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## **Responses of Chinese Consumers to Corporate Advertising Themes: Cue Applicability and Contextual Priming Effects**

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**Abstract:** This study aims to explore a particular way to improve the effectiveness of corporate advertising. In light of the contextual priming theory, this study creates a controllable advertising context by purposively placing a corporate advertisement (a prime) preceding a product advertisement (a target) of the same brand in print magazines. The hypotheses are tested among Chinese consumers. Results indicate that corporate ads yield favorable brand evaluations among consumers; however, not all socially responsible or humanitarian themes elicit equal degree of favorable brand evaluations. A high-applicability theme would generate more favorable brand evaluations than a low-applicability theme; the overall brand evaluations resulting from the low-applicability condition reveal no difference from those generated from the product-ad-only condition. In addition, this study finds that corporate advertising elicits affective priming effects, by which corporate ads trigger consumers' positive feelings and thereby influence their subsequent evaluations of product information. Overall, this study has provided a fresh perspective in advancing research in advertising effectiveness concerning the long-standing issue of linking corporate advertising to corporate performance.

**Key words:** Corporate ads, affective priming effects, applicability, ad attitude and brand evaluations

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### **INTRODUCTION**

Corporate advertising is a form of corporate communication for the purpose of promoting the corporation to the public, by creating favorable attitudes toward an entire company (Nylen, 1993). Unlike product advertising, which aims at increasing product selling, corporate advertising is used to increase awareness levels, improve attitudes toward a corporation and enhance a corporation's image or reputation (Garbett, 1981). Scholars (Shimp, 2000) and practitioners (Elliott, 1995) favor corporate advertising because it is believed to be effective in corporate branding, in which the company is carefully positioned and clearly differentiated from other similar companies (Shimp, 2000). However, there is another line of voices existing in the literature questioning the effectiveness of

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corporate advertising. The major concerns (Biehal and Sheinin, 1998; Luo and Bhattacharya, 2009; Newell and Goldsmith, 2001; Shimp, 2000) have centered on its limited impact on helping companies achieve their financial objectives or improve corporate performance. The on-going debates (Goldberg and Hartwick, 1990; Macdonald and Sharp, 2003; Rinallo and Basuroy, 2009; Schumann *et al.*, 1991) over the merits of corporate advertising have called a new line of study, addressing the questions of how to use corporate advertising effectively to help companies build brand image and more importantly, enhance corporate performance (e.g., financial outcomes).

To provide empirical insights into the new line of research, this study makes the first attempt by collaborating corporate with product advertisements (ads), aiming to explore a particular way to improve the effectiveness of corporate advertising. In light of the contextual priming theory, this study proposes that a controllable ad context can be created by purposively placing a corporate ad (a prime) preceding a product ad (a target) of the same brand. Most advertising messages to which consumers are exposed today do not appear alone; rather they are presented with other materials usually referred to as the ad context, such as articles in magazines, ads for other products and station identifications on radio or television (Yi, 1990b). The priming theory posits that prior exposure to contextual materials can prime certain product attributes and subsequently increase(s) the likelihood that consumers interpret product information in terms of these activated attributes and thereby affect consumers' evaluative judgments of brands (Yi, 1990b). Follow this line, this study explores through empirical experiments the contextual priming effects of corporate advertising on consumers' overall brand evaluations.

The purposes of the current study are twofold. First, this study aims to explore how corporate ads activate consumers' positive feelings toward the target brand, guide their interpretation of product information and thereby enhance favorable evaluations of the brand. Second, this study attempts to further the research by examining the role of applicability - the degree to which features of contextual primes and presented target stimuli overlap or fit (Shen and Chen, 2007) - in moderating the contextual priming process. Both purposes help deepen the understanding of the effectiveness of corporate advertising, because the former addresses the path of how corporate ads elicit contextual priming on consumers' brand evaluations and the latter deals with the issue of how an appropriately chosen ad theme yields more favorable consumers' brand evaluations.

In addition, this study will test the hypotheses among Chinese consumers. China is now one of the largest and fastest-growing advertisement markets in the world (Barnes *et al.*, 2009). Sparked by the 2008 Olympics and fast growing consumer power and urbanization, China has become the only country forecast to show growth in 2009, up 6.9%, before global advertising trends start to recover in 2010, with a forecast of 1% global growth (Holton, 2009). Among all types of ad spending in China, the spending on corporate ads has significantly increased during the past several years, especially in banking industry (Nielsen, 2009), sports-related merchandise (Iresearch, 2007) and mobile industry (Wangchao Net, 2009). The results of this study will make theoretical contributions to corporate advertising effectiveness. It will also provide managerial suggestions to marketers on how to use corporate ads effectively, how to select media vehicles efficiently and help them understand how Chinese consumers read corporate ads and build their brand evaluations upon these ads.

## **CONCEPTUAL FRAMEWORK AND HYPOTHESES**

Consumers often interpret the same piece of product information in several ways, varying from positive to negative. One of the most frequently used examples is the size of

a car. For example, if an ad's focal point is the large size of a car, some consumers may interpret this product information in a positive way; this brand of car is safe, because it is large. However, other consumers may have contrary interpretations of the same product information; this car is not economical, because it is large and should consume more fuel. The contradictory interpretations of the same product information have challenged both researchers (Ha and Hoch, 1989; Yi, 1990a, b) and practitioners (Sacharin, 2001) during the past several decades. Prior research (e.g., Ha and Hoch, 1989; Yi, 1990a, b) has shown that contextual priming may affect such interpretations.

The priming paradigm has been widely used to examine consumers' evaluations of ad messages and brands (Escalas and Luce, 2004; Ha and Hoch, 1989; Higgins *et al.*, 1985; Higgins and King, 1981; Meyer-Levy and Tybout, 1997; Yi, 1993). Originating from psychology, priming refers to activating parts of particular representations or associations in memory just before carrying out an action or task. It is considered to be one of the manifestations of implicit memory (Priming, 2008). Unlike direct retrieval utilizing explicit memory, priming relies on implicit memory. Research (e.g., Jacoby, 1983) has shown that the affects of priming can impact consumers' decision-making process, in which their particular interpretations of product information are determined by related concepts (or attributes) that are most accessible at the time information is processed (Srull and Wyer, 1980) and usually regardless whether people have subjective awareness (Yi, 1990b). Then how to make the related attributes accessible has become one of the most important research topics.

Prior research has shown that many social-psychological and cognitive factors determine attribute accessibility, the most prominent of which is the influence of context. According to Higgins and King (1981), prior exposure to a concept enhances the likelihood that an attribute will be retrieved from memory and thus the attribute is more likely to be used in interpreting ambiguous product information. Yi (1990b) further argues that contextual factors may make certain attributes accessible to ad recipients and guide their perceptions of product information in the ad, which will in turn influence brand evaluation. That is, assimilation effects will be generated under the priming context, in which individuals essentially assimilate, or bias, the primed contexts into their attitude (Shen and Chen, 2007). Specifically, when the ad context primes certain attributes that are favorable to the product, overall evaluations of the advertised product and the brand will be enhanced. In contrast, contrast effects might also be generated under the priming condition when the primed attributes are unfavorable or irrelevant to the advertised product (Higgins and King, 1981; Shen and Chen, 2007).

Further research (Shen and Chen, 2007; Yi, 1990a, b, 1993) has suggested that ad contexts affect individuals' ad attitude and brand evaluations (e.g., attitude toward the brand, purchase intention). For example, Yi (1993) assessed the contextual priming effects when magazine news articles were used as a prime. Findings indicate that ad context can inhibit or facilitate the effects of a particular ad on brand evaluations. The overall brand evaluations were found lower in the negative condition than those in the positive condition (Yi, 1993). Similarly, in another study, Yi (1990b) found that the contextual priming made one product attribute more accessible than another and thus guided evaluations of the advertised brand. As an extension of public relations functions (Belch and Belch, 2004), it is anticipated that compared with- to without-corporate ads condition, the former will elicit more favorable priming effects on consumers' ad attitude and brand evaluations given their social responsibility in nature. Hence, it is hypothesized that:

- **H1a:** Compared to the no-prime condition, consumers who are under the prime condition would achieve more favorable attitude toward the product advertisement

- **H1b:** Compared to the no-prime condition, consumers who are under the prime condition would achieve more favorable brand evaluations

Furthermore, research in priming effects has indicated that contextual information may not have the same impact on how consumers interpret subsequent advertising messages and evaluate brands, due to the role of applicability (Higgins, 1996; Shen and Chen, 2007). For example, an ad context focusing on the safe use of a desktop computer shows higher applicability to laptops than TV set, because computers are perceived to share more features with laptops than with TV sets. As Shen and Chen (2007) further propose, applicable context is more likely to be used by individuals in evaluating subsequently presented information than inapplicable context. Some studies (Martin, 1986; Martin and Achee, 1992; Martin *et al.*, 1990; Meyer-Levy and Sternthal, 1993) have provided explanations explicating the above linkage between the context and the target. For example, Meyer-Levy and Tybout (1997) found that contextual effects that occurred at encoding had employed procedures whereby the context stimulated activation of cognitions that were potentially relevant to the target information presented. Similarly, Shen and Chen (2007) argued that when individuals encountered a target to which the context was highly applicable, they would categorize this target as an instance of the contextual information and therefore relied on such contextual information to evaluate the target brand and vice versa.

Scholars (Higgins and Brendl, 1995; Shen and Chen, 2007) believe that higher applicability means greater potential for constructs to be activated on exposure to a stimulus and subsequently used in decision-making due to its relevance and appropriateness. Lower applicability, in contrast, is less likely to be used for subsequent evaluations of the advertised brand because of its irrelevance and inappropriateness. Informed by the contextual priming theory and the review of past studies, it is anticipated that the degree of favorable brand evaluations yielded by corporate ads will vary due to different levels of applicability. Two hypotheses are hence formulated as follows:

- **H2a:** The more a corporate ad theme (a prime) is applicable to the advertised product category in the product ad (a target), the more favorable ad attitude and brand evaluations it would elicit and visa versa
- **H2b:** Consumers who are under the low-applicability condition reveal no significant differences in ad attitude and brand evaluations, compared to those who are under the product-ad-only condition

Prior research (e.g., Lutz, 1985; Yi, 1990a) has distinguished different routes via which ad context influences consumer' processing of product information. Specifically, the cognitive context primes certain attributes of a product and determines the type of interpretation given to product information in the ad and thereby guides consumers' evaluations of the advertised brand. In the cognitive context, the process affects ad effectiveness primarily by increasing the accessibility of attributes (Yi, 1990a). In contrast, the affective context triggers emotional reactions among the audience and the overall affect generated by the context can be transferred to one's attitude toward the ad, which can subsequently influence brand evaluations (Yi, 1990a). More importantly, scholars (Lutz, 1985; Yi, 1990a) propose that affective priming of ad context significantly influenced advertising effectiveness; it is a process of affect transfer (Lutz, 1985; Hosseini *et al.*, 2007).

Corporate ads (Shimp, 2000) are either image oriented (e.g., the ads that present a company's mission, value, or vision) or issue/advocacy oriented (e.g., the ads that show a

company' positions on social issues, such as global warming). Both types of corporate ads are affect-based, that is, they are designed primarily to evoke consumers' positive feelings toward the advertising and thereby influence their evaluations of the company's image. It is anticipated that when a corporate ad is used as a prime, it will yield affective priming effects on consumers' brand evaluations. Thus, it is hypothesized that:

- **H3:** When a corporate ad is used as a prime, it would yield an indirect impact on brand evaluations, that is, it would induce positive feelings towards the prime advertisement first and thereby influences consumers' attitude toward the product advertisement and the overall brand evaluations

## **METHODS**

To eliminate subject selection bias, this study chose part-time adult students (Mean age = 28.4, average working experiences = 5.3 years) from the School of Continuing and Professional Education affiliated to Renmin University of China (Beijing, China). This age group is usually considered as more mature consumers than the regular student group (Fang and Rosen, 2000). The automobile was selected as the test product category because it was highly relevant to the subjects. Demographic data showed that almost 60% of the subjects had or used to have a car. On a seven-point differential scale measuring the familiarity of cars, over 91.3% of the subjects indicated they were familiar and very familiar (over 4 on the scale) with cars and no single respondent claimed that he/she was not familiar with cars at all.

### **Stimuli**

To eliminate any confounding influences from prior brand familiarity and brand preference, a fictitious brand named BOYUE was created for this study. The brand was presented in a single print ad. Print ads were selected for this study because print is a better vehicle than broadcast to communicate ad messages (Ash and Wee, 1983) and an easy medium for manipulating message content (Yi, 1990b). Print also facilitates more thorough information processing and demands relatively higher cognitive task (Greenwald and Leavitt, 1984; Leung, 2010; Shen and Chen, 2007). Four ads were created for this study, including two corporate ads (prime), one control ad and one product ad (target); they contained almost even amount of information and carried a similar layout.

### **Pretests**

To guide stimuli design, we conducted three pretests using a number of scaled questions. The first pretest was conducted among 15 graduate students who didn't participate in the main experiment to identify key features of the test product category and the potential positive and negative attributes (Shen and Chen, 2007; Yi, 1990a, b). The pretest results were used to form the text in the target product ad.

The second pretest was conducted in two steps to identify major corporate ad themes used in the two prime ads. First, 15 student subjects (not included in the main experiment) were asked to list 10 issues that they thought were important to China in the past two months prior to the study. Second, the subjects were asked to indicate the relatedness between each issue generated from the previous procedure and the car industry, using a seven-point scale from least related to most related. The paired-sample results indicated that environmental protection was more related to car industry than earthquake reconstruction ( $X: 6.20$  versus

2.33,  $t [1, 14] = 9.37, p < 0.001$ ). Therefore, environmental protection was selected as a highly applicable theme and earthquake reconstruction a low applicable theme for this study.

A third pretest identified a product category used in the control ad for this study, which was expected to have no contextual priming effects on the test brand. The rationale is that less relatedness between the two product categories would elicit less priming effects (Shen and Chen, 2007). Consistent with prior research (e.g., Shen and Chen, 2007), this study generated a list of product categories and asked subjects (not present in the main experiment) to indicate the relatedness of each product category to the car industry, using a seven-point scale from least related to most related. Results indicated that toothpaste was least related to cars ( $M = 2.20, SD = 0.86$ ) and therefore was chosen as a product category used in the control ad for this study.

### **Manipulations**

The study adopted a four-group design to test the hypotheses. First, this study had two experimental groups, which were subject to manipulations of applicability. Specifically, applicability was manipulated in this study by altering the level of relatedness between the corporate ad theme and the test product category. Under the high-applicability condition, the corporate ad theme was Environmental protection, energy saving, showing a strong connection to the product category; under the low-applicability condition, the corporate ad theme was Care for lives, rebuild homeland, indicating little relatedness to the test product category. Second, this study had two control groups (also called no-prime conditions). The first group (the product-ad-only condition) reviewed only the target ad during the experiment. The purpose was to compare the effects generated from the with- to without-prime condition. To imitate real-world situations, members of the second control group (the control-ad condition) reviewed an ad for another brand (toothpaste) and one target ad consecutively.

### **Procedures**

This study conducted the experiment via computers and the Internet to take advantage of better assessment and control for completion of experimental tasks (Luce *et al.*, 2003; Rust *et al.*, 1999). Each subject received an online link directing them to a file in the Shock Wave Flash (SWF, or flash files) format (thereafter the flash), which contained an introduction page, a prime or a control ad and a target ad. This study employed three techniques to design the flash to achieve better control over the manipulation and conditions: each slide in the flash lasted 20 sec to assure comprehension; the flash played automatically with the navigation bar hidden, so that subjects could not skip the slides; the flash did not contain a replay button, so that subjects could view the materials only once.

At 8 o'clock on March 3, 2009 (the test day), eighty subjects (56.3% males) were randomly assigned into four groups. They were asked to open the flash and review the introduction page, the prime or control ad and the product ad consecutively. After reviewing the first ad (either prime or control ad), the flash paused and the subjects were asked to respond to an open-ended question on the first page of a booklet, listing any feelings and thoughts they had during the ad review. The results of this procedure were used for later manipulation check. They were then asked to indicate their feelings toward this ad by answering four-item seven-point semantic differential scales ( $\alpha = 0.88$ ) anchored by good/bad, happy/unhappy, pleased/displeased and comfortable/uncomfortable. The results of this procedure were used for manipulation check and assessing whether positive feelings were triggered by corporate ads.

Subjects began to review the target ad and were then instructed to answer questions measuring their attitude toward the ad (ad attitude), attitude toward the advertised brand (brand attitude) and purchase intention on the second page of the booklet. Specifically, ad attitude was measured by four-item seven-point semantic differential scales ( $\alpha = 0.90$ ) anchored by good/bad, interesting/uninteresting, like/dislike and irritating/not irritating (Shen and Chen, 2007; Yi, 1990b). Brand attitude was assessed by three-item seven-point scales ( $\alpha = 0.80$ ) ended by good/bad, likable/dislikable and favorable/unfavorable (Kempf and Smith, 1998; Mackenzie and Lutz, 1989; Shen and Chen, 2007; Yi, 1990b). Purchase intention was measured by three-item seven-point Likert scales anchored by definitely not to definitely yes. The three items ( $\alpha = 0.92$ ) used to measure consumers' intention were: to try the advertised brand, to buy it in a store, or to actively seek its product information (Baker and Churchill, 1977; Shen and Chen, 2007). The  $\alpha$  coefficients of ad attitude, brand attitude and purchase intention indicated a high degree of internal consistency.

Adopted from Shen and Chen (2007) study, this study also assessed subjects' product knowledge and car ownership as two possible covariates in the questionnaire. Product knowledge was measured by asking subjects to indicate how much they knew about cars with a seven-point scale anchored by very little and a lot. Ownership was measured by asking subjects whether they owned or had owned a car. Finally, subjects answered demographic questions, typed their names in the booklets and submitted the booklets to a designated email box within 15 min. Subjects were then fully debriefed.

## RESULTS

### Manipulation Check

The study employed three measures to assess the manipulation of priming. The first two measures, adopted from Yi (1990b) study, were construed from the free-elicitation data to operationalize the relative accessibility of attributes: frequency of mention and the order of mention. The rationale of the frequency-of-mention measure is that accessible attributes will be more frequently mentioned by subjects (Yi, 1990b). The results of manipulation check are reported in Table 1. The frequency-of-mention measure was first examined. Under the high-applicability condition, 80% of the subjects mentioned environmental protection, whereas 85% of the subjects mentioned earthquake reconstruction under the low-applicability condition. Consistent with Yi (1990b) study, the order-of-mention was established by open-ended responses and then compared across groups. For the environmental protection theme, the mean order of mention was 2.80 in the high-applicability condition, compared to 5.90 in the low-applicability condition (Mann-Whitney  $U = 21.0$ ,  $p < 0.001$ ). The earthquake reconstruction was mentioned earlier in the low-applicability

Table 1: Manipulation checks

Variables	Experimental conditions		Control conditions	
	HA (N = 20)	LA (N = 20)	Tooth paste (N = 20)	No prime (N = 20)
Frequency of mention				
Environment protection	16	1		
Earthquake reconstruction	2	1		
Toothpaste			19	
Order of mention				
Environment protection	2.80 (.83)	5.60 (1.60)		
Earthquake reconstruction	5.90 (1.83)	3.45 (1.28)	3.70 (1.26)	
Toothpaste				
Affect	5.45 (.74)	3.14 (.57)	3.84 (.86)	NA



rather than in the high-applicability condition (X: 5.60 versus 3.45, Mann-Whitney U = 52.5,  $p < 0.001$ ). These results confirmed that priming manipulations significantly affected the frequency of mention and the order of mention.

In addition, the manipulation of priming was also assessed by subjects' affect generated from the prime ads. The affect induced by the prime was measured by averaging the responses to the four items. ANOVA results indicated significant differences in the attitude toward the prime ads among three conditions ( $F [2, 57] = 52.06, p < 0.001$ ). The mean attitude toward the high-applicability ad was 5.45, compared to 3.14 for the low-applicability ad and 3.84 for the control ad. The above results indicated that the manipulation of priming was successful.

Further, this study assessed the manipulation of the perceived applicability of the corporate ad themes in relations to the target brand. Subjects were asked to indicate their level of agreement on three-item seven-point Likert scales (Sengupta *et al.*, 1997; Shen and Chen, 2007) anchored by strongly disagree and strongly agree. Specifically, the three items ( $\alpha = 0.89$ ) were whether the corporate ad themes were relevant, appropriate and applicable to the advertised product. Results showed that the perceived applicability was significantly higher in the high-applicability condition than in the low-applicability condition (X: 5.40 versus 3.22,  $t = 14.75, p < 0.001$ ). In addition, the perceived applicability of the control ad (toothpaste) to the target brand was also checked. Results indicated that the mean perceived applicability of the control ad was 1.67, which was much less related to the target brand compared to the high-applicability corporate ad (X: 5.40 versus 1.67,  $t = 23.38, p < 0.001$ ) and the low-applicability corporate ad (X: 3.22 versus 1.67,  $t = 7.39, p < 0.001$ ). These results indicated that the manipulations of the applicability were successful. Finally, this study also checked the subjects' self-reports of their feelings and thoughts in relation to the primes. Results revealed that no subjects guessed the true purpose of the study.

### Predicted Effects

Hypothesis 1a predicted that consumers who were under the prime condition would achieve more favorable attitude toward the product ad than they were under the no-prime condition. Results of ANOVA tests (Table 2) showed significant differences in attitude toward the product ad among consumers who were under the high-, or low-applicability, or control-ad, or product-ad-only condition ( $F [1, 80] = 112.77, p < 0.001$ ). Specifically, consumers who had reviewed a highly applicable corporate ad before the product ad achieved more favorable ad attitude than those who had reviewed only product ad (X: 5.31 versus 3.03,  $t = 12.32, p < 0.001$ ). Similarly, consumers who had watched a low applicable corporate before the product ad also obtained more favorable ad attitude than those who had watched only product ad (X: 3.68 versus 3.03,  $t = 3.696, p = 0.001$ ). In contrast, consumers who had reviewed the toothpaste ad (control ad) before the product ad displayed the lowest scores in ad attitude (Mean = 2.50, SD = 0.281). The above results suggest that overall the prime condition tends to yield more favorable ad attitude than the no-prime condition. Thus, H1a was supported.

Table 2: Cell means for major variables by conditions

Variables	Experimental conditions			Control conditions		
	HA (N = 20)	LA (N = 20)	Total (N = 40)	Toothpaste (N = 20)	No prime (N = 20)	Total (N = 40)
Ad Attitude	5.31 (.60)	3.68 (.54)	4.49 (1.00)	2.50 (.28)	3.03 (.57)	3.76 (.52)
Brand Attitude	5.10 (.49)	3.53 (.48)	4.32 (.93)	2.87 (.41)	3.27 (.43)	3.07 (.46)
Purchase Intention	4.73 (.41)	3.42 (.74)	4.08 (.89)	2.40 (.59)	3.32 (.50)	2.86 (.72)

H1b anticipated that consumers who were under the prime condition would achieve more favorable brand evaluations than they were under the no-prime condition. Results of ANOVA tests (Table 2) revealed significant differences in brand attitude ( $F [1, 80] = 92.81, p < 0.001$ ) and purchase intention ( $F [1, 80] = 55.56, p < 0.001$ ) among consumers under the high-, or low-applicability, or control-ad, or product-ad-only condition. However, further analyses showed a mixed bag. Specifically, consumers who were under the high-applicability condition achieved more favorable brand attitude ( $X: 5.10$  versus  $3.27, t = 12.51, p < 0.001$ ) and purchase intention ( $X: 4.73$  versus  $3.32, t = 9.75, p < 0.001$ ) than those who were under the product-ad-only condition; however, consumers who were under the low-applicability condition revealed no differences in either brand evaluation ( $X: 3.53$  versus  $3.27, t = 1.86, p = 0.07$ ) or purchase intention ( $X: 3.42$  versus  $3.32, t = 0.50, p = 0.62$ ) compare to those who were under the product-ad-only condition. In contrast, consumers who were under the control-ad condition appeared to have least favorable brand attitude (Mean = 2.87, SD = 0.410) and purchase intention (Mean = 2.40, SD = 0.598) among all four conditions. Hence, H1b was partially supported.

Hypothesis 2a hypothesized that high-applicability theme elicited more favorable ad attitude and brand evaluations than low-applicability theme. Descriptive statistics are also reported in Table 2. The results of ANOVA analysis indicated significant main effects of applicability on ad attitude and brand evaluations ( $F [3, 76] = 210.54, p < 0.001$ ). High-applicability corporate ads yielded more favorable ad attitude ( $X: 5.31$  versus  $3.68, F [1, 39] = 82.36, p < 0.001$ ), brand attitude ( $X: 5.10$  versus  $3.53, F [1, 39] = 103.63, p < 0.001$ ) and purchase intention ( $X: 4.73$  versus  $3.42, F [1, 39] = 48.22, p < 0.001$ ) than low-applicability corporate ads. Hence, hypotheses 2a was supported.

Hypothesis 2b proposed that individuals' ad attitude and brand evaluations would not differ significantly when they were under the low-applicability versus product-ad-only condition. To test this hypothesis, the study ran a homogeneity test of variance and the post hoc tests, comparing four different conditions, however, with a special focus on low-applicability versus product-ad-only condition. Results indicated that ad attitude was significantly different and brand evaluations were not under the low-applicability versus product-ad-only condition, which partially supported H2b. Specifically, results of the homogeneity test of variance showed that all four groups of subjects had significant differences in ad attitude (Levene  $[3, 76] = 4.19, p < 0.05$ ). Further post-hoc Tamhane's T2 results indicated that the ad attitude resulting from the low-applicability condition differed significantly from that of the product-ad-only condition ( $X = 0.65, p = 0.004$ ).

Furthermore, results of the homogeneity test of variance revealed that all four groups of subjects had significant differences in brand attitude (Levene  $[3, 76] = 0.22, p = 0.88$ ). However, further post-hoc LSD test indicated that the brand attitude under the low-applicability condition was not significantly different from that under the product-ad-only condition ( $X = 0.27, p = 0.067$ ). Similar results were also found in purchase intention. The homogeneity test of variance showed significant differences among four groups of subjects (Levene  $[3, 76] = 4.57, p = .005$ ). However, further post-hoc Tamhane's T2 test revealed no significant differences between the low-applicability and product-ad-only conditions ( $X = 0.10, p = 0.99$ ).

Hypothesis 3 anticipated that corporate ads yielded affective priming effects on consumers' ad attitude and brand evaluations. This study conducted two-step analyses to test H3. First, this study examined whether corporate ads triggered positive feelings among consumers. Results of ANOVA analysis showed significant differences in feelings toward the first ad (either prime or control ad) among consumers who were under the high-, or

Table 3: Results of regression analyses

Variable ordering	Sources of variation	Univariate		Step-Down	
		F	p	F	p
1. Aad	Applicability	359.58	0.000		
2. Ab	Aad*			15.96	0.000
	Applicability	240.26	0.000		
3. PI	Aad*			0.71	0.41
	Ab*			6.22	0.02
	Applicability	80.93	0.000	0.011	0.92

Aad: Attitude toward the ad; Ab: Attitude toward the brand; PI: Purchase intention. \*The step-down F tests are based on ANOVA with these preceding variables as covariates

low-applicability, or control-ad condition ( $F [1, 60] = 52.06, df = 2, p < 0.001$ ). Specifically, both high- ( $M = 5.45, SD = 0.742$ ) and low-applicability corporate ads ( $M = 3.84, SD = 0.863$ ) yielded more positive feelings among consumers than the control ad ( $M = 3.14, SD = 0.571$ ). Second, this study conducted regression analysis to examine the sequential relations among the original set of dependent variables under the priming context. Table 3 summarizes the regression results. Specifically, the corporate ad was found to have a significantly direct impact on ad attitude ( $F [1, 80] = 359.58, p < 0.001$ ), but non-significant influences on brand attitude ( $F [1, 80] = 3.45, p = 0.071$ ) and purchase intention ( $F [1, 80] = 0.011, p = 0.92$ ). However, the induced ad attitude from the corporate ad led to a significantly direct impact on brand attitude ( $F [1, 80] = 15.96, p < 0.001$ ) and thereby enhanced purchase intention ( $F [1, 80] = 6.22, p < 0.05$ ). Findings suggested that corporate ads yielded affective priming effects, which were consistent with prior research (Lutz, 1985; Yi, 1990a). Hence, hypothesis 3 was supported.

Additional ANOVAs run on the dependent variables with product knowledge and product ownership as covariates indicated that product ownership did not reach significance ( $p > 0.10$ ), but product knowledge attained minor significance ( $p = 0.07$ ).

## CONCLUSION AND DISCUSSION

### Theoretical Contributions

This study has provided several theoretical contributions to the realm of corporate advertising effectiveness. First, this study makes the first attempt to collaborate corporate with product ads in a way to enhance the effectiveness of corporate advertising. Specifically, this study creates a controllable ad context by purposively placing a corporate ad preceding a product ad of the same brand to ensure consumers' comprehension of the product information. In light of the contextual priming theory, the corporate ad serves as a trigger in the priming process. By focusing on social issues (e.g., environment, earthquake), these corporate ads triggers positive emotions among consumers and the overall affect generated by the context is transferred to one's attitude toward the advertisements and thereby enhances the overall favorable brand evaluations. Compared to previous research in priming (Poncin and Derbaix, 2009; Schmitt, 1994; Shen and Chen, 2007; Wyer, 2004; Yi, 1990a, b) with a focus on uncontrollable ad contexts such as news articles or ads for another brand, this study has provided a fresh perspective in advancing research in advertising effectiveness concerning the long-standing issue of linking corporate advertising to corporate performance (e.g., possible financial outcomes inferred from consumers' favorable brand attitude and purchase intention).

Second, this study has confirmed the moderating role of applicability in contextual priming. When a corporate ad theme is more tied to the advertised product category, it would

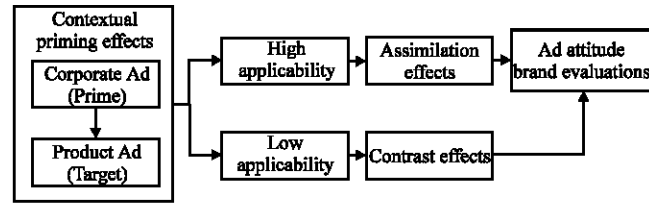


Fig. 1: Theoretical model

increase the likelihood that the feelings induced by the priming theme would subsequently be used to interpret the ad information and thus enhance overall brand evaluations. In contrast, when a corporate ad theme is less related to the advertised product category, though it is also a socially responsible or humanitarian theme, the overall brand evaluations become much lowered, because when the contextual materials are not applicable to the advertised product, brand evaluations might shift away from the implications associated with the context, leading to less advertising effectiveness. As indicated by Fig. 1, this study finds that assimilation effects would be yielded under the high-applicability condition, whereas contrast effects yielded under the low-applicability condition. Such findings support the existing theory in assimilation versus contrast effects (e.g., Herr *et al.*, 1983; Levin, 2002; Schwarz and Bless, 2007) and meanwhile, this study advances the theory by proposing that the fit between the prime and the target moderates the assimilation versus contrast process.

Third, this study has provided empirical support to the existing theoretical framework in that the ad context can elicit either cognitive or affective priming and proposed that corporate ads yield affective priming effects when using as an ad context. Informed by this study, in the affective priming process, positive feelings instead of certain attributes are primed, which yield a direct impact on consumers' ad attitude, however, an indirect effect on brand attitude and purchase intention. These results are consistent with prior findings (Stone *et al.*, 2000; Yi, 1990a) that feelings and moods induced by the ad context affect advertising effectiveness. This study further suggests that corporate ads are appropriate to be used to heighten positive feelings and moods.

### Managerial Implications

This study has provided managerial implications for marketers who are challenged with advertising effectiveness and media planning. First, marketers have long been bothered with two issues: how to use corporate ads effectively and how to control advertising context to ensure a favorable interpretation of the advertised product information. In light of the findings of this study, marketers are suggested to solve the above questions by collaborating a corporate with a product ad of the same brand. Specifically, marketers may buy consecutively two pages (advertising spaces) in a magazine, for the first page displaying a corporate ad and the second a product ad. Informed from the current study, corporate ads would trigger consumers' positive emotions and thereby enhances their interpretation of the product information advertised in the following product ad.

Second, this study finds that not all socially responsible or humanitarian ad themes would bring equal degree of favorable brand evaluations among consumers. Marketers are then suggested to strategically choose the corporate ad themes that are more relevant to the advertised product category (e.g., environment versus automobile) to ensure more favorable ad attitude and brand evaluations. As explored in the study, the overall brand evaluations generated from the low-applicability condition do not significantly differ from those generated from the product-ad-only condition. This finding suggests that spending on a

corporate ad with a less relevant theme (e.g., earthquake versus automobile) is simply a waste of money for marketers.

### **LIMITATIONS AND SUGGESTIONS FOR FUTURE STUDIES**

This study has several limitations. First, this study tests the contextual priming effects in a lab setting; the results may not be generalized across other conditions. Future research should replicate real-world situations in which subjects may review ads embedded in a real magazine or a newspaper at a regular reading pace. In addition, future research should examine consumers of different demographic groups and different media channels to further test the hypotheses. Second, this study examines prior knowledge as a covariate and finds a minor impact of prior knowledge on the priming process; however, it fails to make further and detailed exploration of how prior knowledge works in the process. Future research should apply a multi-item scale to measure prior knowledge, categorize it into the high, medium, or low groups and examine its moderating role in the priming process and its interaction effects with applicability on contextual priming.

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