CHAPTER 1: INTRODUCTION

This research is a study on Malaysian consumers' attitude towards standardisation versus adaptation of the print advertisements. This chapter provides an introduction to the research work in this thesis. Firstly, this chapter addresses the research background and motivation for pursuing the research through a discussion of standardisation versus adaptation in advertisements. Furthermore, this chapter presents the overview of the research questions, the research objectives, the research contribution and lastly the structure of the research project.

1.1 Research Background

Global marketing is the integrated coordination of companies' marketing activities and its global strategies throughout the world (Bennett and Blythe, 2002) which the global marketers treat the world as a single market (Albaum, Strandskov, Dueer and Dowd, 1992) and market the same thing in the same way elsewhere (Buzzell, Quelch and Bartlett, 1992). Consequently, this has also resulted in global marketing standardisation (Diamantopoulos, Schlegelmilch and Du Preez, 1995). However, the advertising standardisation idea was probably first brought up in print by Elinder (1961) and later, Levitt (1983) has brought the concept back under the new name; globalisation. Advertisements travel throughout the world via billboards, in busses, at bus stops, in shops, airports, on TV, magazines to be part of the globalisation (Featherstone, 1990).

In the early stage of globalisation, companies operated 'as if the entire world were a single, largely identical entity' and were attempted to sell the 'same things in the same way everywhere' (Levitt, 1983, p. 22). Even many authors expected convergence of homogenous consumer needs, taste and lifestyles due to the convergence of income, media and technology (Jain, 1987; Czincota and Ronkainen, 1993; Assael, 1998; Bullmore, 2000). Especially Levitt (1983) in his famous article entitled "The globalization of markets" argued that the new technology would lead to this homogenization.

Fatt (1967) and Levitt (1983) have also cited that people from all over the world are exposed to the same commercial messages and products which by some seen to be homogenised whereas others argue that they do not become homogenised rather they use the input in the reconstruction of their culture (cf. Hannerz, 1992; Howes, 1996) and global inputs exist interrelated with local traditions as indicated by the term 'glocalisation' (Robertson, 1995).

Some big multinational companies have seen their companies' profit declining due to lacks of local sensitivity and therefore they are changing from global to local strategies (De Mooij, 2003). For example, big company such as Coca-Cola has also decided to change their creative strategies to go closer to local markets (Financial Times, 27 March 2000). At the same time, Michael Silk and David L. Andrews (2001) have supported that global advertising does not make sense. Due to these controversies, international advertisers are concerned with the

question of whether to standardise or adapt their advertising strategies across nation market (Agrawal, 1995).

Along the debates and controversies above, well-established brands are also mentioned to be having great advantages in advertising (Moorman, 1990; Moorman and Jaworski, 1991; Kent and Allen, 1994) and that the familiar brands are tend to be favoured by consumers (Shapiro, MacInnis and Heckler, 1997), which it is hard to be ignored when it comes to exploring consumers' attitude towards advertisements. Accordingly to Alba and Hutchinson (1987), brand familiarity is related to a number of brand-related experiences that the consumers have had with the brand. Furthermore, consumers are said to be familiar with brands that have been established for long period of time and have had their good reputation (Tai and Pae, 2002).

Besides the brand familiarity, execution style is another important construct in determining the effectiveness of advertisements which influence consumer's attitude (Rossiter and Percy, 1991). Execution styles or also known as types of appeals are divided into two which they are informational and transformational (Puto and Wells, 1984). Puto et al. (1984) defined informational advertisement as equipping consumers with factual data relevant to the advertised brand in a clear and logical manner which would influence consumers' buying decision after being exposed to such advertisement. On the other hand, transformational or also known as emotional advertisement is associated to consumers' experiences

towards the advertised brand with a unique set of psychological characteristics (Puto et al., 1984).

Therefore, this paper aims to explore further into consumers' attitude towards standardized versus adapted advertisements in print advertisement field. Furthermore, as Asia is evidently emerging and these countries provide enriched environment to examine the consumers' attitude towards the standardized and adapted advertising campaigns (Tai et al., 2002), as a consequences this paper focuses on Malaysia perspective. Mean while, the effect of brand familiarity and execution styles on consumers' attitude towards standardized and adapted advertisements will also be studied.

1.2 Research Problem

Malaysia has shown a tremendous import growth from all over the world. In year 2008 alone, imports amounted to 163,823mil USD compared to 146,773mil USD in year 2007 (Euromonitor International, 2009). Indirectly this means that there are increasing amount of goods needed to be marketed internationally from all over the world to Malaysia. As a consequence, this would raise the demand for more in-depth understanding of the effective global advertising for Malaysian market in general.

Unfortunately, there are lack of empirical evidence incorporating consumers' response towards the standardized versus adapted advertisements (Tai et al.,

2002). Research on the merits of standardisation in international advertising has not resulted in any substantial conclusive or generalisable findings (Nelson and Kanso, 2002; Harris and Attour, 2003; Melewar and Vemmervik, 2004). Furthermore, there are not much of scientific and direct evidence to validate the concept of international advertising standardization (Onkvisit and Shaw, 1999). In addition, the debate whether marketing should be standardized or adapted in a specific country has not been resolved and the debate has evolved around from "standardization versus adaptation" to "globalization versus localization" and to "global integration versus local responsiveness" (Cateora and Graham, 2007).

Due to that, practitioners have alternated between adaptation and standardization approaches over the last four decades with a trend toward standardization while academics have mostly supported and encouraged the adaptation approach (Agrawal, 1995). Despite the fact that previous research has identified contingency or antecedent factors (including cultural environment, customer profile, market diversity, product type, organizational determinants and campaign-related factors) as key variables affecting the choices of a standardize versus adapted strategy in advertising across borders (Hill and James, 1989; Mueller, 1991; Nevett, 1992; Harvey, 1993; Seize and Johar, 1993; Papavassiliou and Stathakopoulos, 1997), these loosely defined, complex frameworks have not been turned into a coherent model. Therefore, it is unwise to assume the generalization of the standardization approach in a world (Onkvisit et al., 1987).

From the previous discussion, it is also evident that brand familiarity and execution styles do influence consumers' attitude towards advertisements. However there are also some researchers that found advertising to have weak influence on consumers' brand attitude especially on the mature brands (Machlei, Allen and Thomas, 1993). This is due to advertising of familiar brand is claimed to be merely for entertainment rather than communicating products claim (Tai et al., 2002). Furthermore, studies shown that information search is less needed when high level of brand familiarity exist among consumers compared to the unfamiliar brand (Biswas, 1992). Accordingly to Cheskin's research and Sapient's responses (1999), brand familiarity is found to be a more important indicator as a brand trust compared to other criteria in internet usage.

Mean while, studies done towards the advertising execution styles mainly on transformational and informational advertisements to further understand consumers' attitude towards advertising, have also risen up some issues. Transformational appeal is said to be good only to deliver messages from a well known brand which do not require much cognitive process (Yi, 1993; Perry et al., 1997; De Pelsmacker et al., 2002). On the other hand, informational advertisements were frequently referred as uninteresting, unpleasant and dull in transferring their messages (Chan, 1996). However, the preferences over transformational advertising is neither universal nor simple as Javalgi, Cutler and Malhotra (1995) found Japanese magazines having status appeal (transformational) and at the same time having price information (informational).

De Mooij (1998) has also added that mostly people from the low culture context are analytical and therefore they would prefer the informational advertisement. Given that there was no research done in Malaysia context, therefore the closest low culture countries' example would be Asian countries such as Japan and China. As an example, the U.S. consumers favour informational advertisements compared to Eastern consumers (Hong et al., 1987; Taylor et al., 1997). Nevertheless, Madden, Caballero and Matsukobo (1986) found that the information content in Japanese magazine advertising exceeded the U.S. advertisements.

1.3 Research Questions

Referred to the research problem stated above, this study is created to investigate Malaysian consumers' attitude towards standardised versus adapted advertisements, particularly in print advertisements. In addition, the effects of brand familiarity and execution style are also being explored. The following research questions have been derived:

1. Does brand familiarity affect consumers' attitude towards print advertising?

2. Does execution style affect consumers' attitude towards print advertising?

3. Does attitude towards the advertisement affect consumers' purchase intention in print advertising context?

4. Do Malaysian consumers have favourable attitude towards standardised or adapted print advertising?

1.4 Research Objectives

The overall objective of this study is to explore Malaysian consumers' attitude towards the standardised versus adapted advertisement for print advertisements, as well as brand familiarity and execution style constructs are affected by one another. Specifically the study aims to address the following issues:

1. To examine whether Brand Familiarity and Execution Styles affect Malaysian consumers' attitude towards standardised versus adapted print advertising.

2. To investigate whether favourable attitude affect Malaysian consumers' purchase intention in print advertising context.

3. To compare the favourable attitudes of Malaysian consumers between standardised print advertising and adapted print advertising.

1.5 Significant of the Study

This study will be a significant attempt in promoting effective global marketing advertising in Malaysia market. This study will also be beneficial to the academics in the field of consumer behaviour, global marketing, advertising and marketing communication when they employ knowledge in classroom setting particularly in different concepts related to the use of effective global advertising management. Moreover, this research will provide recommendations on how to

evaluate the performance of a certain global brand in accordance to global advertising management.

Besides that, this study will be helpful to the global advertisers and business practitioners as a guideline to their marketing strategies and decision making in the area of global advertising. It will also serve as a future reference for researchers on the subject of consumer behaviour, global marketing, advertising and marketing management. In addition, this study will also educate clients in deciding on whether a brand or a company really understand and fulfilling consumers' needs or is just misusing their marketing resources in the company.

1.6 Scope of the Study

Print advertisements were chosen as the scope of this study as they are considered as an important advertising media in Asia and they are easier to access (Asian Adspend, 1998). Furthermore, due to the difficulties of getting popular magazines from the eastern countries, therefore the material would be a convenience sample. The print advertisements are selected among magazines such as Bazaar, Female, Her World, Cleo, Vogue and others and women's magazines may be put priority as it was said to be containing the richest source of global advertisements (Gram, 2007).

This study is focused in Klang Valley, which is it said to be the most populous, urbanized and industrialized region in Malaysia with the total population of 6.7

million in 2005 and the amount is expected to reach 8.5 million by 2020 (Dali, 2008). University students around Klang Valley are adopted as the study's respondents due to the convenience sample Furthermore, there are some researchers that have even suggested students samples are highly generalisable as to the diversity apparent among the student populations (Ozsomer, Bodur and Cavusgil, 1991).

1.7 Organization of the Study

The study contains five chapters and the summary for each chapter is described as follows.

The study begins with **Chapter One** which outlines the introduction of the research. It consists of research background, research problem, research questions and research objectives. Significance of the study and organization of the study are also addressed.

Chapter Two introduces the literature supported by previous researchers related to standardised advertisement, adapted advertisement, brand familiarity, execution style (including transformational and informational advertising) and attitude towards the advertisements and purchase intention. The research constructs are identified and the conceptual model is explained respectively in this chapter as well.

Chapter Three presents a research framework which suggests the integrative interrelationships among the research constructs, including standardised advertisements, adapted advertisements, brand familiarity, execution style (including transformational and informational advertising) and attitude towards the advertisements and purchase intention. The development of hypotheses from the framework is also being addressed. Thus, the research type, questionnaire design and construct measurement, sampling and data analysis procedure are also being mentioned in this section.

Chapter Four refers to the data screening analysis (normality assumption tests), the reliability test and validity assessment of the instrument. Then, the descriptive analysis is conducted at the later part. The research outcomes from all the analysis are also reported here which consist of the findings on the factors influencing attitude towards the advertisements.

Chapter Five is a conclusion of the findings and implications of the study. Research limitations and recommendations are further discussed in this section.

Bibliographies and appendices are cited at the end of the paper.

As a conclusion, this chapter has introduced research work with the addressed research background and discussed the issues of standardisation and adaptation in advertisements. Furthermore, this chapter has also presented the overview of the research questions, the research objectives, the research contribution and

ended the chapter with the structure of the thesis. In the next chapter, adopted

conceptual model and supported literature reviews are explained to define each

research constructs.