategy that seems destined to increase in popularity as the cost of launching a new brand name skyrockets. Successful brand product extension depends largely on many strategic considerations, including appropriateness of a company's corporate structure, applicability of capital resources, and ability of personnel in the new market. It also requires that a favourable prior attitude towards current branded products transfer to a new product. In this research, on the other hand, we seek to investigate brand product extension in the opposite direction; that is, what effect, specifically the advertising effect, will a new product under the same brand name have on the current branded product.

Evaluations of brand product extensions[14] are influenced both by the extension's similarity to the brand's current products (brand product extension typicality) and by the variation among a brand's current products (brand breadth). David M. Boush and Barbara Loken (1991) found that there was a direct linear relationship between typicality and attitude ratings for potential brand product extensions. As expected, attitude transfer from the current brand to potential brand product extensions did not occur in an all-or-nothing way. Their results also indicated that brand breadth interacted with brand product extension typicality such that perceptions of typicality should more extreme for narrow brands than for broad brands. In other words, brand product extensions that are essentially the same as the brand's existing products should be perceived as more typical under a narrow brand than under a broad brand. However, greater brand breadth increased the perceived typicality of moderately discrepant extensions. Moreover, brand product extension typicality also influenced the evaluation process of the new product, such that atypical extension resulted in more intensive evaluation process on the new product.

As revealed from the results of our research, the reverse transfer of attitudes from the newly launch product to the existing branded product also occurs. Following the above argument, one can see that cigarette brands tend to be rather narrow in nature. Therefore, if the audience responses toward the cigarette advertisements are essentially affective in nature, then it seems

[14]Boush, David M. and Barbara Loken. "A Process-Tracing Study of Brand Extension Evaluation," Journal of Marketing Research, 28 (2, 1991), pp.16-28.

appropriate to conclude that brand product extension typicality is not so important in selecting the new product for the cigarette brand since the audiences normally will not carry out intensive processing of the information in the advertisement, and the result is only an increase in brand awareness.

On the other hand, if the audience make cognitive responses toward cigarette advertisements, then brand product extension typicality seems to have greater importance in determining the audiences overall attitudes to the brand's existing and new products. This is because the audiences tend to pay more attention to process the message in the advertisements and thus the product. In this case, higher brand product extension typicality may mean better attitudes toward the products under the brand.

CHAPTER VII

CONCLUSIONS

The hypotheses in this research were offered as a framework for testing the advertising effectiveness, in terms of brand name recall and overall attitudes, of brand product extension strategy for a cigarette brand over a multiple exposure advertising campaign at low product relevance conditions. The experiment presented here offer evidences that brand product extension do have positive impact on brand name recall (that is, the first hypothesis H1 is accepted) and might not have effects on overall attitudes (that is, the second hypothesis H2 cannot be accepted) toward a newly launch brand.

Obviously, simply based on the results of both the laboratory experiment and the consumer research of this research project, it would be inappropriate for us to conclude the advertising effects, whether positive, neutral or negative, of brand product extension that would have on a cigarette. This is because we have made the assumptions that brand product extension is a cosmetic advertising variation strategy which is proved to have greater impact under low product relevance conditions and that audience make affective responses toward the cigarette advertisements. However, as some of the observations seemed to

contradict with this assumption and revealed the possibility that brand product extension might be a substantive advertising variation strategy and that the results might be obtained under high product relevance conditions. Also, the brand that we employed is a hypothetical one; therefore, we cannot tell what the results would be with existing brands.

In sum, although our first test of the advertising effectiveness of brand product extension for a cigarette appears promising on brand name recall, further testing should follow. Tests under the alternative assumptions, that is, brand product extension is a substantive advertising variation strategy which would have greater impact under high product relevance conditions and audiences take the approach of brand processing to the information embodied in the cigarette advertisements, should be undertaken. Moreover, tests employing other formats like radio, television, etc. should also be undertaken.

Besides, television is often considered as a "low involvement" medium and that viewers tend to be passive processors[15]. This implies that television is a more appropriate medium for cosmetic variation, whereas radio or print might hold more promise for substantive variation strategies. Thus, if further tests could clarify which variation strategy that brand product extension belongs, cigarette companies would be able to focus on what media and tactics they should employ to promote their products. For instance, if brand product extension is proved to

---

[15]Schumann, Petty, Clemons, *op. cit.*

be a substantive variation strategy, then cigarette companies should focus their media expenditure on print and radio in their promotion programs.

Regardless, the research and hypotheses presented here demonstrate that brand product extension strategy for a cigarette brand employed over a multiple exposure advertising campaigns is a potentially important factor that warrants more careful and in-depth consideration from media planners of cigarette companies and researchers.

APPENDIX.1

Media Expenditure Summary for 1990 — — Cigarette

Breakdown by Category

Media	Spendings/$'000
Television	183931
Press	57512
Magazine	34600
MTR	28440
Radio	16505
Cinema	15125
Total:	**336113**

Breakdown by Cigarette Brands

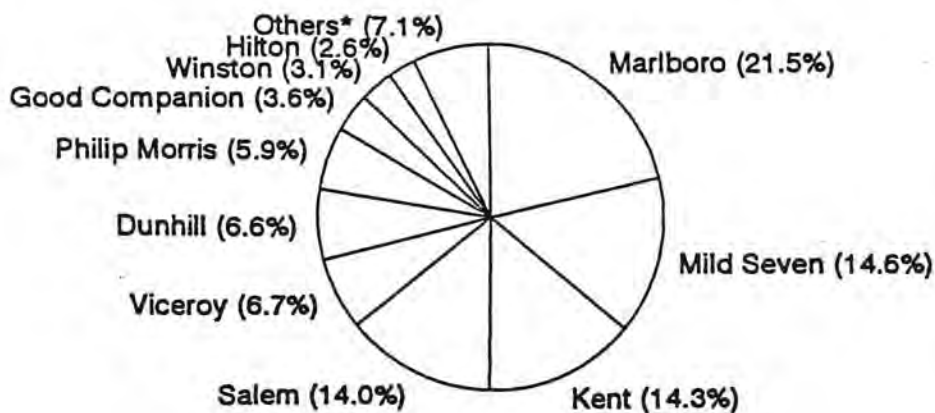| Brands	Spendings/$'000
Marlboro	72235
Mild Seven	49082
Kent	48050
Salem	46946
Viceroy	22588
Dunhill	22113
Philip Morris	19806
Good Companion	12183
Winston	10574
Hilton	8839
Others*	23697
Total:	**336113**

(* The "Others" Category include
other brands that spent less than
2% of the Total Media Expenditure)

(Source: Hong Kong Adex 1990)

Media Breakdown

Cinema (4.5%)
Radio (4.9%)
MTR (8.5%)
Magazine (10.3%)
Press (17.1%)
Television (54.7%)
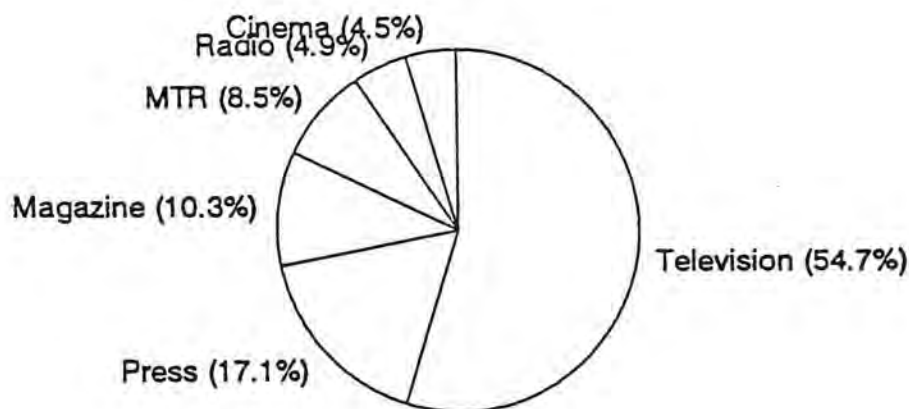
Media Expenditure Breakdown by Brands

Others* (7.1%)
Hilton (2.6%)
Winston (3.1%)
Good Companion (3.6%)
Philip Morris (5.9%)
Dunhill (6.6%)
Viceroy (6.7%)
Salem (14.0%)
Kent (14.3%)
Mild Seven (14.6%)
Marlboro (21.5%)

APPENDIX.2

;

Procedure of the Experiment

(At the start of the experiment)

Read

Thank you for your participation in this experiment. The object of this experiment is to test for some advertising effect. In the following time you will see some slides showing advertisements of various products. **We try to simulate the situation in which you are scanning some print-advertisements of a magazine.**

After seeing the set of slides three times, you will be asked to fill in some forms which contain only a few simple questions.

If you have any problems, please feel free to ask now.

Pause

(After a few seconds)

Show the set of slides three times
Hand out FORM 1

(After two minutes)

Collect FORM 1 and hand out FORM 2

(After five minutes)

Collect FORM 2

(At the end of the experiment)

Read

The experiment ends here. Thank you for your kind cooperation and you may leave now.

FORM 1

Q1. DO YOU REMEMBER SEEING A CIGARETTE ADVERTISEMENT IN THE SLIDE-SHOW? *(CHECK ONE ONLY)*

☐ **YES**   ☐ **NO**

(SKIP Q.2)

Q2. PLEASE WRITE DOWN THE BRAND NAME OF THE CIGARETTE YOU HAVE JUST SEEN IN THE SLIDE-SHOW AS FAR AS POSSIBLE.
(WRITE ONE ALPHABET IN EACH BOX ONLY)

(This is the end of FORM 1)

FORM 2

Q1. DO YOU REMEMBER SEEING ANY ADVERTISEMENT OF THE **FAHRENHEIT CIGARETTE** IN THE SLIDE-SHOW? *(CHECK ONE ONLY)*

☐ **YES**   ☐ **NO**
                    (SKIP Q.2)

(ANSWER THE FOLLOWING QUESTIONS ACCORDING TO YOUR PERCEPTION TOWARDS THE FAHRENHEIT CIGARETTE)

Q2A. DO YOU LIKE THE BRAND OF CIGARETTE? RATE IN THE FOLLOWING NINE-POINT SCALE. *(CIRCLE THE APPROPRIATE NUMBER IN THE FOLLOWING BOX)*

VERY MUCH DISLIKE							LIKE VERY MUCH
1	2	3	4	5	6	7	8 9

Q2B. DO YOU CONSIDER THE CIGARETTE A SATISFYING PRODUCT? RATE IN THE FOLLOWING 9-POINT SCALE.
(CIRCLE THE APPROPRIATE NUMBER IN THE FOLLOWING BOX)

ABSOLUTELY DISSATISFYING							ABSOLUTELY SATISFYING
1	2	3	4	5	6	7	8 9

Q2C. ASSUME A HYPOTHETICAL SITUATION THAT YOU WANT TO BUY SOME CIGARETTE, WHAT IS THE PROBABILITY THAT YOU WILL BUY THIS BRAND OF CIGARETTE? RATE IN THE FOLLOWING 9-POINT SCALE.
(CIRCLE THE APPROPRIATE NUMBER IN THE FOLLOWING BOX)

DEFINITELY WILL NOT BUY							DEFINITELY WILL BUY
1	2	3	4	5	6	7	8 9

(This is the end of FORM 2)

APPENDIX.3

OBSERVATION OF THE FIRST DEPENDENT VARIABLE -- O_{i1}

	Average Score of the brand name recall (O_{i1}), $\bar{x}_{i1}$	Standard Deviation of O_{i1}, s_{i1}	Sample Size, n_i
Control Group, i = c	4.01	1.93	22
Experimental Group, i = e	7.87	1.13	22

A upper-tailed t test is computed to test for the statistical significance difference between $\bar{x}_{c1}$ and $\bar{x}_{e1}$. A t test is used since the sample size is less than 30:

H_o: $\bar{x}_{e1} \leq \bar{x}_{c1}$
H_a: $\bar{x}_{e1} > \bar{x}_{c1}$

$s_{diff} = \sqrt{(s_{e1}^2 + s_{c1}^2)}$
$s_{diff} = 1.13^2 + 1.93^2$
$s_{diff} = 5.0018$
$s_{diff} = 2.24$

$v = n_e + n_c - 2 = 22 + 22 - 2$
$v = 42$ degrees of freedom

$t_{cal} = (\bar{x}_{e1} - \bar{x}_{c1})/s_{diff}$
$t_{cal} = (7.87 - 4.07)/2.24$
$t_{cal} = 1.726 > t_{0.05,40} = 1.684 > t_{0.05,42}$

Since $t_{cal} > t_{0.05,42}$, H_o can be rejected at a confidence of 95%. In other words, μ_{e1} is statistically larger than μ_{c1}.

OBSERVATION OF THE SECOND DEPENDENT VARIABLE -- O_{i2}

Since the responses of Q.2 in Form.2 is used as measures for the second dependent variable (O_{i2}, i = e or c), the results of Q.2 is thus tabulated to show the respondents' attitudes toward the testing cigarette brand -- **Fahrenheit**.

	Experimental Group (base:22)		Control Group (base:22)	
	$\bar{x}_{e2j}$	s_{e2j}	$\bar{x}_{c2j}$	s_{c2j}
A. Degree of Likeness, j = A	3.45	1.45	3.55	1.68
B. Degree of Satisfaction, j = B	4.17	1.67	3.98	1.79
C. Purchase Intent, j = C	3.27	1.53	3.01	1.40

A series of *two-tailed t* tests is run to test for any statistical significant differences between the two sets of data above.

For Q2A: H_o: $\bar{x}_{e2A} = \bar{x}_{c2A}$
H_a: $\bar{x}_{e2A} \neq \bar{x}_{c2A}$
v = 42 degrees of freedom
$s_{diff}^2 = 1.45^2 + 1.68^2 = 4.925$
$s_{diff} = 2.219$
$t_{cal} = (3.55 - 3.45)/2.219$
$t_{cal} = 0.045 < t_{0.05,60} = 2.000 < t_{0.05,42}$

For Q2B: H_o: $\bar{x}_{e2B} = \bar{x}_{c2B}$
H_a: $\bar{x}_{e2B} \neq \bar{x}_{c2B}$
v = 42 degrees of freedom
$s_{diff}^2 = 1.67^2 + 1.79^2 = 5.993$
$s_{diff} = 2.448$
$t_{cal} = (4.17 - 3.98)/2.448$
$t_{cal} = 0.078 < t_{0.05,60} = 2.000 < t_{0.05,42}$

For Q2C: H_o: $\bar{x}_{e2C} = \bar{x}_{c2C}$
H_a: $\bar{x}_{e2C} \neq \bar{x}_{c2C}$
v = 42 degrees of freedom
$s_{diff}^2 = 1.53^2 + 1.40^2 = 4.301$
$s_{diff} = 2.074$
$t_{cal} = (3.27 - 3.01)/2.074$
$t_{cal} = 0.125 < t_{0.05,60} = 2.000 < t_{0.05,42}$

All the three calculated *t* values are smaller than $t_{0.05,60}$, thus in turn is smaller than $t_{0.05,42}$. As a result, all the null hypotheses above cannot be rejected at the confident level of 95%. In other words, it is found that there is no statistical significant difference between the two sets of data.

APPENDIX.4
QUESTIONNAIRE FOR CONSUMER RESEARCH

1. Name three brands of cigarette that come into your mind?

   a. _____   b. _____   c. _____

2. Do you know any of these three brand names that also carries other product categories?

	Yes, please specify	No
a.	_____	___
b.	_____	___
c.	_____	___

3. Have you ever seen any advertisement of the following products?

		Yes	No
a.	Marlboro Classics (MC) (CHECK ONE ONLY)	___	___ (Skip part a. of following questions)
b.	Kent Leisure (KL) (CHECK ONE ONLY)	___	___ (Skip part b. of following questions)
c.	Mild Seven Freedom Holidays (MS) (CHECK ONE ONLY)	___	___ (Skip part c. of following questions)

4. Please indicate the source(s) from which you see the advertisements of the product. (CHECK AS MANY AS APPROPRIATE)

		Newspaper	TV	Radio	Magazine	Poster/ Handbill	Others/ Don't Recall
a.	MC	_____	__	___	_____	_____	_____
b.	KL	_____	__	___	_____	_____	_____
c.	MS	_____	__	___	_____	_____	_____

5a. On each of the scales below, please rate your attitude towards the advertisement of "Marlboro Classics" with respect to the following aspects.
(CIRCLE THE APPROPRIATE NUMBER)

Interesting•   1 2 3 4 5 6 7 8 9   •Dull

Impressive•   1 2 3 4 5 6 7 8 9   •Unimpressive

Attractive•   1 2 3 4 5 6 7 8 9   •Unattractive

Informative•   1 2 3 4 5 6 7 8 9   •Uninformative

Clear•   1 2 3 4 5 6 7 8 9   •Confusing

5b. On each of the scales below, please rate your attitude towards the advertisement of "Kent Leisure" with respect to the following aspects.
(CIRCLE THE APPROPRIATE NUMBER)

Interesting•	1 2 3 4 5 6 7 8 9	•Dull
Impressive•	1 2 3 4 5 6 7 8 9	•Unimpressive
Attractive•	1 2 3 4 5 6 7 8 9	•Unattractive
Informative•	1 2 3 4 5 6 7 8 9	•Uninformative
Clear•	1 2 3 4 5 6 7 8 9	•Confusing

5c. On each of the scales below, please rate your attitude towards the advertisement of "Mild Seven Freedom Holidays" with respect to the following aspects.
(CIRCLE THE APPROPRIATE NUMBER)

Interesting•	1 2 3 4 5 6 7 8 9	•Dull
Impressive•	1 2 3 4 5 6 7 8 9	•Unimpressive
Attractive•	1 2 3 4 5 6 7 8 9	•Unattractive
Informative•	1 2 3 4 5 6 7 8 9	•Uninformative
Clear•	1 2 3 4 5 6 7 8 9	•Confusing

6. **What is your overall feeling towards the advertisement of the product?**
    (CIRCLE THE APPROPRIATE NUMBER)

		Favourable								Unfavourable
a.	MC	1 2 3 4 5 6 7 8 9
b.	KL	1 2 3 4 5 6 7 8 9
c.	MS	1 2 3 4 5 6 7 8 9

7. **Would you think of the corresponding brand of cigarette after watch the advertisement of the following product?** (CIRCLE THE APPROPRIATE NUMBER)

		No, definitely								Yes, definitely
a.	MC	1 2 3 4 5 6 7 8 9
b.	KL	1 2 3 4 5 6 7 8 9
c.	MS	1 2 3 4 5 6 7 8 9

8.   After watching the advertisement of the following products, if you want to buy cigarette, what is the probability of buying the corresponding brand of cigarette? (CIRCLE THE APPROPRIATE NUMBER)

	Definitely will not buy								Definitely will buy
a. MC	1	2	3	4	5	6	7	8	9
b. KL	1	2	3	4	5	6	7	8	9
c. MS	1	2	3	4	5	6	7	8	9

9.   **Personal Data:** (CHECK AS APPROPRIATE)

i.   **Your sex:**   Male_____   Female_____

ii.   **Your age:** below 25___   25-34___.   35-44___   45-54___   over 54___

iii.   **What is your occupation?**

Professionals___   Top Management___

Blue Collar___   White Collar___

Student___   Others___

iv.   **Are you a cigarette smoker?**

Yes___   No___

-- END --

APPENDIX.5

Scores of top−of−mind awareness of various cigarette brands

Cigarette Brands		Scores
Marlboro	Mar	165
Salem	Sal	99
Kent	Kent	80
Mild Seven	MS	68
Dunhill	Dh	44
Cartier	Ct	44
Camel	Cam	32
Double Happiness	DH	26
Winston	Wt	24
Viceroy	Vr	23
Total:		605

Remarks: Brands of score lower than 20 are neglected
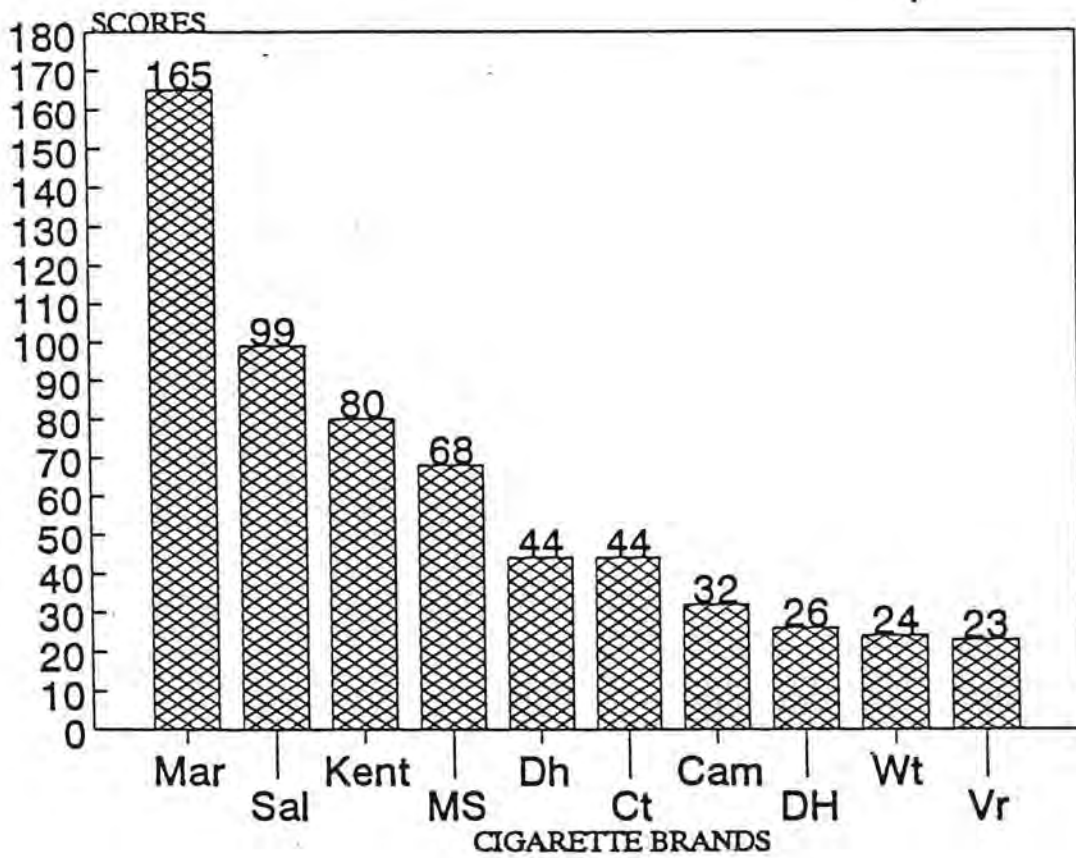
APPENDIX.6

Percentage of Respondents' who know about the product extension of the cigarette brands they have named in Q1

Cigarette Brands		%
Marlboro	Mar	45
Kent	Kent	78
Mild Seven	MS	84
Dunhill	Dh	36
Cartier	Ct	54

PERCENTAGE
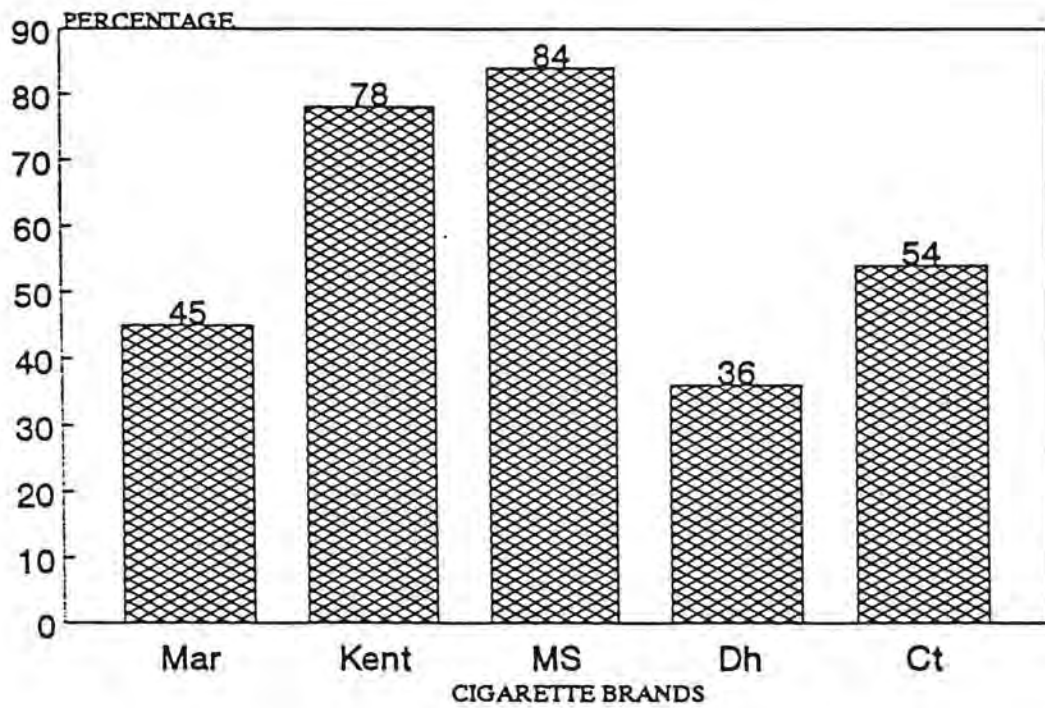
CIGARETTE BRANDS

APPENDIX.7

Percentage of Respondents who have seen advertisements of the following products

Cigarette Brands		%
Marlboro Classics	MC	56
Kent Leisure	KL	82
MS Freedom Holidays	MS	88

PERCENTAGE

```
100
 90                                          88
 80                          82
 70
 60        56
 50
 40
 30
 20
 10
  0
         MC              KL              MS
                      BRANDS
```
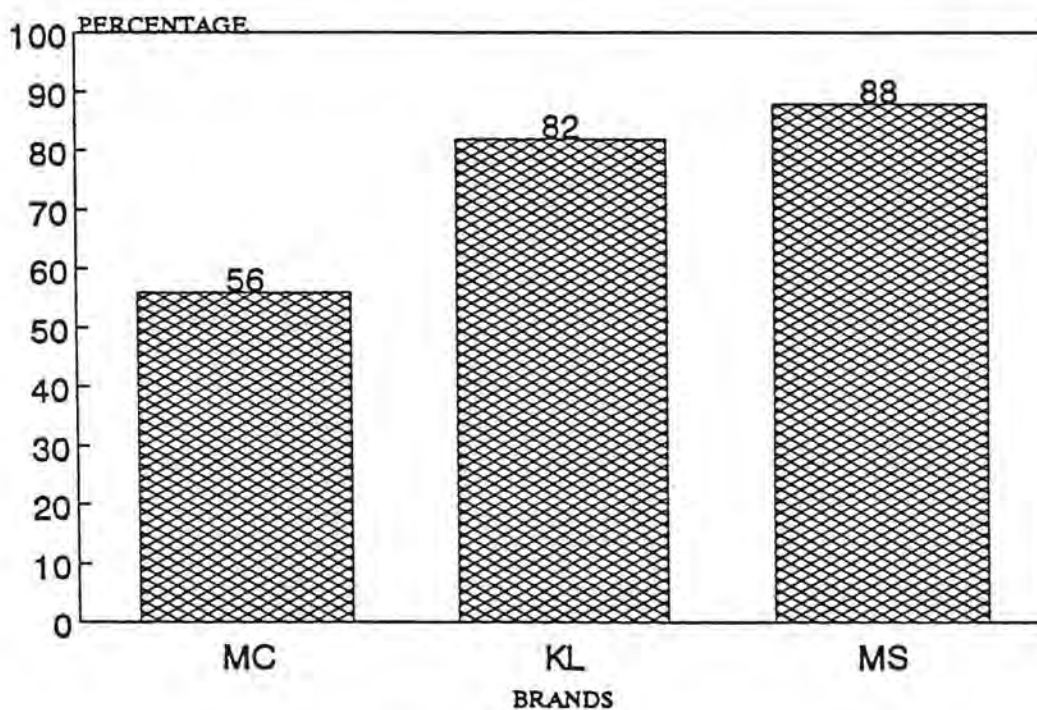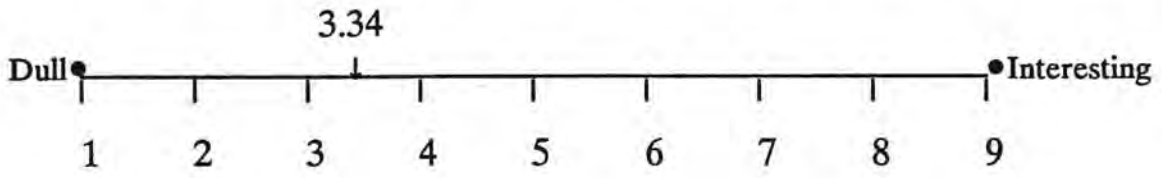
APPENDIX.8

Percentage Breakdown of Channels from which the Respondents
saw advertisements of the following products

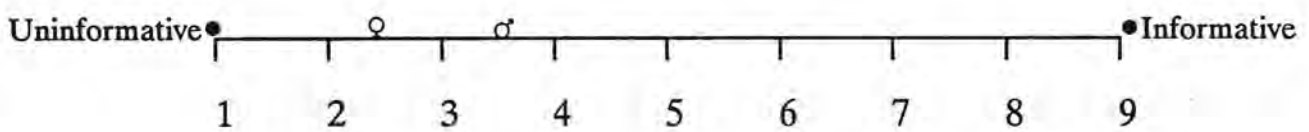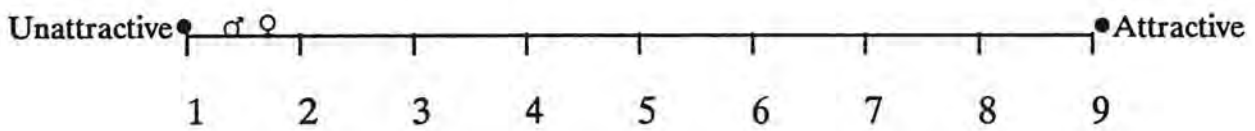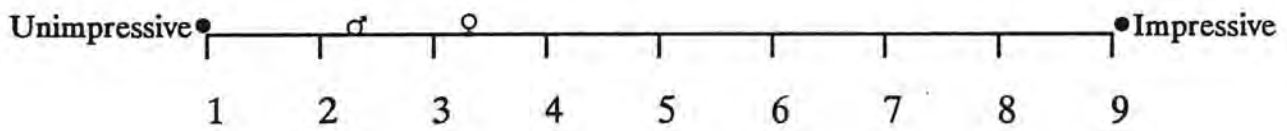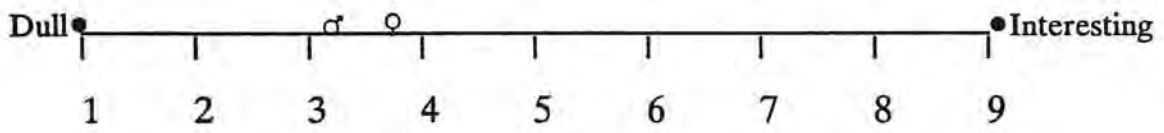|	Marlboro Classics (MC)	Kent Leisure (KL)	MS Freedom Holidays (MS)
Newspaper	2.0%	37.0%	57.0%
Television	0.0%	98.0%	99.0%
Radio	0.0%	0.0%	0.0%
Magazine	0.0%	0.0%	0.0%
Poster/Handbill	0.0%	21.0%	0.0%
Others/Don't Recall	98.0%	0.0%	0.0%
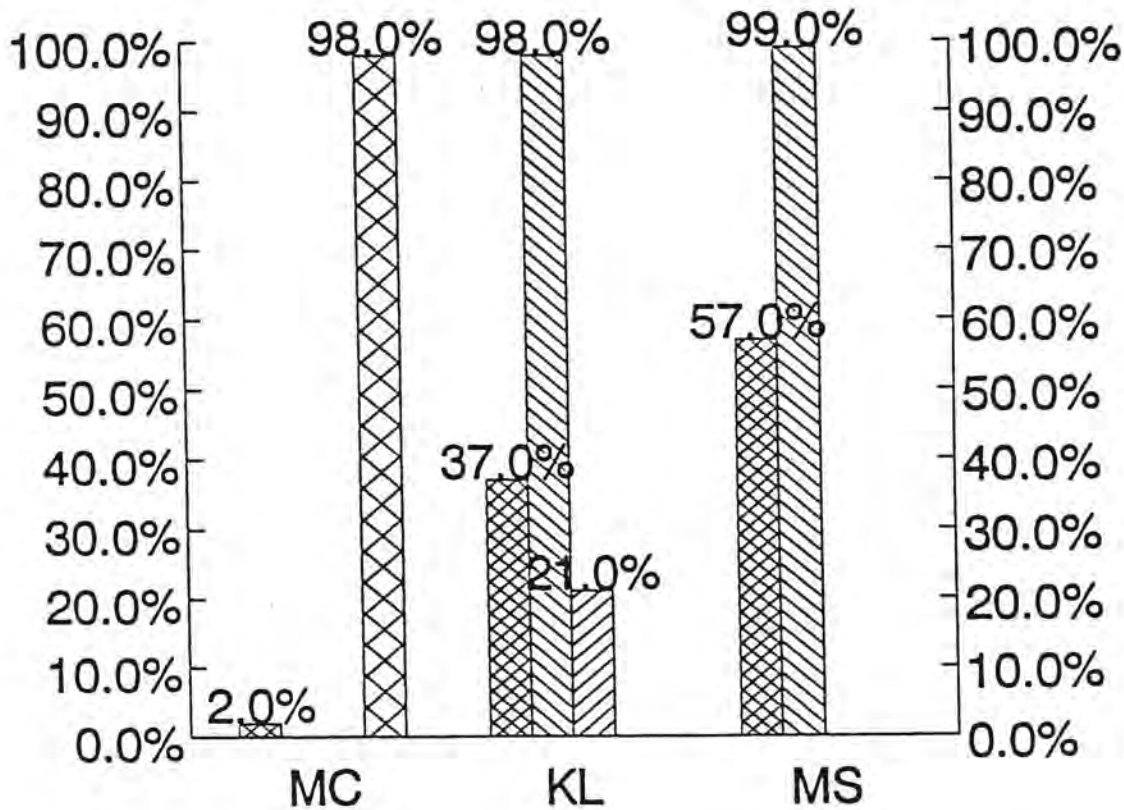
⊠Newspaper ⧄Television ⧄Poster/Handbill
⊠Others/Don't Recall

ATTITUDE TOWARDS THE ADVERTISEMENT OF MARLBORO CLASSICS
Average Scores of Responses (Sample Base: 58)
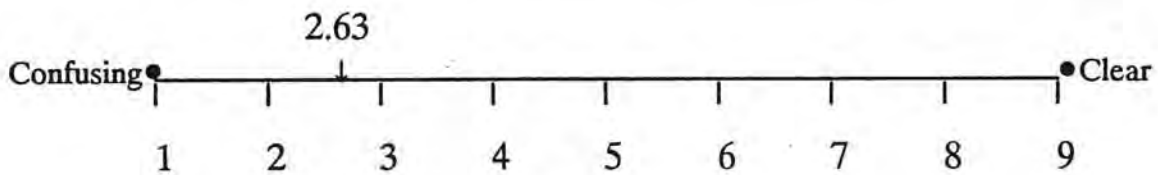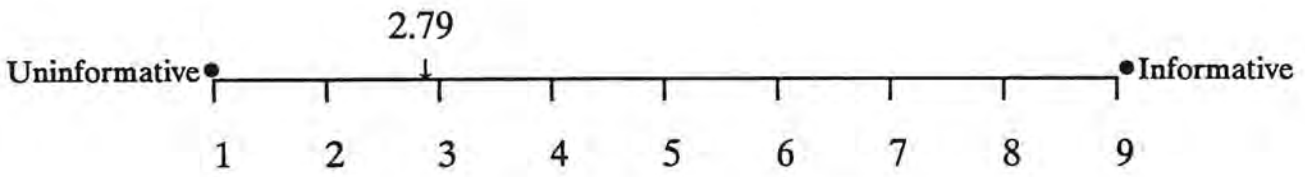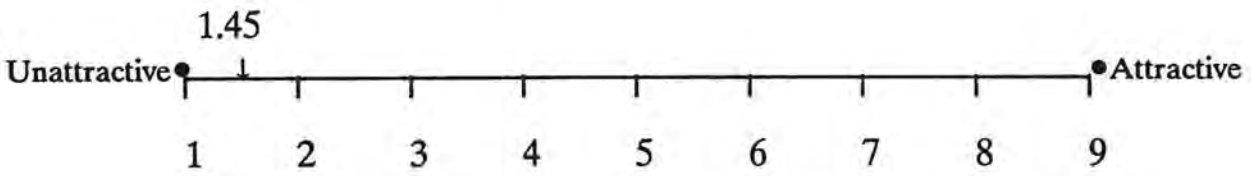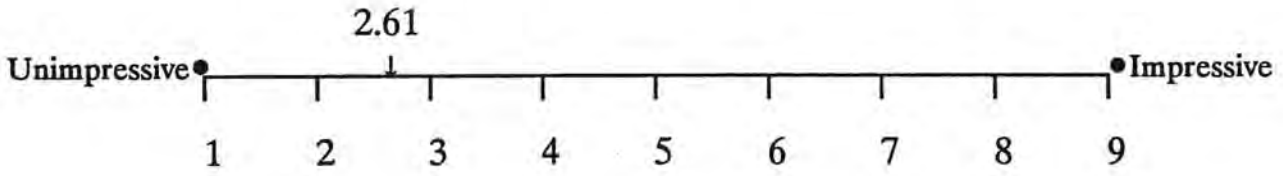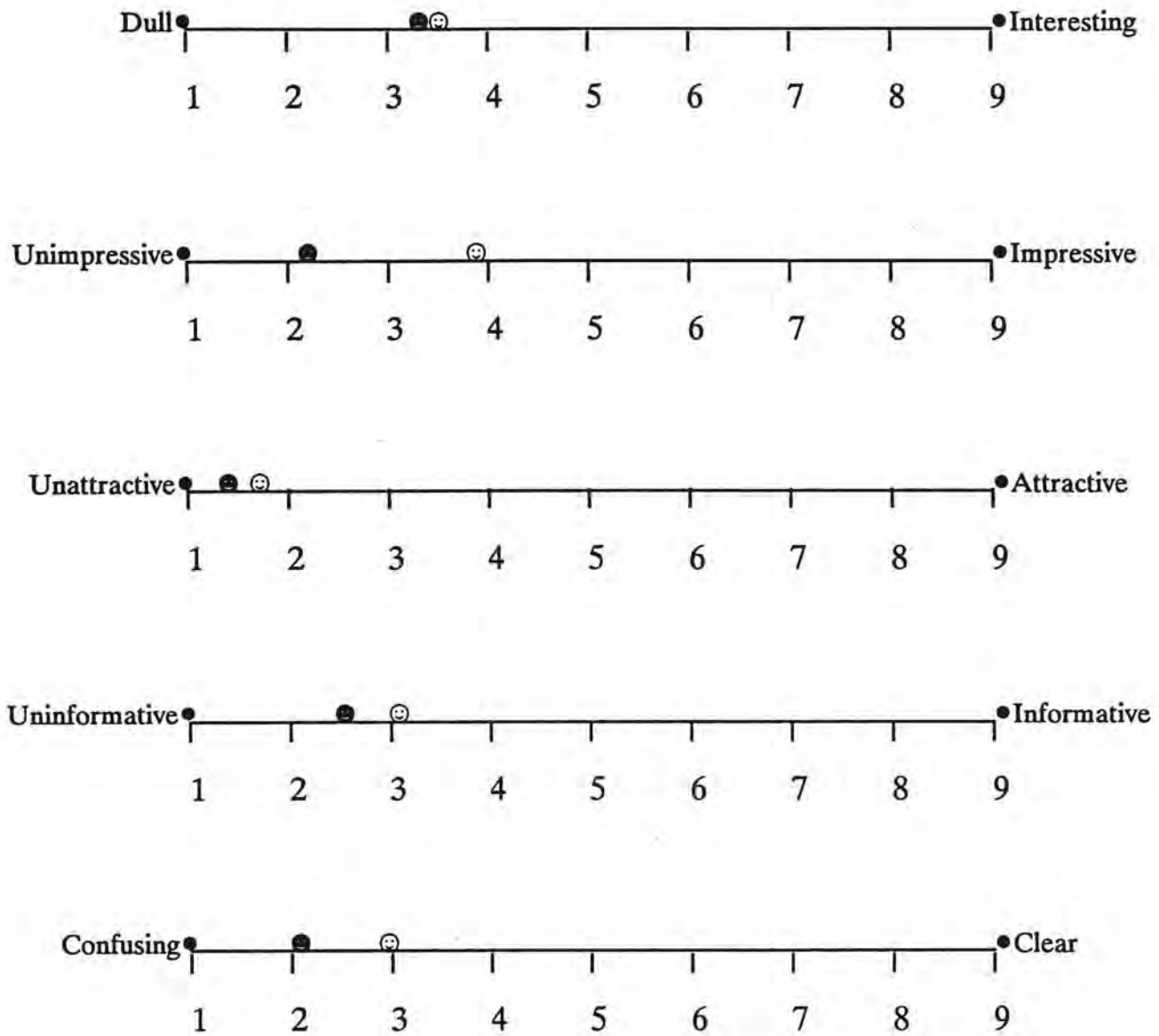
Comparison between Respondents of different Sexes

Dull ●———————♂——♀——————————————————● Interesting
    1   2   3   4   5   6   7   8   9

Unimpressive ●————♂————♀————————————————● Impressive
    1   2   3   4   5   6   7   8   9

Unattractive ●—♂ ♀———————————————————————● Attractive
    1   2   3   4   5   6   7   8   9

Uninformative ●——————♀——————♂—————————————● Informative
    1   2   3   4   5   6   7   8   9

Confusing ●—————♀—————♂———————————————————● Clear
    1   2   3   4   5   6   7   8   9
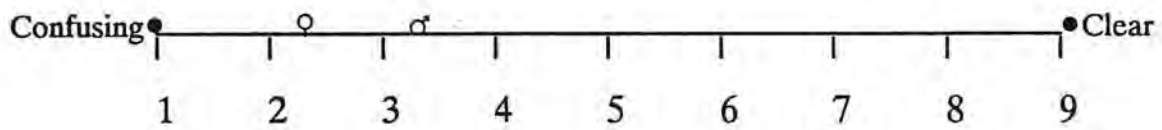
Notations:

♂ denotes average score of the male respondents (base: 35)

♀ denotes average score of the female respondents (base: 23)

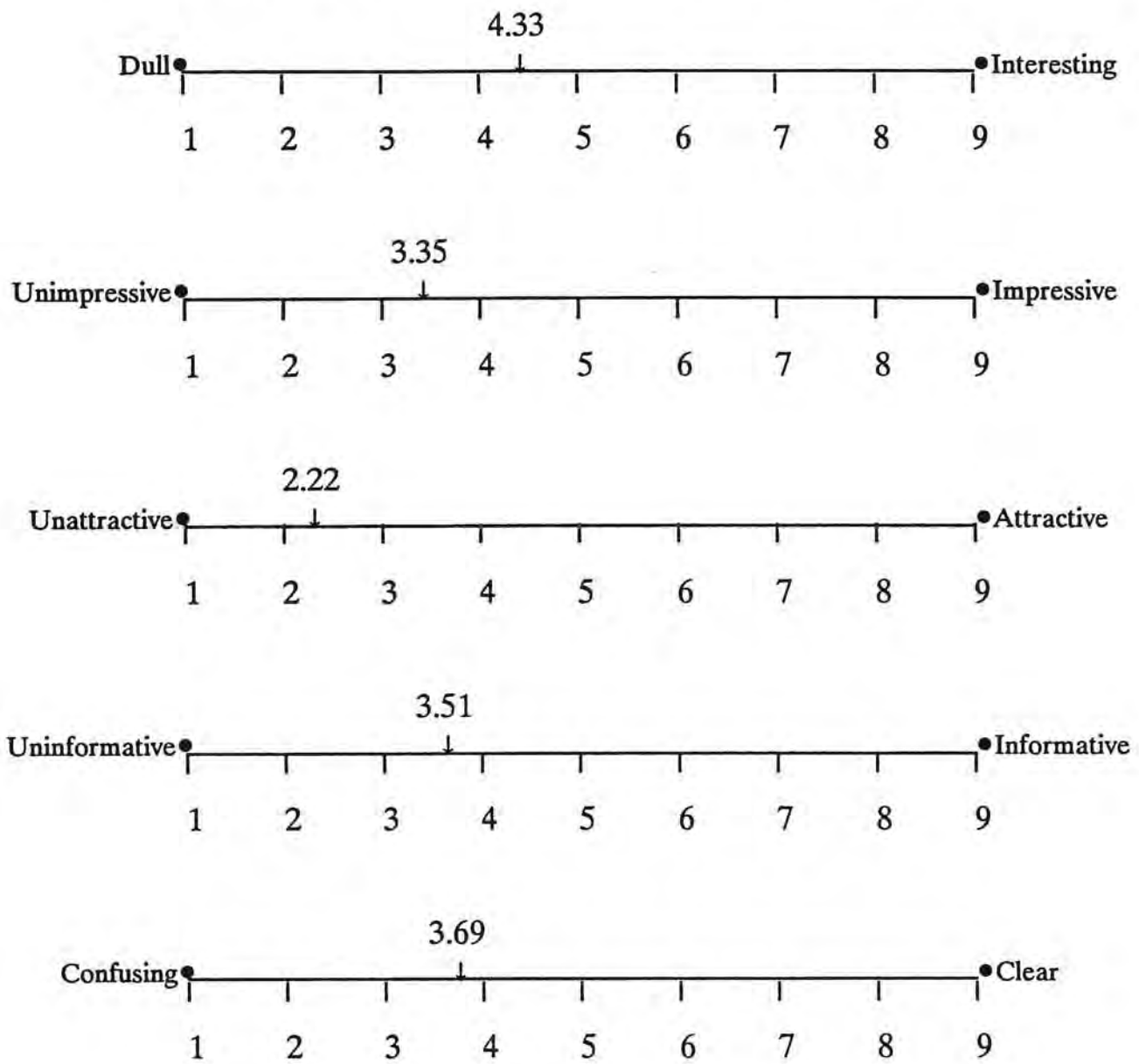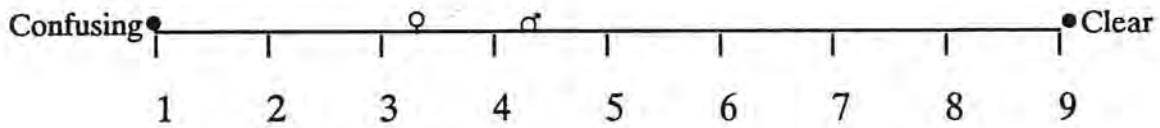## Comparison between Respondents of different User Status

Dull ●————————————————————————● Interesting
1   2   3   4   5   6   7   8   9

Unimpressive ●————————————————————————● Impressive
1   2   3   4   5   6   7   8   9

Unattractive ●————————————————————————● Attractive
1   2   3   4   5   6   7   8   9

Uninformative ●————————————————————————● Informative
1   2   3   4   5   6   7   8   9

Confusing ●————————————————————————● Clear
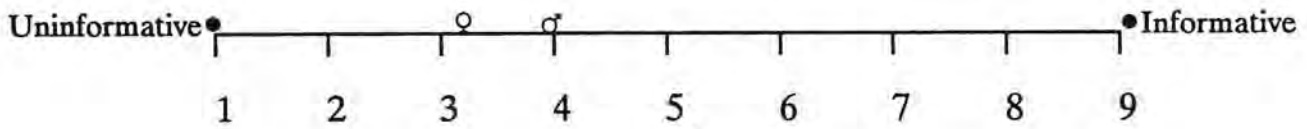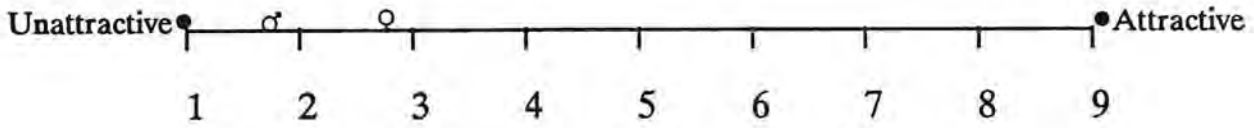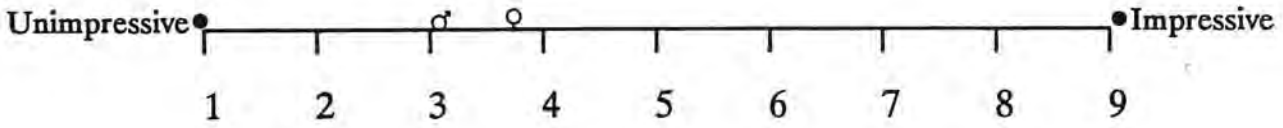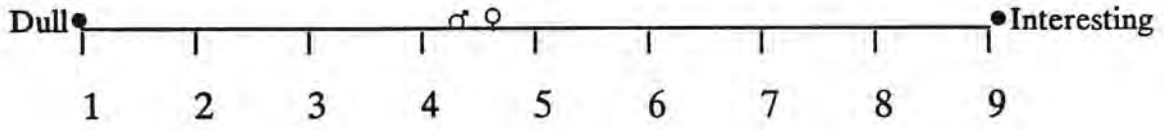1   2   3   4   5   6   7   8   9

Notations:

☺ denotes average score of
the respondents who smoke
(base: 17)

● denotes average score of
the respondents who do not
smoke   (base: 41)

ATTITUDE TOWARDS THE ADVERTISEMENT OF KENT LEISURE
Average Scores of Responses (Sample Base: 84)

4.33

Dull● ─────────────────────────── ●Interesting

  1   2   3   4   5   6   7   8   9

3.35

Unimpressive● ─────────────────────────── ●Impressive

  1   2   3   4   5   6   7   8   9

2.22

Unattractive● ─────────────────────────── ●Attractive

  1   2   3   4   5   6   7   8   9

3.51

Uninformative● ─────────────────────────── ●Informative

  1   2   3   4   5   6   7   8   9

3.69

Confusing● ─────────────────────────── ●Clear

  1   2   3   4   5   6   7   8   9

Comparison between Respondents of different Sexes

Dull ●——————————————————————● Interesting

      1   2   3   4   5   6   7   8   9

Unimpressive ●——————————————————————● Impressive

      1   2   3   4   5   6   7   8   9

Unattractive ●——————————————————————● Attractive

      1   2   3   4   5   6   7   8   9

Uninformative ●——————————————————————● Informative

      1   2   3   4   5   6   7   8   9

Confusing ●——————————————————————● Clear

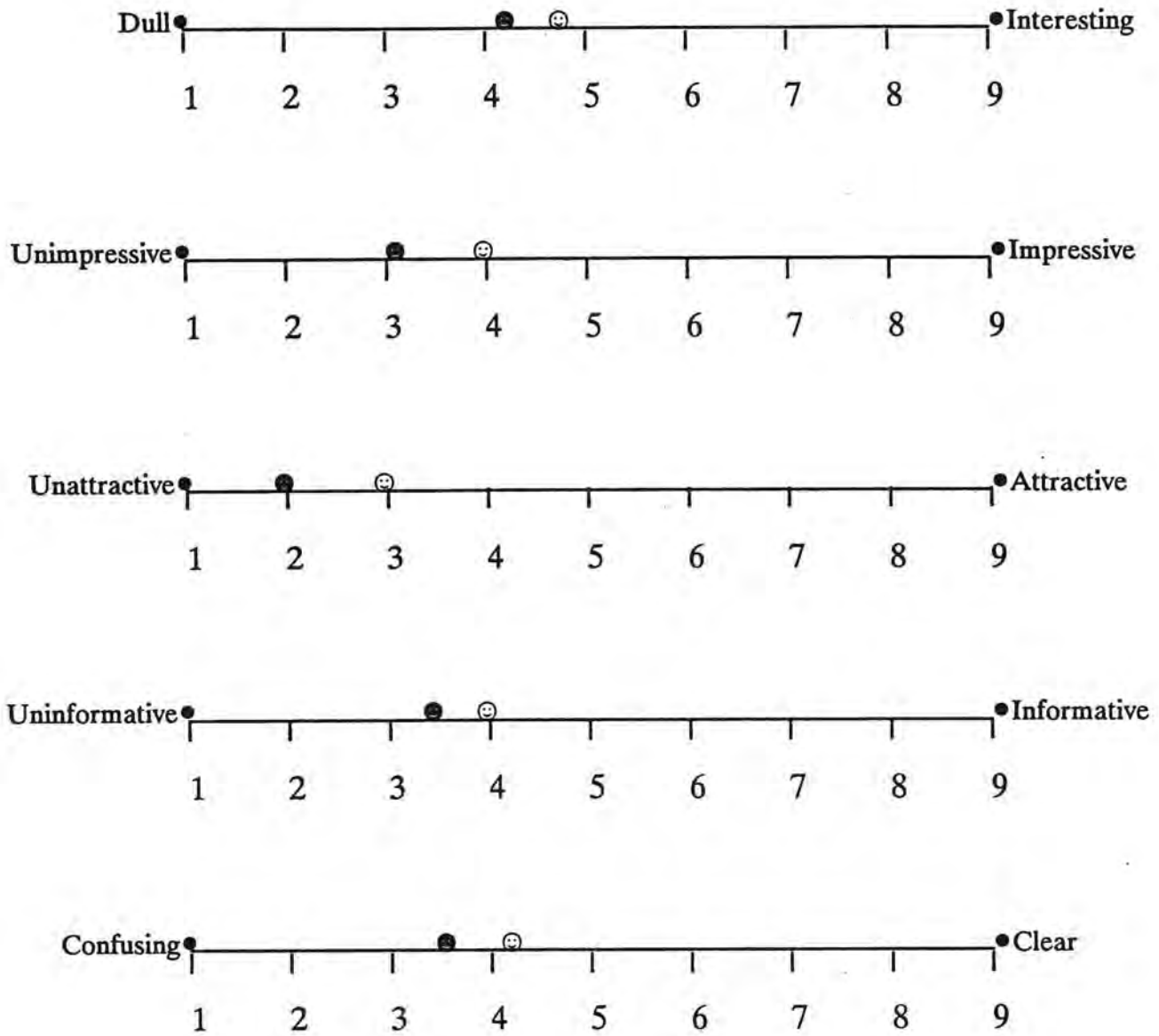   1   2   3   4   5   6   7   8   9

Notations:

♂ denotes average score of
the male respondents
(base: 38)

♀ denotes average score of
the female respondents
(base: 46)

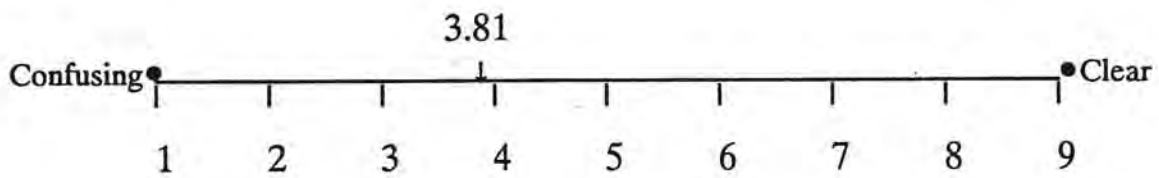## Comparison between Respondents of different User Status

Dull ●————┬————┬————┬●——☺——┬————┬————┬————┬————● Interesting
1   2   3   4   5   6   7   8   9

Unimpressive ●————┬————┬●———☺——┬————┬————┬————┬————● Impressive
1   2   3   4   5   6   7   8   9

Unattractive ●——●——☺——┬————┬————┬————┬————┬————● Attractive
1   2   3   4   5   6   7   8   9

Uninformative ●————┬————┬●——☺——┬————┬————┬————┬————● Informative
1   2   3   4   5   6   7   8   9

Confusing ●————┬————┬●——☺——┬————┬————┬————┬————● Clear
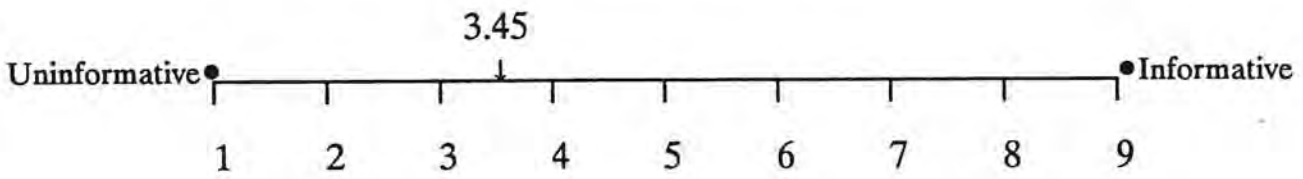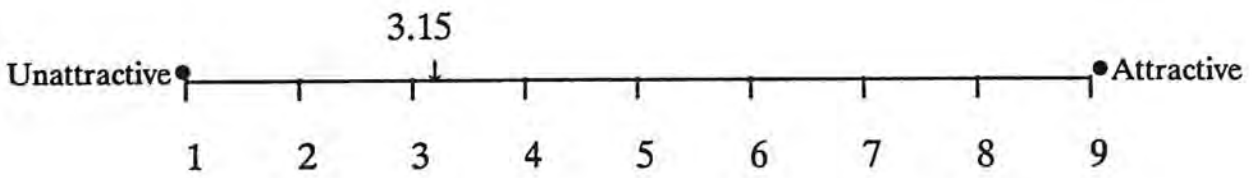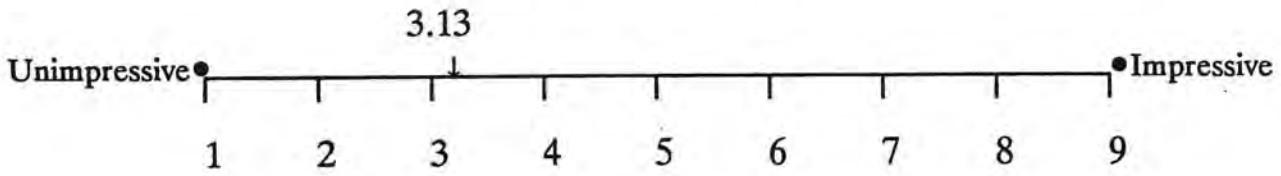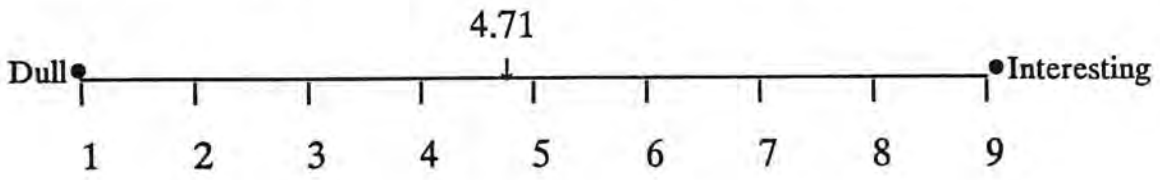1   2   3   4   5   6   7   8   9

Notations:

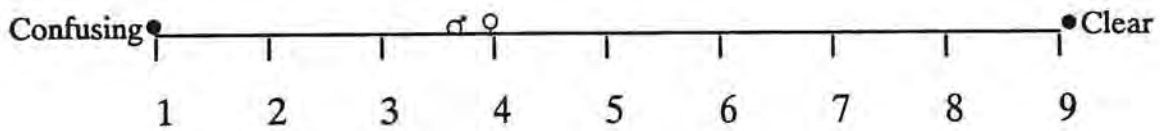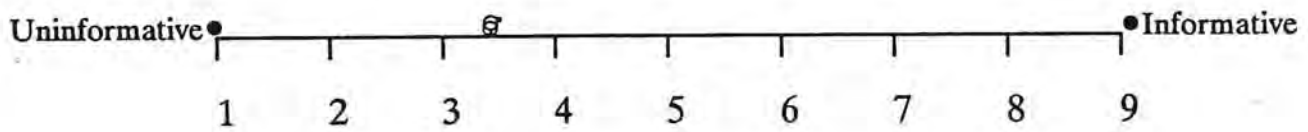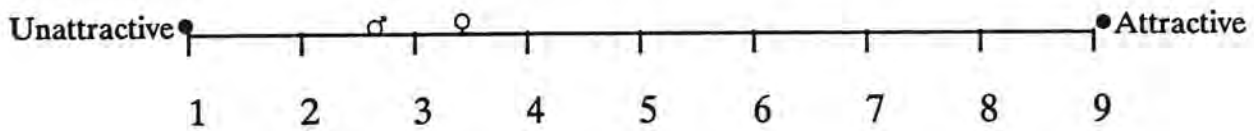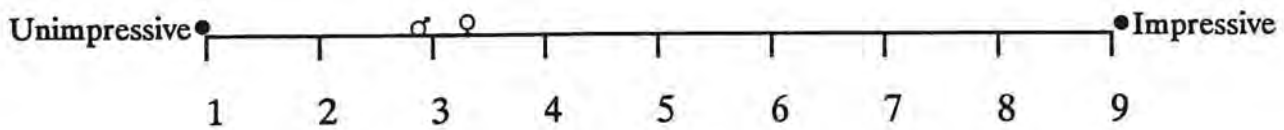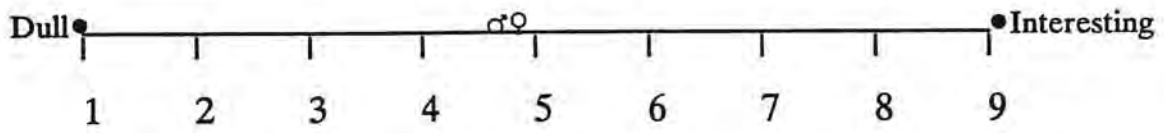☺ denotes average score of the respondents who smoke (base: 28)

● denotes average score of the respondents who do not smoke (base: 56)

ATTITUDE TOWARDS THE ADVERTISEMENT OF MILD SEVEN FREEDOM HOLIDAYS
Average Scores of Responses (Sample Base: 91)

Comparison between Respondents of different Sexes

Dull ●————┬————┬————┬————σ♀————┬————┬————┬————●Interesting
1   2   3   4   5   6   7   8   9

Unimpressive ●————┬————σ——♀————┬————┬————┬————┬————●Impressive
1   2   3   4   5   6   7   8   9

Unattractive ●————┬——σ———♀————┬————┬————┬————┬————●Attractive
1   2   3   4   5   6   7   8   9

Uninformative ●————┬————σ————┬————┬————┬————┬————●Informative
1   2   3   4   5   6   7   8   9

Confusing ●————┬————┬———σ♀————┬————┬————┬————●Clear
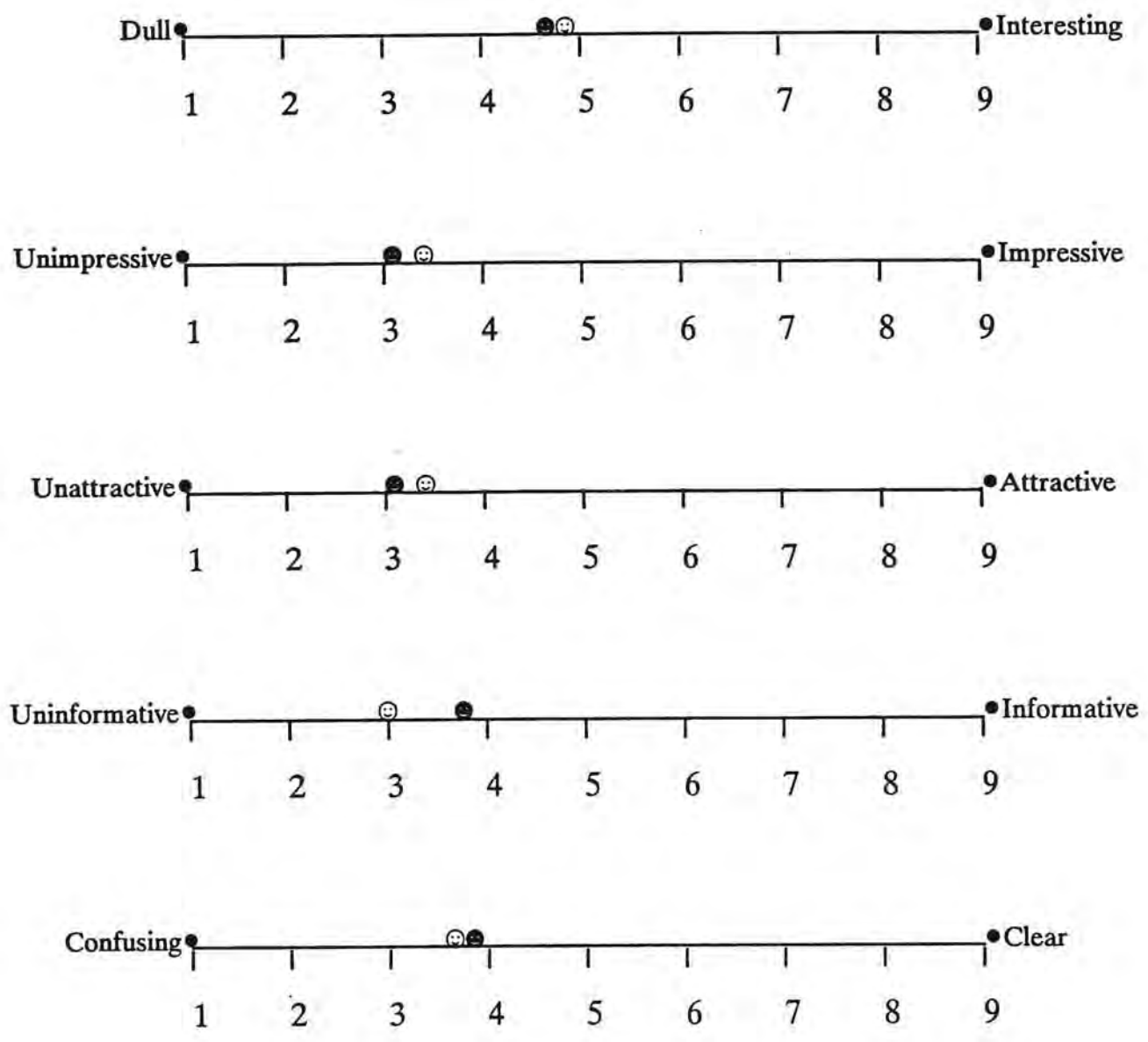1   2   3   4   5   6   7   8   9

Notations:

σ denotes average score of
the male respondents
(base: 33)

♀ denotes average score of
the female respondents
(base: 64)

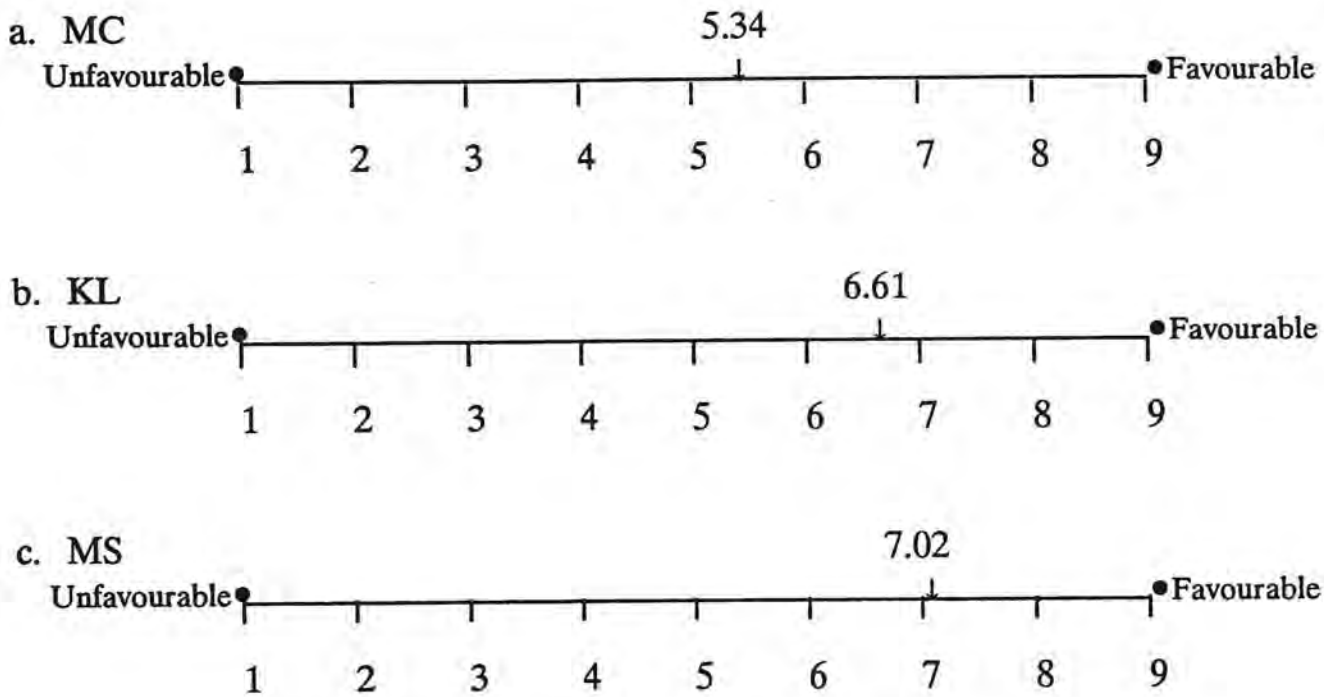## Comparison between Respondents of different User Status

Dull ●━━━━━━━━━━━━━●●━━━━━━━━━━━●Interesting
　　　1　　2　　3　　4　　5　　6　　7　　8　　9

Unimpressive ●━━━━━●●━━━━━━━━━━━━●Impressive
　　　1　　2　　3　　4　　5　　6　　7　　8　　9

Unattractive ●━━━━━●●━━━━━━━━━━━●Attractive
　　　1　　2　　3　　4　　5　　6　　7　　8　　9

Uninformative ●━━━━●━●━━━━━━━━━━●Informative
　　　1　　2　　3　　4　　5　　6　　7　　8　　9

Confusing ●━━━━━●●━━━━━━━━━━●Clear
　　　1　　2　　3　　4　　5　　6　　7　　8　　9

┌─────────────────────────┐
│ Notations: │
│   │
│ ☺ denotes average score of │
│ the respondents who smoke │
│ (base: 28)   │
│   │
│ ● denotes average score of │
│ the respondents who do not │
│ smoke (base: 63)   │
└─────────────────────────┘

OVERALL FEELING TOWARDS THE ADVERTISEMENT OF THE EXTENDED PRODUCT

a. MC
                                                5.34
Unfavourable●————————————————————————————●Favourable

        1   2   3   4   5   6   7   8   9

b. KL
                                                6.61
Unfavourable●————————————————————————————●Favourable

        1   2   3   4   5   6   7   8   9

c. MS
                                                7.02
Unfavourable●————————————————————————————●Favourable

        1   2   3   4   5   6   7   8   9

```
 ╔══════════════════════════════════╗
 ║         Notations:               ║
 ║                                  ║
 ║ MC denotes Marlboro Classics     ║
 ║ (base: 58)                       ║
 ║                                  ║
 ║ KL denotes Kent Leisure          ║
 ║ (base: 84)                       ║
 ║                                  ║
 ║ MS denotes Mild Seven Freedom Holidays ║
 ║ (base: 91)                       ║
 ╚══════════════════════════════════╝
```
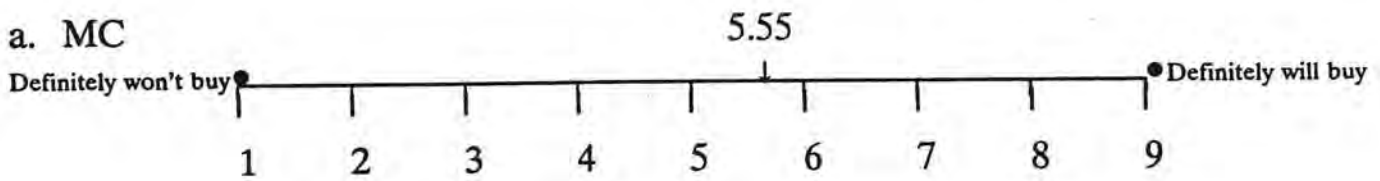
CORRELATION TO THE CORRESPONDING CIGARETTE
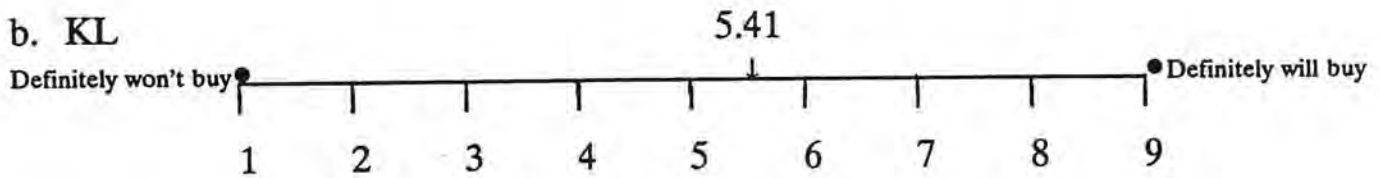AFTER SEEING ADVERTISEMENT OF THE EXTENDED PRODUCT

All respondents would **definitely** (i.e rating score of Q.7 = 9) think of the corresponding cigarette after seeing the products Marlboro Classics, Kent Leisure or Mild Seven Freedom Holidays.

PURCHASE INTENT OF THE CORRESPONDING CIGARETTE
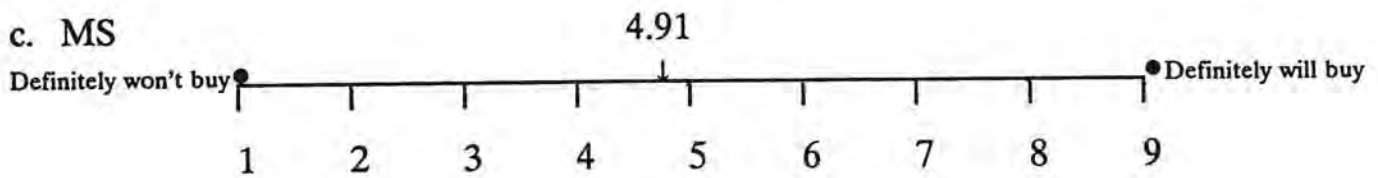AFTER SEEING THE ADVERTISEMENT OF THE EXTENDED PRODUCT
Overall Responses

a. MC

5.55

Definitely won't buy ●———————————————————————● Definitely will buy

1   2   3   4   5   6   7   8   9

b. KL

5.41

Definitely won't buy ●———————————————————————● Definitely will buy

1   2   3   4   5   6   7   8   9

c. MS

4.91

Definitely won't buy ●———————————————————————● Definitely will buy

1   2   3   4   5   6   7   8   9

> ### Notations:
>
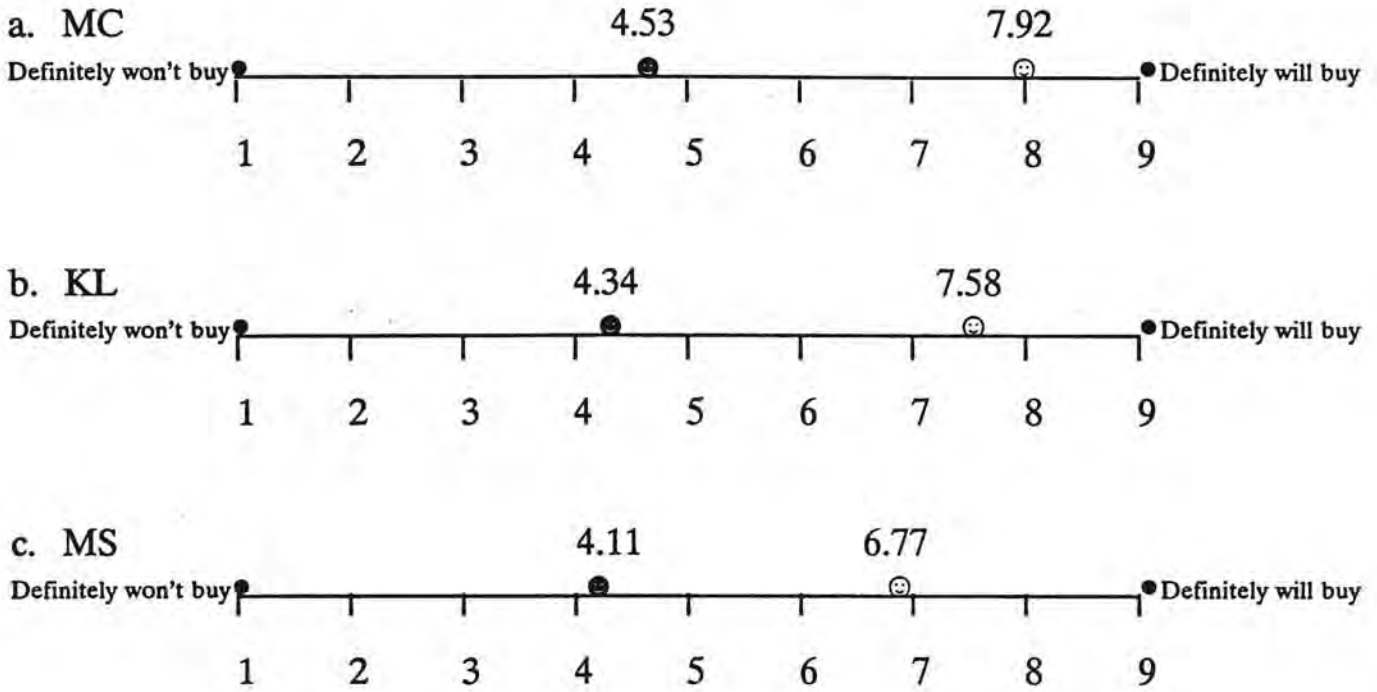> MC denotes Marlboro Classics
> (base: 58)
>
> KL denotes Kent Leisure
> (base: 84)
>
> MS denotes Mild Seven Freedom Holidays
> (base: 91)

It was found that there was no difference in purchase intent of respondents of different sexes for all three brands of cigarette.

Comparison between Respondents of different User Status

a. MC

4.53   7.92

Definitely won't buy ●——┬——┬——┬——┬——┬——┬——┬——┬——● Definitely will buy

  1   2   3   4   5   6   7   8   9

b. KL

4.34   7.58

Definitely won't buy ●——┬——┬——┬——┬——┬——┬——┬——┬——● Definitely will buy

  1   2   3   4   5   6   7   8   9

c. MS

4.11   6.77

Definitely won't buy ●——┬——┬——┬——┬——┬——┬——┬——┬——● Definitely will buy

  1   2   3   4   5   6   7   8   9

Notations:

| MC denotes Marlboro Classics (base: 58)	KL denotes Kent Leisure (base: 84)	MS denotes Mild Seven Freedom Holidays (base: 91)
☺ denotes average score of the respondents who smoke (base: 17)	☺ denotes average score of the respondents who smoke (base: 28)	☺ denotes average score of the respondents who smoke (base: 28)
● denotes average score of the respondents who do not smoke (base: 41)	● denotes average score of the respondents who do not smoke (base: 56)	● denotes average score of the respondents who do not smoke (base: 63)

APPENDIX.14
PHOTOGRAPHS OF THE DUMMY PRINT-ADVERTISEMENTS
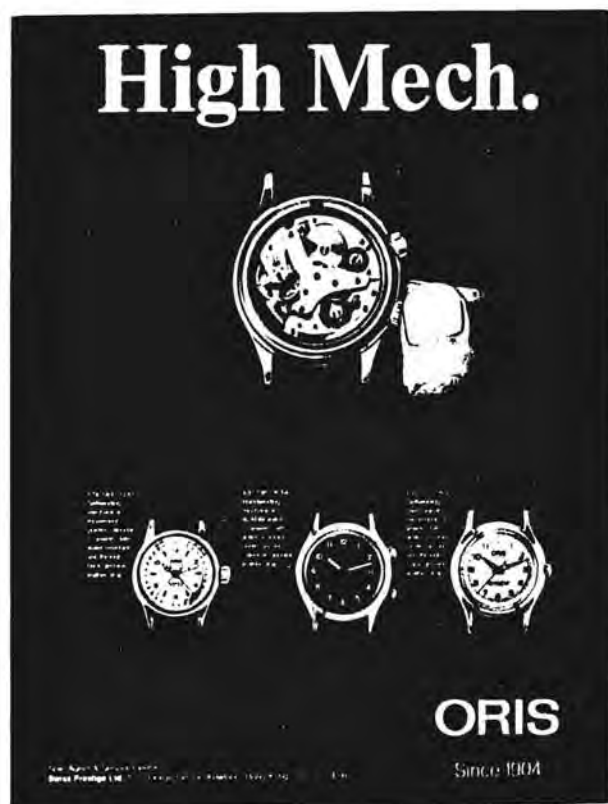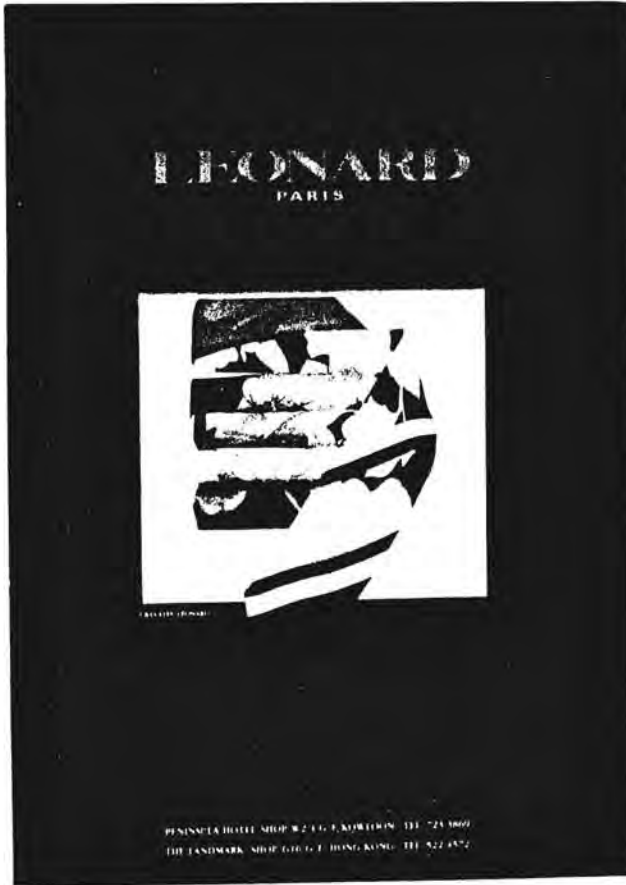## USED IN THE LABORATORY EXPERIMENT
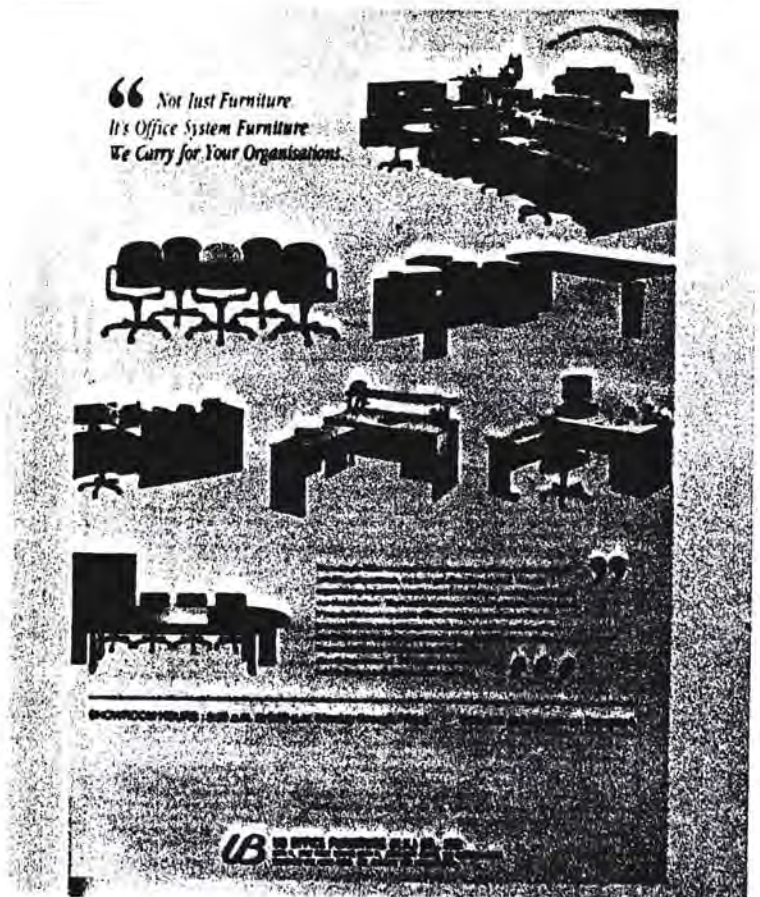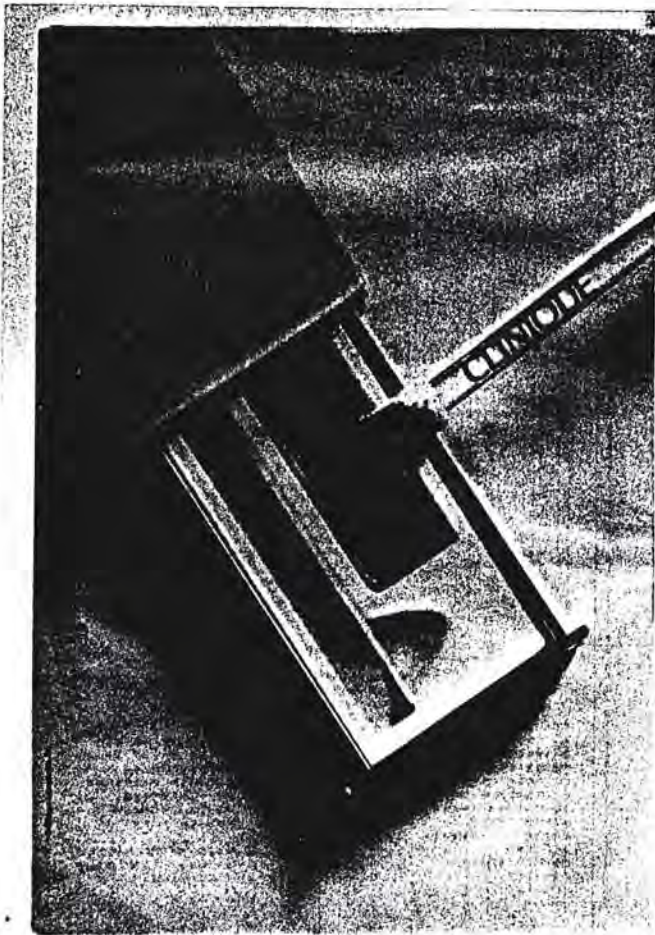
PHOTOGRAPHS OF THE DUMMY PRINT-ADVERTISEMENTS
USED IN THE LABORATORY EXPERIMENT

PHOTOGRAPHS OF THE DUMMY PRINT-ADVERTISEMENTS
USED IN THE LABORATORY EXPERIMENT
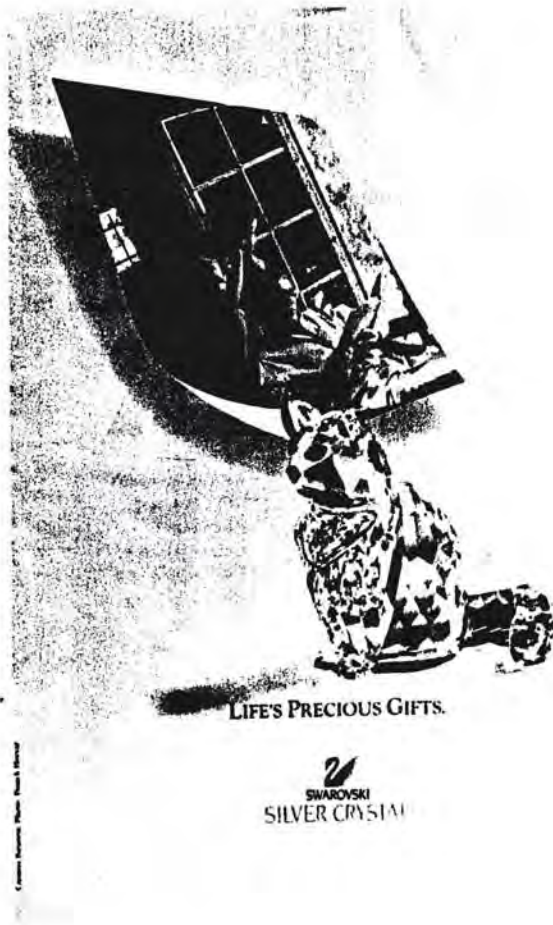
PHOTOGRAPHS OF THE DUMMY PRINT-ADVERTISEMENTS
USED IN THE LABORATORY EXPERIMENT

PHOTOGRAPHS OF THE DUMMY PRINT-ADVERTISEMENTS
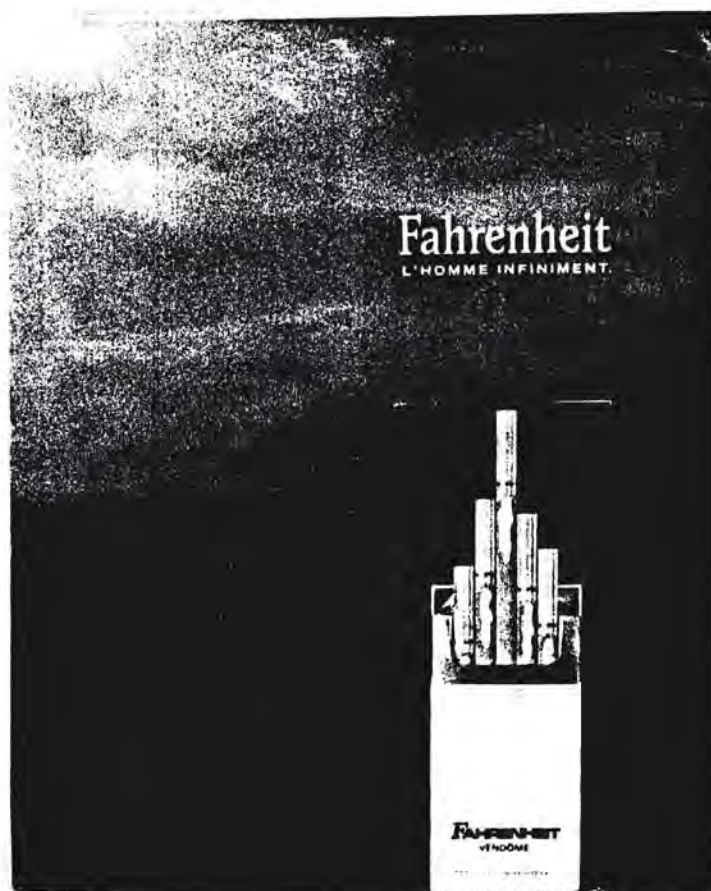## USED IN THE LABORATORY EXPERIMENT

APPENDIX.15
PHOTOGRAPH OF THE PRINT-ADVERTISEMENT OF
THE TESTING CIGARETTE OF THE LABORATORY EXPERIMENT

APPENDIX.16
PHOTOGRAPH OF THE PRINT-ADVERTISEMENT OF
THE EXTNEDED PRODUCT OF THE TESTING CIGARETTE

BIBLIOGRAPHY

Batra, Rajeev and Douglas M. Stayman. " The Role of Mood in Advertising Effectiveness," Journal of Consumer Research, 17 (9, 1990).

Bogart, Leo. Strategy in Advertising, Crain Books, 1984.

Boush, David M. and Barbara Loken. "A Process-Tracing Study of Brand Extension Evaluation," Journal of Marketing Research, 28 (2, 1991), pp.16-28.

Burnkrant, Robert E. and Hanumantha R. Unnava. "Effects of Variation in Message Execution in the Learning of Repeated Brand Information," Advance in Consumer research, 14 (1987).

Cacioppo, John T. and Richard E. Petty. "The Effects of Message Repetition and Position on Cognitive Response, Recall and Persuasion," Journal of Personality and Social Psychology, 37 (1, 1979), pp.97-109.

Calder, Bobby J. and Brian Sternthal. " Television Commercial Wearout: An Information Processing View," Journal of Marketing Research, 17 (5, 1980).

Craig, Bobby J. and Brian Sternthal. Repetition Effects over the Years: An Anthology of Classic Articles, New York: Garland, 1986.

Fulgoni, Gian M.. "Making Advertising more Effective," Marketing Communication, June 1988.

Government Information Services. Television Advertising Standards -- Code of Practice 2. Hong Kong: Government Information Services, 1990

Grass, Robert and Wallace H. Wallace. "Satiation Effects of Television Commercials," Journal of Advertising Research, 9 (9, 1969).

Inman, J Jeffrey, Leigh McAlister and Wayne D. Hoyer. "Promotional Signal: Proxy for a Price Cut?" Journal of Consumer Research, 17 (6, 1990).

Janiszewski, Chris. "The Infulence of Print Advertisement: Organisation on Affect toward a Brand Name," Journal of Consumer Research, 17 (6, 1990).

King, Karen Whitehill, Leonard N. Reid, Young Sook Moon and Debra Jones Ringold. "Changes in the Visual Imagery of Cigarette Ads," Journal of Public Policy and Marketing, 10 (1, 1991)

Michell, Andrew and Linda Alwitt. Psychological Process and Advertising Effects, LEA, 1984.

Olney, Thomas J., Morris B. Holbrook and Rajeev Batra. "Consumer Response to Advertising: The Effects of Ad Content, Emotions, and Attitude toward the Ad

on Viewing Time," Journal of Consumer Research, 17 (3, 1991).

Ringold, Debra Jones and John E. Calfee. "What Can We Learn from the Information Content of Cigarette Advertising? A Reply and Further Analysis," Journal of Public Policy and Marketing, 10 (1, 1991).

Rust, Roland. Advertising Media Model, Lexington Books, 1986.

Schneider, Lynne. The Economic Effects of the Ban on Broadcast Cigarette Advertising, London: University Microfilms International, 1980.

Schumann, David W., Richard E. Petty, D. Scott Clemons. "Predicting the Effectiveness of Different Strategies of Advertising Variation: A Test of the Repetition-Variation Hypotheses," Journal of Consumer Research, 17 (9, 1990), pp.192-202.