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# Functional and experiential routes to persuasion: An analysis of advertising in emerging versus developed markets

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ABSTRACT

Should advertising be approached differently in emerging than in developed markets? Using data from 256 television commercial tests conducted by a multinational fast-moving consumer goods (FMCGs) company in 23 countries, we consider two routes of persuasion: a functional route, which emphasizes the features and benefits of a product, and an experiential route, which evokes sensations, feelings, and imaginations. Whereas in developed markets the experiential route mostly drives persuasion, the functional route is a relatively more important driver in emerging markets. In addition, we find a differential impact of local/global and traditional/modern. This finding does not hold for individualistic versus collectivistic ad appeals between emerging and developed markets. We discuss implications of our finding for advertising in emerging markets and for the development of a global consumer culture.



## 1. Introduction

The advertising industry in emerging markets (EMs) is of increasing importance. After the global recession that followed the late-2000s financial crisis, global advertising spending has been on the increase again, but this increase largely stems from the emerging countries in the Asia Pacific, Middle East/Africa, and Latin America regions rather than in the developed markets (DMs) in Europe, the U.S., Australia and Japan. According to a 2011 Nielsen's report (www.nielsen.com), EMs will continue to lead global ad spending for many years to come, with fast-moving consumer goods (FMCGs) representing the category with the highest expected rate of growth.

Prior research has enriched our understanding of how consumers process and respond to advertisements. However, this research has been conducted almost exclusively in high income, industrialized nations (Burgess & Steenkamp, 2006). There may be important differences in ad processing between DMs and EMs, for example, in the way consumers perceive advertising messages and advertising appeals. Consider an FMCGs company that sells a shampoo, razor, or cleaning product. In EMs, contextual factors affecting the brand (e.g., water availability and purity, bathroom facilities in households, as well as the retail and local selling environment) may be quite different from those in DMs. These factors may affect how consumers perceive the advertisements for these brands—for example, the functional benefits communicated in the ads, the sensory and emotional components, or the various image appeals in the ads.

In this research, we empirically investigate whether consumers in EMs process ads differently than consumers in DMs. We focus specifically on the relative effects of functional and experiential routes of ad persuasion. In addition, we investigate the effects of socio-cultural ad appeals on ad processing in EMs and DMs, including perceived referential appeals (local versus global), innovativeness appeals (modern versus traditional), and group-related cultural appeals (individualistic versus collectivistic).

## 2. Conceptual framework and hypothesis development

### 2.1. Functional and experiential approaches in advertising

At a broad level, marketing researchers (e.g., Vakratsas & Ambler, 1999) have created an information processing framework of the ad persuasion process in which the advertising message (i.e., the input of the process) generates an internal consumer response, which, in turn, affects consumer behavior (i.e., the output). According to some models

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(e.g., Barry & Howard, 1990), advertising results in, and should be measured in, specific behaviors (product purchase, trial, and adoption), while other models suggest measuring ad impact in terms of attitude formation and change (Copper & Croyle, 1984; Olson & Zanna, 1993; Petty & Wegener, 1997; Tesser & Shaffer, 1990).

A large body of research has concentrated on the link between the type of ad message and the internal response. Broadly speaking, an advertising message can be described in terms of its functional-rational or emotional-experiential components (Heath, 2011). The two types of messages have been referred to in various ways in the advertising literature, such as "informational" versus "transformational" (Rossiter & Percy, 1987), "utilitarian" versus "value-expressive" (Johar & Sirgy, 1991), "hard-sell" versus "soft-sell" (Okazaki, Mueller, & Taylor, 2010), and "central" versus "peripheral" messages (Petty & Cacioppo, 1986). In this paper, we will use the terms "functional" and "experiential." The functional aspects of an ad include the utilitarian references to product features (e.g., attributes, applications, and performance) as well as the benefits and value generated from these features, resulting in a cognitive consumer response (e.g., evaluation) (Abernethy & Franke, 1996). In contrast, the experiential aspects of an ad evoke sensations, feelings, emotions, imaginations, and lifestyles, thus resulting in an affective response (e.g., liking) (Brakus, Schmitt, & Zarantonello, 2009; Holbrook & Hirschman, 1982; Schmitt, 1999).

It should be noted that almost all ads (and certainly the ones used in our empirical studies) include, to some degree, both functional and experiential components. Moreover, the two approaches (targeting cognitions with the functional ad component and targeting affect with the experiential component) may be viewed as two different routes of persuasion (Petty & Cacioppo, 1986). As routes of persuasion, they are not mutually exclusive: advertising communications can adopt either one of the two approaches, or both; in the latter case, cognitive and affective responses are activated simultaneously (De Pelsmacker, Geuens, & Van den Bergh, 2007). Finally, the two internal consumer responses (cognitive and affective) may be related: a positive, cognitive evaluation may, in itself, trigger affect; conversely, an affective response or feeling may trigger a reflective cognitive response to explain its source or justify why the feeling occurred (Chaiken, 1980; Forgas, 1995; Petty & Cacioppo, 1986).

### 2.2. Ad processing differences across markets

Turning to the central question of this research, do we expect any differences in the effectiveness of functional and experiential routes to persuasion between DMs and EMs? To answer this question, it must be addressed in the context of the broader changes occurring in DMs and EMs.

In his influential work, Inglehart (1977, 1990) showed that economic development and value change are co-existing effects. That is, the process of economic and technological development triggers changes in individuals' basic values and beliefs (Inglehart & Welzel, 2005). Prior sociological research has shown that early market capitalism resulted in what sociologist Max Weber called the "disenchantment of the world," stressing rationality and functional utility (Weber, 1978). Following Weber (1978), Inglehart (1977, 1990) argued that industrialization leads to a shift from traditional to secular-rational values. In advertising, rationality and functional utility is reflected in a predominance of cognitive responses that reflect product application, product performance, and benefits that provide functional value. However, later forms of capitalism (or "post-industrialization") result in a postmodern society and "re-enchantment" and a shift toward post-materialist, emotional values (Firat & Venkatesh, 1995; Inglehart, 1977, 1990; Jenkins, 2000; Ritzer, 2005), where hedonic, emotional, and imaginative ads become more important. In other words, as markets mature, consumers take functional features for granted, that is, they know when a product works and are less impressed by the functional attributes displayed in the ads. Thus, they focus on deriving a positive affect from the experiential ad components and become subject to an experiential route of persuasion (Pine & Gilmore, 1999). Indeed, in DMs, where practically all prior ad research has been conducted, a shift from the functional toward the more experiential communications has been reported over the years (Schmitt, 1999; Schmitt, Rogers, & Vrotsos, 2003).

However, what about the consumers in EMs? We propose that consumers still primarily respond to functionality because these markets are in earlier stages of capitalism and market development. During the early stages of market development, consumers are more concerned about fulfilling basic rather than high-order needs. Basic needs closely relate to the functional aspects of products, whereas higher-order needs can be fulfilled via the sensory and emotional aspects of products (e.g., aesthetics and self-expression). Finally, consumers in EMs often lack participation in a global consumer market place and are thus less experienced; they are still learning about products and brand differentiation. In sum, we would expect that consumers in EMs are most persuaded by functional advertising communications and engage in cognitive processing, which is subject to a functional route to persuasion. Accordingly, our overall hypothesis can be stated as follows:

> *In DMs, the experiential route (with experiential messages influencing affect) best describes the advertising process of persuasion. However, in EMs, the functional route (with functional messages influencing cognition) best describes the process of persuasion.*

Thus far, we have discussed the relation between functional and experiential aspects of an ad on cognition and affect. However, it is not only ad components per se (functional versus experiential) that influence cognitive and affective ad processing. In addition, ads contain, in their execution styles, certain socio-cultural appeals that are also likely to affect ad processing as well. These socio-cultural ad appeals, being tied to different social and cultural contexts, may result in differential effects between DMs and EMs. Prior social and cultural research has identified several key socio-cultural constructs that have been shown to affect a broad range of consumer behavior. These constructs include a perceived *reference dimension* (local versus global culture) (Ritzer, 1993), an *innovativeness dimension* (modern versus traditional culture) (Inglehart, 1997), and, most importantly, a *group-related dimension* (individualism versus collectivism) (Hofstede, 1980). We next offer some tentative predictions regarding the effects of socio-cultural ad appeals on affect and cognition in general, and how such effects may vary across DMs and EMs.

### 2.3. Socio-cultural ad appeals and their effect across markets

Based on prior conceptualizations of socio-cultural appeals and on prior research, we expect that ads that appear to connect to a global community rather than a particular culture, ads that appear to be modern in their appeals rather than traditional, and ads that are individualistic rather than collectivistic will result in increased or decreased cognitive and/or affective processing. Most importantly, we expect that these socio-cultural appeals affect cognition and affect DMs and EMs differently.

Regarding the global versus local reference dimension, as part of his work on economic development and cultural change, Norris and Inglehart (2009) recently stressed the role of communications, arguing that in the 21st century, cultural change is driven by information that transcends local communities and national borders and can be characterized as cosmopolitan and global in nature. Global communications represent a global consumer culture that includes symbols and messages that are universally understood by a global community (Ritzer, 1993; Watson, 1997). Advertising contributes to the global consumer culture through what Alden, Steenkamp, and Batra (1999) have called "global consumer culture positioning" (GCCP) in contrast to "local consumer culture positioning" (LCCP) (see also Ford, Mueller, &

Taylor, 2011; Zhou & Belk, 2004). GCCP and LCCP are expressed in ads through *global versus local appeals*, respectively—that is, whether the reference point of the ad is the global consumer culture or whether the ad uses as a reference point a particular local culture or place, as well as local language, aesthetics, and story themes. We expect that greater global appeal can lead to more cognitive as well as affective processing of ads. Globally positioned brands exhibit a special credibility and authority (Kapferer, 1992). Additionally, the perceived degree of being global in a brand, through perceptions of superior quality, can exert positive effects on purchase likelihood (Steenkamp, Batra, & Alden, 2003). In addition to these cognitive effects, greater global appeal can also evoke positive affect, including feelings of pride and excitement, and a self-relevant global self-identity and global belonging (Holt, Quelch, & Taylor, 2004).

In addition to local versus global appeal, another key socio-cultural ad dimension is *traditional versus modern appeal* (Mueller, 1987). This dimension refers to the perceived innovativeness of a communication (Kunz, Schmitt, & Meyer, 2010). That is, does the ad follow ideas that have existed for a long time, or is it using new ideas and ways of thinking? Traditional ad appeals use themes that look back to the past: they are classic, historical, antique, legendary, time-honored, long standing, venerable, and/or nostalgic (Pollay, 1983). Modern ad appeals, on the other hand, look into the future and include themes that are contemporary, modern, new, improved, progressive, advanced, introducing, and/or announcing (Pollay, 1983). As more modern appeals are associated with "hard-sell" advertising and westernized culture (Chiou, 2002; Lin, 2001; Mueller, 1987), they should impact cognition. However, images of modernity are often multi-sensory, vibrant, and exciting, and thus should also impact affect. Thus, modern appeals should also generate a stronger affective response than traditional appeals.

Finally, ads use *individualistic versus collectivistic ad appeal* (Zhang, 2010). Dating back to the seminal work by Hofstede (1980), individualism versus collectivism refers to the degree to which individuals are integrated into groups. In individualist societies, the ties between people are loose and are motivated by individual goals. In collectivist societies, people are integrated into strong, cohesive in-groups and motivated by group goals. Ads with individualistic appeal refer to individual aspirations and goal achievement. Ads with collectivist appeals are culturally grounded; thus, they present the social contexts of family, neighborhoods, and friends. Because these ads refer to individual plans and goal-achievement, the more individualistic the ad appeal, the stronger the impact on cognition is. In contrast, the impact on affect should be the opposite, and accordingly, more collectivist ad appeals (displaying groups, friends, children and family) should positively impact affect.

Will there be any differences in the impact of these socio-cultural ad appeals on cognition and affect between DMs and EMs? Given the lack of specific prior research, we must theorize to address this question; therefore, our predictions must be tentative. We propose that there will be differences on all three ad appeal dimensions. Specifically, in DMs, a more global, modern, and individualistic ad appeal should impact affective responses rather than cognitive responses. This is because consumers are used to such messages and to global and modern products for individual use. Therefore, as consumers are unlikely to derive new functional benefits from the products, the consumers are looking for experiences and may enjoy the global, modern, and individualist ad appeal and execution, which is relevant to their life in developed societies and which, as a result, make the brand attractive. In contrast, in EMs, we expect global, modern, and individualistic ad appeals to impact cognition. A global and modern life and lifestyle with individualistic opportunities is what consumers in EMs are striving for, seeking a "passport to global citizenship" (Strizhakova, Coulter, & Price, 2008). Therefore, they will find such messages cognitively appealing in that they provide understanding, credibility, and relevance for the transnational modern-society as well as an individualistic lifestyle, to which they aspire and which are portrayed in these ads.

*In DMs, socio-cultural appeals that are global, modern, and individualistic are more likely to influence affect, while in EMs, these socio-cultural appeals are more likely to influence cognition.*

**Table 1**
Number of ad tests per country.

| Emerging countries | Number of ad tests | Developed countries | Number of ad tests |
|---|---|---|---|
| Argentina | 9 | Australia | 3 |
| Brazil | 3 | France | 27 |
| Chile | 4 | Germany | 2 |
| China | 14 | Italy | 21 |
| India | 46 | Netherlands | 12 |
| Indonesia | 5 | UK | 26 |
| Mexico | 3 | *Total # of ad tests* | 91 |
| Morocco | 1 | | |
| Pakistan | 2 | | |
| Philippines | 2 | | |
| Poland | 11 | | |
| Russia | 22 | | |
| Saudi Arabia | 1 | | |
| South Africa | 8 | | |
| Thailand | 19 | | |
| Turkey | 13 | | |
| Vietnam | 2 | | |
| *Total # of ad tests* | 165 | | |

## 3. Data

Our study uses a set of 256 television commercials that were tested by our sponsoring multinational FMCGs corporation in 23 countries, including 17 emerging and 6 developed markets. In total, there are 165 commercials tested in emerging countries and 91 in developed countries. See Table 1.

### 3.1. Country description

Our classification of countries into EMs and DMs is based on two dimensions: the Human Development Index (HDI) (UNDP, 2010) and Inglehart's (1997) materialist–postmaterialist values priorities. The HDI is a composite score that measures a country's well-being. Worldwide, the scores, computed based on life expectancy, knowledge and education, and standard of living measures, vary between zero (low HD) and one (high HD) (UNDP, 2010). The HDI scores for the 23 countries (obtained from www.hdr.undp.org/en/media/HDR_2010_EN_Tables_rev.xls.) are reported in Table 2 (last column).

The materialist–postmaterialist values are measured by Inglehart's (1997, p. 108) 12-item index. For our analysis, we use data collected in the most recent wave 5 (2005 to 2007) of the World Values Survey (WVS; available from http://www.worldvaluessurvey.org/).[4] For each country, the WVS data report the percentage of respondents that fall within each of six materialist–postmaterialist categories (where zero indicates purely materialist and five purely postmaterialist). Table 2 (columns 2 to 7) reports such data for 20 countries in our study. There were no data collected for Pakistan, Philippines, and Saudi Arabia.

[4] The survey consists of representative samples from each country population aged 18 and older, with sample sizes between 902 in Argentina and 2,785 in South Africa. For measuring value priorities, the survey presents respondents with a list of 12 societal goals (e.g., survival and self-expressive goals) and asks them to choose their most and second-most important ones. This procedure delivers, for each respondent, six separate classifications as either purely materialist (scored 0), mixed (1–4), or purely post-materialist (scored 5). See Inglehart (1997, Chapter 4) for more details.

**Table 2**
Country description.

| Country | Inglehart's materialist–postmaterialist categories[a] | | | | | | Postmaterialist Factor score | 2010 HDI index[b] |
|---|---|---|---|---|---|---|---|---|
| | Materialist | 1 | 2 | 3 | 4 | Postmaterialist | | |
| Argentina | 0.104[c] | 0.24 | 0.30 | 0.23 | 0.11 | 0.03 | 0.03[d] | 0.78 |
| Australia | 0.06 | 0.21 | 0.30 | 0.23 | 0.15 | 0.06 | 0.68 | 0.94 |
| Brazil | 0.09 | 0.23 | 0.35 | 0.25 | 0.07 | 0.02 | −0.23 | 0.70 |
| Chile | 0.07 | 0.17 | 0.32 | 0.28 | 0.13 | 0.03 | 0.57 | 0.78 |
| China | 0.28 | 0.33 | 0.26 | 0.10 | 0.03 | 0.01 | −1.37 | 0.66 |
| France | 0.05 | 0.14 | 0.28 | 0.28 | 0.18 | 0.08 | 1.59 | 0.87 |
| Germany | 0.03 | 0.13 | 0.26 | 0.37 | 0.19 | 0.04 | 1.57 | 0.88 |
| India | 0.11 | 0.28 | 0.34 | 0.21 | 0.05 | 0.01 | −0.76 | 0.52 |
| Indonesia | 0.16 | 0.27 | 0.36 | 0.18 | 0.03 | 0.01 | −1.00 | 0.60 |
| Italy | 0.06 | 0.17 | 0.29 | 0.29 | 0.13 | 0.06 | 1.11 | 0.85 |
| Mexico | 0.05 | 0.18 | 0.33 | 0.29 | 0.13 | 0.03 | 0.51 | 0.75 |
| Morocco | 0.28 | 0.22 | 0.24 | 0.20 | 0.05 | 0.01 | −0.35 | 0.57 |
| Netherlands | 0.03 | 0.14 | 0.30 | 0.33 | 0.15 | 0.05 | 1.33 | 0.89 |
| Pakistan | . | . | . | . | . | . | −1.10 | 0.49 |
| Philippines | . | . | . | . | . | . | −0.77 | 0.64 |
| Poland | 0.06 | 0.23 | 0.41 | 0.25 | 0.05 | 0.01 | −0.59 | 0.79 |
| Russia | 0.27 | 0.34 | 0.27 | 0.11 | 0.01 | 0.00 | −1.55 | 0.72 |
| Saudi Arabia | . | . | . | . | . | . | 0.32 | 0.75 |
| South Africa | 0.11 | 0.30 | 0.36 | 0.20 | 0.04 | 0.00 | −1.03 | 0.60 |
| Thailand | 0.06 | 0.18 | 0.47 | 0.26 | 0.03 | 0.00 | −0.57 | 0.65 |
| Turkey | 0.12 | 0.23 | 0.33 | 0.20 | 0.09 | 0.03 | −0.16 | 0.68 |
| United Kingdom | 0.03 | 0.15 | 0.31 | 0.34 | 0.14 | 0.05 | 1.14 | 0.85 |
| Vietnam | 0.10 | 0.26 | 0.40 | 0.21 | 0.04 | 0.00 | −0.93 | 0.57 |

[a] Source: World Values Survey (http://www.worldvaluessurvey.org/).
[b] Source: United Nations Development Programme (www.hdr.undp.org/en/media/HDR_2010_EN_Tables_rev.xls).
[c] To be read: 10.4% of the sample from Argentina are classified as materialist.
[d] Factor score obtained from a factor analysis of the Inglehart's data in columns 2-7.

To index the countries on materialist–postmaterialist values, we factor-analyze the WVS data in Table 2 and obtain a single factor that explains 70.5% of variance (the second factor has an eigenvalue of 1.12 and was dropped to keep the solution parsimonious). To impute the missing values, we regress the country factor scores against the country's 2006 GDP per Capita and Life Expectancy at Birth and use the resulting equation to predict the scores for Pakistan, Philippines, and Saudi Arabia.[5] Table 2 (column 8) reports the factor scores for the 23 countries.

Fig. 1 maps the 23 countries on the HDI and materialist–postmaterialist dimensions. Using hierarchical cluster analysis (Ward's method in SPSS), we obtain three groups of countries based on their proximity in the figure and based on a scree plot of the percentage of variance explained by the clusters. The first cluster (located in the upper right of the figure) is composed of postmaterialist, developed societies, including Australia, France, Germany, Italy, Netherlands, and the UK (average HDI = 0.880, average postmaterialist score = 1.24). The second cluster (located in the lower left of the figure is materialist) is composed of the less developed EMs, including China, India, Indonesia, Morocco, Pakistan, Philippines, Russia, South Africa, Thailand, and Vietnam (average HDI = 0.602, average postmaterialist score = −0.94). The third cluster (located in the middle of the figure) is made up of mixed-type EMs and may be interpreted as *transitional* economies. Thus, the cluster includes Argentina, Brazil, Chile, Mexico, Poland, Saudi Arabia, and Turkey (average HDI = 0.747, average postmaterialist score = 0.06). Because of the low number of observations in the third cluster (N = 45 ads), we pool the countries in clusters two and three into a single cluster of EMs. In the following, we will refer to the countries in the first cluster as DMs and those in the combined cluster as EMs.

### 3.2. Data description of TV commercials

The commercials are for five global brands of household cleaners offered by a major multinational company. All commercials were tested by a leading research institute between January 2007 and August 2010. Approximately one-third of these commercials were aired on television based on their ad test performance. The commercials present a high degree of similarity across brands, because they advertise brands that belong to the same product category (household cleaners), as well

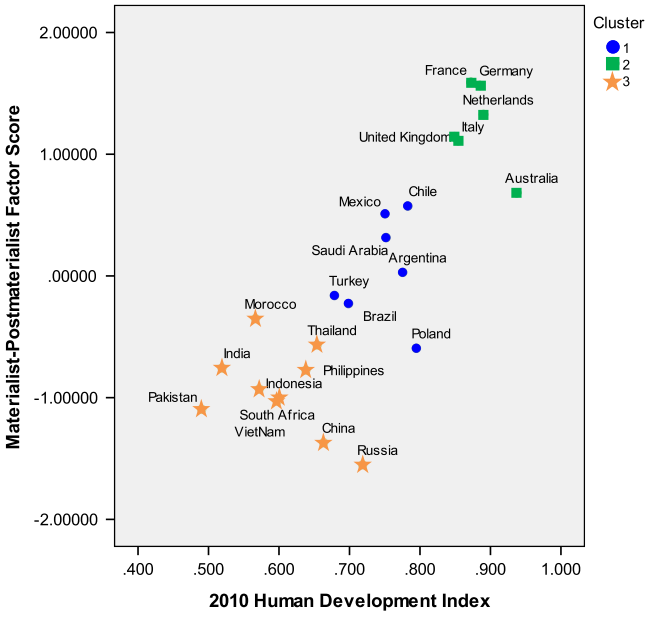


**Fig. 1.** Countries classification.

[5] We use the 2006 GDP and life expectancy data because most of the WVS data are collected in 2006. The estimated equation is factor score = −4.05 + 0.055GDP per capita (in $1,000) + 0.043 life expectancy at birth (in years). All the coefficients are significant at $p<0.05$ and R-square is 0.791.

as across markets, because each of the brands advertised has global positioning.

Our unit of analysis is the commercial. Each commercial is measured on two sets of variables. The first set contains aggregate consumer response data measuring consumers' cognitive, affective, and conative responses to the commercial and is provided by the research institute. The second set contains experts' judgments of the commercials on various functional, experiential, and socio-cultural dimensions. We now discuss the details of each set of variables.

### 3.2.1. Consumer response data

This dataset includes the aggregate results of 256 ad tests. Each test is conducted using a sample of 150 consumers who are representative of the country where the test is conducted in terms of gender, age, and socio-economic profile. Thus, the combined dataset represents a worldwide sample of more than thirty-eight thousand consumers. All data are indexed against country norms, where a score of 100 on any particular ad response measure indicates average performance in the country. A score greater (lower) than 100 indicates above (below) average performance in the country. The advantage of such data normalization is that the data from different countries are comparable and there is no "country fixed-effect."

Consumer responses to advertising were assessed through various measures related to cognitive, affective, and conative responses to advertising. Although not derived from specific academic literature, these measures represent the result of years of practice in the field and have been used repeatedly worldwide. Cognitive response (labeled as "COG") is measured by five items: 1) ease of understanding the ad (which we label as "Understanding"); 2) credibility of the ad ("Credibility"); 3) relevance of the ad ("Relevance"); 4) degree of differentiation of the ad from others ("Differentiation"); and 5) linkage between the ad and the brand advertised ("Brand identification"). The five measures have high internal consistency, with Cronbach's alpha equal to 0.89. Affective response (labeled as "AFF") is measured by two items: 1) enjoyment of the ad ("Enjoyment") and 2) the attractiveness of the brand in the ad ("Brand attractiveness"). These two measures are internally consistent (Cronbach's alpha = 0.86).

We use exploratory and confirmatory factor analyses to assess the discriminant validities of the cognitive and affective constructs. The results show that a two-factor solution (with varimax rotation) explains 74% of the variance in the data (41% is captured by the cognitive factor and the remaining 33% is captured by the affective factor). Similarly, a two-factor confirmatory factor analysis (CFA) on the cognition and affect indicators resulted in a significantly superior fit than a single-factor CFA model of all response measures ($\Delta\chi^2 = 110.95$; $p<0.001$). All loadings from the two-factor CFA model are significant and large ($p<0.001$) with Bentler's comparative fit index (CFI) equal to 0.905 and standardized root mean square residual (SRMR) equal to 0.05. Both fit values are reasonable based on Hu and Bentler's (1999) cutoff criteria: SRMR is lower than the cutoff value of 0.08, and CFI is close to the cutoff value of 0.95. Table 3 reports the standardized results of the CFA analysis.

Finally, conative or behavioral response is measured by the ability of the ad to persuade consumers to buy the product advertised (purchase intention). We label this variable "PI." The Appendix lists the set of questions asked by the research institute to measure consumer responses to the commercial.

**Table 3**
Standardized results of CFA analysis[a].

| Indicator | Factor loadings | | Error variances |
|---|---|---|---|
| | Affect | Cognition | |
| Enjoyment | 0.95 | 0 | 0.10 |
| Attractiveness | 0.80 | 0 | 0.35 |
| Relevance | 0 | 0.78 | 0.39 |
| Brand identification | 0 | 0.65 | 0.57 |
| Differentiation | 0 | 0.89 | 0.21 |
| Understanding | 0 | 0.62 | 0.61 |
| Credibility | 0 | 0.90 | 0.19 |
| Factor variance | 1.00 | 1.00 | |
| Factor correlation | 0.71 | | |

[a] All the factor loadings and error variances are significant ($p<0.05$).

### 3.2.2. Experts' judgment data

Two knowledgeable experts (one senior manager from the sponsoring multinational firm and one co-author) evaluate the 256 TV commercials on more than one hundred measures using a coding scheme we developed.[6] In our study, we only use the items that pertain to the evaluation of the commercials on functional (Abernethy & Franke, 1996), experiential (Brakus et al., 2009; Holbrook & Hirschman, 1982; Schmitt, 1999), and cultural (Chiou, 2002; Mueller, 1987; Okazaki et al., 2010) dimensions. See the Appendix for details.

The functional aspects are measured by five indicators that capture the degree to which the commercial focuses on (1) product attributes (labeled as "ATT"); (2) product applications ("APP"); (3) product performance ("PERF"); (4) product benefits ("BEN"); and (5) price/value ("VAL"). Expert judges also evaluate how functional the commercial is overall ("FUNC") on a four-point scale (1 = not at all functional to 4 = strongly functional). The experiential aspects are measured by four formative indicators that capture the degree to which the commercial appeals to (1) sensory elements ("SEN"); (2) feelings and emotions ("FEEL"); (3) imagination and mental stimulations ("IMAG"); and (4) behaviors and actions ("BEH"). Expert judges also evaluate how experiential the commercial is overall ("EXP") on a four-point scale (1 = not at all experiential to 4 = strongly experiential). We use three measures for the socio-cultural aspects of a commercial. The measures capture the extent to which the ad has (1) a traditional or modern appeal ("TM"); (2) a local or global appeal ("LG"); and (3) an individual or community appeal ("IC").

The two expert judges are given all the television commercials with the scripts in the original language and a back-translation in English. After evaluating the commercials independently, the two judges met and compared their codings. We use the procedure suggested by Rust and Cooil (1994) to assess the inter-judge reliability of the data. Specifically, we compute the average reliability value separately for the three-category variables (local/global, traditional/modern, and individualistic/collectivistic) and four-category variables (product attributes, product application, product performance, functional benefits, functional value, sensory elements, feelings and emotions, imagination and mental stimulation, and behaviors and actions) across countries. For the three-category variables, the portion of interjudge agreement is equal to 0.84, which corresponds to a proportional reduction in loss (PRL) of 0.87 (Rust & Cooil, 1994, p. 8). For the four-category variables, the portion of agreement is equal to 0.80, which corresponds to a PRL of 0.86 (Rust & Cooil, 1994, p. 10). As the PRL is comparable to Cronbach's alpha (Rust & Cooil, 1994), both PRL values indicate a satisfactory inter-judge reliability (Nunnally, 1978). Finally, the judges manage to resolve all conflicts and the agreed-upon coding is merged with the consumer response data, which we use for the empirical analysis.

Table 4 reports the means and standard deviations of all the measures and their correlations.

[6] It is important to note that the actual coding was performed independent of our study to suit the research goals of the multinational firm. The idea for the present research and the permission to use the data came much after the coding stage. Thus, during the coding stage, neither of the two coders (i.e., the senior manager and the co-author) was aware of the research goals of this paper.

## 4. Model

Our conceptual model relating consumer responses to the experiential and functional aspects of the ads, as well as to the socio-cultural ad appeals, is shown in Fig. 2. It is consistent with the general advertising model described earlier. Following the advertising persuasion process, we assume a forward recursive flow of effects from ad aspects through cognitive and affective responses to intended behavior. Working backward, we assume that purchase intent (persuasion) depends directly on two factors: cognition and affect. These two factors, in turn, depend on the functional and experiential aspects of the ad, as well as on the socio-cultural ad appeals. Note that the functional and experiential aspects are endogenously determined by their respective formative indicators, whereas the socio-cultural appeals are treated as exogenous variables.

For model estimation, we measure cognition by the mean of its five indicator variables: understanding, credibility, relevance, differentiation, and brand identification. We also measure affect by the mean of its two indicators, enjoyment and brand attractiveness. Due to the limited sample size, the use of the mean instead of the individual indicators is necessary for the reliable estimation of the model parameters.[7]

Let i denote commercial i = 1, 2, …, 256, and let g = 1 (= 2) denote whether the commercial i is tested in an emerging (developed) country. The model, shown in Fig. 2, then simplifies to the following multigroup, simultaneous equation model:

$$\begin{aligned}
\mathrm{FUNC_i} &= \gamma_{0f} + \gamma_{1f}\mathrm{ATT_i} + \gamma_{2f}\mathrm{APP_i} + \gamma_{3f}\mathrm{PER_i} + \gamma_{4f}\mathrm{BEN_i} + \gamma_{5f}\mathrm{VAL_i} + \varepsilon_{if},\\
\mathrm{EXP_i} &= \gamma_{0e} + \gamma_{1e}\mathrm{SEN_i} + \gamma_{2f}\mathrm{FEEL_i} + \gamma_{3f}\mathrm{IMAG_i} + \gamma_{4f}\mathrm{BEH_i} + \varepsilon_{ie},\\
\mathrm{COG_i^g} &= \gamma_{0c}^g + \gamma_{1c}^g\mathrm{FUNC_i} + \gamma_{2c}^g\mathrm{EXP_i} + \gamma_{3c}^g\mathrm{LG_i} + \gamma_{4c}^g\mathrm{TM_i} + \gamma_{5c}^g\mathrm{IC_i} + \varepsilon_{ic}^g,\\
\mathrm{AFF_i^g} &= \gamma_{0a}^g + \gamma_{1a}^g\mathrm{FUNC_i} + \gamma_{2a}^g\mathrm{EXP_i} + \gamma_{3a}^g\mathrm{LG_i} + \gamma_{4a}^g\mathrm{TM_i} + \gamma_{5a}^g\mathrm{IC_i} + \varepsilon_{ia}^g,\\
\mathrm{PI_i^g} &= \gamma_{0p}^g + \gamma_{1p}^g\mathrm{COG_i} + \gamma_{2c}^g\mathrm{AFF_i} + \varepsilon_{ip}^g, \qquad g = 1, 2;\ i = 1, \cdots, 256
\end{aligned} \tag{1}$$

where the γ parameters are regression coefficients to be estimated and $\boldsymbol{\varepsilon}_i^g = (\varepsilon_{if}, \varepsilon_{ie}, \varepsilon_{ic}^g, \varepsilon_{ia}^g, \varepsilon_{ip}^g)'$ is a vector of error terms that follows a multivariate normal distribution with a zero mean vector and covariance matrix $\Psi^g$. There are two covariance elements of interest. The first, which we denote by $\psi_{fe}$, is the covariance between FUNC and EXP. This covariance captures the correlation between the extent to which an ad is functional or experiential. The second is the covariance between COG and AFF and is denoted by $\psi_{ca}^g$. This covariance captures the correlation between the cognitive and affective responses. In Fig. 2, $\psi_{fe}$ is represented by the arc connecting FUNC and EXP, and $\psi_{ca}^g$ is represented by the arc connecting COG and AFF.

There are a few observations regarding the system of equations in Eq. (1). First, because the evaluation of the extent to which an ad is functional or experiential is made by experts, the relationship between FUNC and EXP and their respective formative indicators is obviously invariant across emerging and developed countries. Second, we do not specify country-specific fixed effects because our data are indexed against country norms (i.e., the data are "mean-centered" by country). Third, the system of equations in Eq. (1) reduces to an aggregate model if the parameters are invariant across groups. We test for such a specification in our empirical analysis.

[7] Our sample includes 91 ad tests from developed counties and 165 from emerging countries. A fully specified structural equation model would necessitate the estimation of 123 parameters at the aggregate level. Clearly, we do not have a sufficient number of observations to reliably estimate such a model either at the aggregate or group level.

## 5. Empirical results

We use our data to estimate the simultaneous system of equations in Eq. (1) with Proc Tcalis in SAS. We specifically estimate two models: an aggregate model that constrains the parameters to be invariant across EMs and DMs, and a multigroup model that allows the parameters to vary across EMs and DMs. We use the latter model to examine if and how the relationship between ad responses and functional and experiential aspects, as well as the socio-cultural appeals, varies across EMS and DMs.

We obtain log-likelihoods of −1483.45 and −1455.49 for the aggregate and multigroup models, respectively. Thus, the multigroup simultaneous equation model has a significantly better fit than the aggregate model ($\Delta\chi^2_{19} = 55.92$; $p < 0.001$). We arrive at the same conclusion using Akaike's (1974) information criterion (AIC), which penalizes for over-parametrization: the multigroup model has a lower AIC than does the aggregate model (AIC = 3014.97 versus AIC = 3032.89, respectively). These results suggest that the drivers of ad performance significantly vary across the two groups of countries. We now discuss the details of our empirical results by first describing the aggregate results and then the group-level results.

### 5.1. Aggregate results

We first report the results relating functional and experiential advertising to their respective antecedents and then the results relating these two variables and the socio-cultural appeals to consumer responses. We do so because the latter results are hypothesized to vary across groups of countries, whereas the former results are invariant.

Constraining the model parameters to be invariant across emerging and developed countries, we obtain the following estimates for the first two equations in the simultaneous system of equations in Eq. (1), where parameters in boldface are significant at $p < 0.05$.

$$\begin{aligned}
\mathrm{FUNC_i} &= -.31 + .\mathbf{31}\mathrm{ATT_i} + .\mathbf{30}\mathrm{APP_i} + .\mathbf{29}\mathrm{PER_i} + .\mathbf{21}\mathrm{BEN_i} + .\mathbf{08}\mathrm{VAL_i},\\
\mathrm{EXP_i} &= -.\mathbf{29} + .\mathbf{33}\mathrm{SEN_i} + .\mathbf{38}\mathrm{FEEL_i} + .\mathbf{28}\mathrm{IMAG_i} + .\mathbf{18}\mathrm{BEH_i}.
\end{aligned} \tag{2}$$

The error standard deviation estimates are 0.41 for the FUNC equation and 0.5 for the EXP equation. The corresponding R-squared values are, respectively, 0.76 and 0.53, which indicate very good fit. The correlation between the two errors is −0.01 and insignificant. This means that the experts' evaluations of the extent to which the ads are functional or experiential are independent after controlling for the ad values on the explanatory variables in Eq. (2).

The results in Eq. (2) indicate that when judging the extent to which an ad is functional, experts are more influenced by the degree to which the commercial focuses on product attributes, applications, performance, and benefits than on price/value. Similarly, ad appeals to sensory elements, feelings, and imaginations have more influence on expert judgment of the extent to which the ad is experiential than does appeals to behaviors.

The estimates for the consumer cognitive responses, COG, AFF, and PI, are reported in the top panel in Table 5. Parameters in boldface are significant at the $p < 0.05$ level, and the underlined parameters are significant at $p < 0.1$. All other parameters are insignificant. Note that the parameter estimates can be compared across equations as all three consumer responses (COG, AFF, and PI) are measured on the same scale. Thus, the results of the aggregate model in Table 5 indicate that functional advertising significantly impacts cognition (ß = 1.63, $p < 0.05$). Similarly, experiential advertising significantly impacts affect (ß = 1.45, $p < 0.05$). However, affect is also significantly related to functional advertising (ß = 2.17, $p < 0.05$). As we discuss below, this effect may be due to aggregation effects (i.e., the pooling of the data across emerging and developed countries). Among the socio-cultural ad appeals, the

**Table 4**
Descriptive statistics of the data.

| Variable | Means | STD | Relevance | Differentiation | Credibility | Brand identification | Understanding | Enjoyment | Brand attractiveness | Purchase intention | Experiential overall |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Relevance** | 108.23 | 7.43 | 1.00 | | | | | | | | |
| **Differentiation** | 105.56 | 9.80 | 0.71 | 1.00 | | | | | | | |
| **Credibility** | 103.86 | 9.08 | 0.70 | 0.81 | 1.00 | | | | | | |
| **Brand identification** | 101.14 | 11.15 | 0.40 | 0.60 | 0.58 | 1.00 | | | | | |
| **Understanding** | 105.25 | 8.99 | 0.53 | 0.46 | 0.61 | 0.51 | 1.00 | | | | |
| **Enjoyment** | 99.70 | 9.67 | 0.55 | 0.62 | 0.55 | 0.55 | 0.43 | 1.00 | | | |
| **Brand attractiveness** | 101.51 | 10.51 | 0.59 | 0.49 | 0.49 | 0.33 | 0.37 | 0.76 | 1.00 | | |
| **Purchase intention** | 103.64 | 10.91 | 0.60 | 0.54 | 0.52 | 0.43 | 0.46 | 0.71 | 0.71 | 1.00 | |
| **Experiential overall** | 2.86 | 0.87 | 0.08 | 0.06 | 0.09 | 0.08 | 0.06 | 0.06 | 0.09 | 0.13 | 1.00 |
| **Sensations** | 3.10 | 0.93 | 0.18 | 0.16 | 0.16 | 0.15 | 0.03 | 0.14 | 0.17 | 0.24 | 0.62 |
| **Feelings** | 2.46 | 0.96 | 0.03 | −0.01 | 0.06 | −0.03 | 0.06 | 0.00 | 0.03 | 0.00 | 0.58 |
| **Imaginations** | 2.69 | 1.16 | 0.09 | 0.14 | 0.11 | 0.04 | −0.02 | 0.01 | 0.07 | 0.16 | 0.70 |
| **Behaviors** | 2.45 | 0.93 | −0.13 | −0.10 | −0.08 | −0.05 | −0.08 | −0.02 | −0.08 | −0.08 | 0.18 |
| **Functional overall** | 2.86 | 0.75 | 0.04 | 0.07 | 0.05 | 0.03 | 0.16 | 0.09 | 0.11 | 0.07 | −0.33 |
| **Product attributes** | 2.53 | 0.93 | 0.01 | 0.09 | −0.04 | 0.02 | 0.08 | 0.10 | 0.10 | 0.11 | −0.08 |
| **Product application** | 2.46 | 0.87 | 0.11 | 0.12 | 0.13 | 0.04 | 0.19 | 0.17 | 0.17 | 0.18 | −0.15 |
| **Product performance** | 3.38 | 0.78 | 0.04 | −0.04 | 0.01 | −0.03 | 0.10 | 0.05 | 0.08 | 0.06 | 0.03 |
| **Functional benefits** | 2.65 | 1.03 | −0.06 | −0.04 | −0.03 | −0.07 | −0.01 | −0.04 | −0.06 | −0.12 | −0.19 |
| **Functional value** | 1.50 | 0.94 | 0.04 | 0.17 | 0.14 | 0.23 | 0.17 | 0.19 | 0.16 | 0.16 | −0.18 |
| **Traditional/modern** | 2.35 | 0.79 | 0.16 | 0.19 | 0.11 | 0.10 | 0.07 | 0.03 | 0.00 | 0.09 | 0.38 |
| **Local/global** | 2.12 | 0.82 | 0.14 | 0.11 | 0.18 | 0.07 | 0.16 | 0.14 | 0.07 | 0.07 | 0.10 |
| **Individualistic/collectivistic** | 2.37 | 0.85 | 0.14 | 0.13 | 0.17 | 0.12 | 0.15 | 0.00 | −0.03 | 0.12 | 0.25 |

local/global variable significantly impacts both cognition and affect (respectively, ß = 1.34 and ß = 1.55; both p-values are less than 0.05), whereas the traditional/modern variable significantly impacts cognition only (ß = 1.29, $p<0.05$). Thus, global ads are likely to lead to higher cognitive and affective responses from consumers, whereas modern ads appear to have a greater impact on cognitive responses. Finally, affect has a relatively larger impact on purchase intention than cognition, even though both variables are significant (respectively, ß = 0.70 and ß = 0.33; both p-values are less than 0.05).

To quantify the relative importance of functional advertising and experiential advertising on persuasion, we compute their total effects on persuasion. For example, using the parameter estimates in Table 5 (top panel), the total effect of functional advertising on persuasion is 2.06 (=1.63*0.33 + 2.17*0.70), and the total effect of experiential advertising is 1.19 (=0.53*0.33 + 1.45*0.70). Thus, in the aggregate, functional advertising has a relative importance of 0.63 and is therefore a relatively more important driver of persuasion. These results are reported in Table 6 (first row).

In sum, the aggregate results suggest that (i) functional advertising impacts both cognition and affect, but experiential advertising impacts only affect, and that (ii) functional advertising appears to be a relatively more important driver of persuasion than experiential advertising.

### 5.2. Multigroup results

Because the extent to which an ad is functional or experiential is judged by experts, the relationships between FUNC and EXP and their respective formative indicators should not vary across EMs and DMs. We already discussed these relationships in the context of the aggregate results. We now focus on examining how the relationship between consumer responses and ad aspects and appeals vary across the two groups of countries, first for DMs and then for EMs.

#### 5.2.1. DMs results

The second panel in Table 5 (upper part) reports the estimates for the simultaneous system of equations in Eq. (1) for DMs. As noted above, the parameter estimates of the FUNC and EXP equations are identical to those reported in Eq. (2) and are, therefore, omitted from the table.

The estimation results for DMs show that cognition is significantly determined by whether the ad is local or global (ß = 1.20, $p<0.1$), but it is not significantly impacted by whether the ad is functional or experiential. Thus, in DMs, global ads seem to have greater impact on cognitive responses than local ones. The estimation results also show that affect is significantly impacted by experiential advertising (ß = 2.71, $p<0.01$) and, to a lesser degree, by functional advertising (ß = 1.99, $p<0.1$). Finally, purchase intent is significantly related to affect (ß = 0.98, $p<0.05$), but not to cognition. The results in Table 6 (second row), which report the total effects of functional advertising and experiential advertising, suggest that the latter is a relatively more important driver of persuasion than the former. The relative importance of experiential advertising is 0.57.

These findings indicate that, in DMs, both experiential and functional advertising significantly impact persuasion, but the former is a relatively more important driver of persuasion than the latter. Experiential advertising communications produce affective responses which, in turn, impact purchase intention. To be effective, advertising should focus more on stimulating sensations, feelings, imagination, behaviors, and lifestyles.

#### 5.2.2. EMs results

The second panel (lower part) in Table 5 reports the estimates for the simultaneous system of equations in (1) for EMs. The estimation results indicate that functional adverting significantly impacts both cognition and affect (respectively, ß = 2.45 and ß = 2.34; both p-values are less than 0.05), whereas experiential advertising impacts neither of these responses. The results also indicate that the local/global appeal has a significant impact on cognition (ß = 1.42, $p<0.1$). Purchase intent is also significantly related to both cognition and affect (respectively, ß = 0.35 and ß = 0.62; both p-values are less than <0.05).

The results in Table 6 (third row) suggest that, in EMs, functional advertising plays a relatively more important role in persuasion than does experiential advertising (relative importance = 0.72).

| Sensations | Feelings | Imaginations | Behaviors | Functional overall | Product attributes | Product application | Product performance | Functional benefits | Functional value | Traditional/ modern | Local/ global | Individualistic/ collectivistic |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1.00 | | | | | | | | | | | | |
| 0.10 | 1.00 | | | | | | | | | | | |
| 0.57 | 0.31 | 1.00 | | | | | | | | | | |
| 0.00 | 0.05 | −0.09 | 1.00 | | | | | | | | | |
| −0.25 | −0.26 | −0.22 | 0.06 | 1.00 | | | | | | | | |
| −0.11 | −0.12 | −0.07 | 0.05 | 0.34 | 1.00 | | | | | | | |
| −0.08 | −0.05 | −0.04 | 0.11 | 0.47 | −0.04 | 1.00 | | | | | | |
| −0.02 | −0.07 | 0.02 | 0.28 | 0.45 | −0.01 | 0.21 | 1.00 | | | | | |
| −0.15 | −0.08 | −0.26 | 0.20 | 0.34 | −0.14 | 0.15 | 0.28 | 1.00 | | | | |
| −0.07 | −0.06 | −0.04 | −0.10 | 0.14 | 0.24 | 0.22 | −0.03 | −0.45 | 1.00 | | | |
| 0.32 | 0.24 | 0.39 | −0.05 | −0.22 | −0.07 | −0.19 | −0.09 | −0.40 | 0.14 | 1.00 | | |
| 0.16 | 0.09 | 0.13 | −0.34 | −0.16 | −0.23 | 0.12 | −0.01 | -0.12 | 0.12 | −0.02 | 1.00 | |
| 0.07 | 0.39 | 0.19 | −0.11 | −0.11 | 0.02 | 0.11 | −0.06 | −0.25 | 0.13 | 0.33 | 0.21 | 1.00 |

Functional advertising seems to jointly impact both cognition and affect. Thus, to be effective, advertising communications in EMs should focus more on functional and global elements than on experiential aspects.

*5.2.3. EMs versus DMs comparison*

Thus far, our analysis has focused on assessing the impact of functional and experiential advertising and socio-cultural variables on persuasion in EMs and DMs without assessing whether their differential effect is statistically significant. Following Steenkamp, van Heerde, and Geyskens (2010), we now test whether these effects vary significantly across DMs and EMs. The results of these tests are indicated by superscript "a" in the second panel of Table 5.

These results show that the effect of functional advertising on cognition is significantly different across EMs and DMs ($p<0.05$). The results also show that the effect of experiential advertising on affect is significantly different ($p<0.05$). Finally, the impact of modern (versus traditional) socio-cultural appeal on affect differs significantly across EMs and DMs ($p<0.05$). All the remaining parameters are not significantly different across EMs and DMs ($p>0.10$). These findings are consistent with our two overall hypotheses: experiential messages influence affect in DMs, and functional messages influence cognition in EMs. Furthermore, modern (versus traditional) socio-cultural appeals influence affect in DMs.

In sum, the aggregate analysis suggests that experiential advertising has impact on affect, whereas functional advertising can impact both cognition and affect. In turn, the latter two factors jointly impact purchase intent. However, these results suffer from aggregation bias that ensues from pooling the data across EMs and DMs. Specifically, for DMs, the multigroup analysis suggests that (1) functional and experiential advertisings impact persuasion only through their effect on consumer affective responses, and (2) cognition has no impact on persuasion. In contrast, for EMs, functional advertising appears to impact both cognition and affect, the two significant

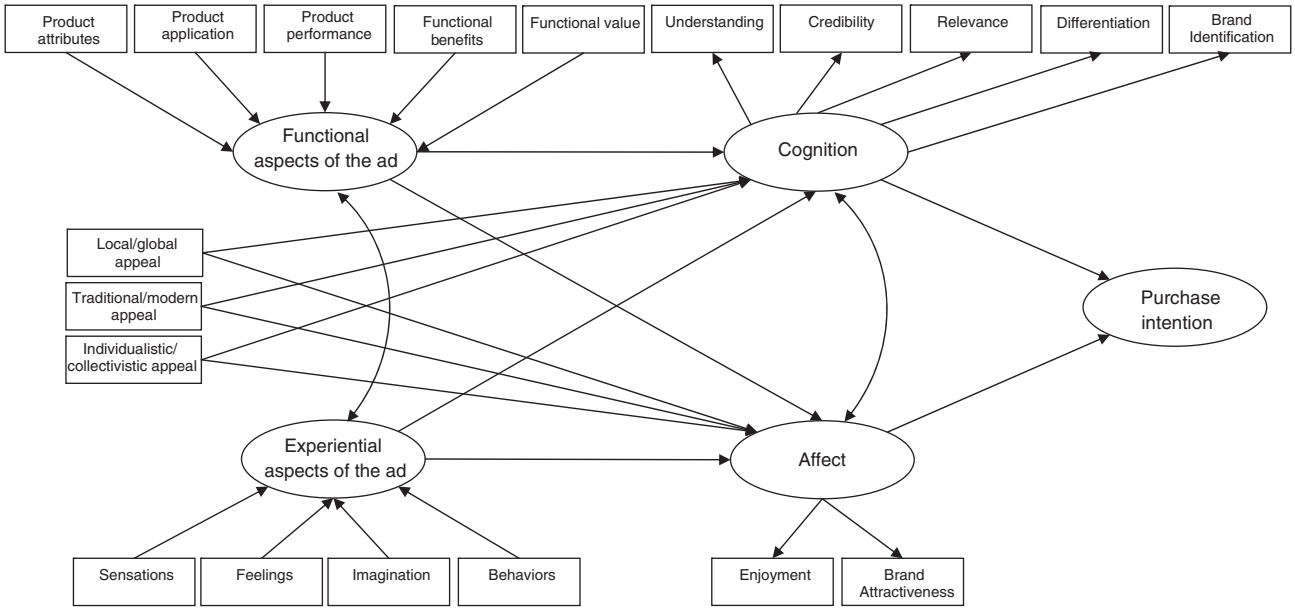


**Fig. 2.** The conceptual model.

**Table 5**
Parameter estimates for aggregate and multigroup (DMs vs. EMs) models.

| Model | | Dependent variable | Sample size | Intercept | Cog. | Aff. | Func. Ad. | Exp. Ad. | Local/Global | Trad./Modern | Indiv./Coll. | Error STD | Error corr | R-square |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Aggregate | | Cognitive | | **90.44** | | | **1.63** | 0.53 | **1.34** | **1.29** | 0.96 | **7.29** | **0.59** | 8.27% |
| | | Affect | 256 | **87.82** | | | **2.17** | **1.45** | **1.55** | 0.37 | −0.72 | **9.27** | | 5.58% |
| | | Intent | | −1.37 | **0.33** | **0.70** | | | | | | **6.92** | | 60.22% |
| Multigroup | DMs | Cognitive | | **93.63** | | | 0.94[a] | 0.46 | 1.20 | 1.13 | 1.08 | **5.85** | **0.65** | 9.14% |
| | | Affect | 91 | **79.15** | | | 1.99 | **2.71**[a] | 1.75 | 1.97[a] | −0.77 | **8.26** | | 15.33% |
| | | Intent | | −8.77 | 0.14[a] | **0.98**[a] | | | | | | **6.41** | | 68.71% |
| | EMs | Cognitive | | **86.91** | | | **2.45**[a] | 0.72 | 1.42 | 1.27 | 1.00 | **7.93** | **0.58** | 10.08% |
| | | Affect | 165 | **89.75** | | | **2.34** | 1.07[a] | 1.57 | −0.47[a] | −0.22 | **9.60** | | 4.51% |
| | | Intent | | 4.00 | **0.35**[a] | **0.62**[a] | | | | | | **6.97** | | 58.42% |

Parameters in boldface are significant at $p<0.05$. Underlined parameters are significant at $p<0.1$. Note that "Cog." stands for cognition, "Aff." for affect, "Func. Ad" for functional advertising, "Exp. Ad" for experiential advertising, "Trad./Modern" for traditional/modern, "Indiv./Coll." for individualistic/collectivistic.
[a] Parameters with superscript "a" are significantly different across EMs and DMs at $p<0.05$.

drivers of purchase intent. Experiential advertising, however, has no impact on consumer responses. Finally, the constrained multigroup analysis shows significant differential effect of functional advertising, experiential advertising, and traditional/modern appeals on consumer responses across EMs and DMs.

## 6. Discussion

Using an extensive data set from an FMCGs company of 256 television commercials for cleaning brands from 23 countries around the world, we find important ad processing differences between EMs and DMs.

In DMs, experiential advertising significantly impacts affect and does not impact cognition. Functional advertising also impacts affect, albeit to a lesser degree. In contrast, in EMs, functional advertising significantly impacts cognition and affect. Both cognition and affect are significant drivers of purchase intent. However, in EMs, experiential advertising has no significant impact on cognition or affect. Thus, in DMs, the experiential route is a more important driver of persuasion; however, the functional route is the key driver of persuasion in EMs. Importantly, these effects are significantly different across DM and EM countries. This supports our overall hypothesis: in DMs, the experiential route best describes the advertising process of persuasion, whereas in EMs, it is the functional route that best describes ad persuasion. Our results also show that, unexpectedly, the functional route influences affect in EMs and, to a lesser degree, in DMs. This result means that functional aspects of the ads, such as product attributes and applications, lead consumers to enjoy the ad and to perceive the brand as attractive. This effect may occur because many products, by their very nature (especially the cleaning products featured herein), offer functionality that creates value, and from this value creation, consumers derive positive affect (Chandy, Tellis, MacInnis, & Thaivanich, 2001).

Our second overall hypothesis, which states that global, modern, and individualistic ad appeals are more likely to stimulate affect in DMs, whereas in EMs, such appeals are more likely to stimulate cognition, received only partial support. The effects of local/global and modern/traditional ad appeals are largely supported, whereas we find no effects for individualistic versus collectivistic appeals on the persuasion process. As predicted, the global appeal impacts affect in DMs and impacts cognition in EMs; global appeal also has cognitive effects. This impact, however, is not significantly different across the two country groups. With regards to traditional/modern appeals, as predicted, the modern appeal impacts affect in DMs and impacts cognition in EMs. Importantly, this impact is significantly different across the two country groups.

A potential explanation for the lack of effects of the widely studied dimension of individualistic versus collectivistic appeals may be that a truly cultural concept, such as individualism versus collectivism, may become increasingly less relevant in an increasingly globalized world driven by consumer culture. That is, unlike local/global appeals and modern/traditional appeals, which refer to appeals through ad execution styles and, thus, to "consumer culture," individualistic versus collectivistic appeal refers to genuinely cultural content (individualism versus group). In a globalized consumer world, consumers may, in general, act increasingly more individualistic, and thus, the cultural difference may disappear as consumers are more affected by emerging consumer culture than by century-long cultural traditions.

**Table 6**
Relative importance of functional and experiential advertising on persuasion.

| Model | Functional advertising | | Experiential advertising | |
|---|---|---|---|---|
| | Total effect | Rel. import | Total effect | Rel. import |
| Aggregate | **2.06** | 63% | 1.19 | 37% |
| DMs vs. EMs | | | | |
| DMs | **2.08** | 43% | **2.72** | 57% |
| EMs | **2.31** | 72% | 0.92 | 28% |

Effects in boldface are significant at $p<0.05$. Underlined parameters are significant at $p<0.1$.

## 7. Limitations and future research

Our research reveals important differences in the advertising persuasion process between EMs and DMs; however, the results are also subject to several limitations. First, the paper uses a dataset that includes only one product category (household cleaners). Future research should include other categories and test whether the results generalize to other categories, for example, to higher involvement products, such as fashion or automotive brands. A second limitation concerns the medium investigated here—television. Future research should concentrate on non-television communications and investigate whether the same persuasion-processing differences between markets can be found for other media as well. Finally, although the sample used included several ads from a large set of countries, the number of observations and countries was insufficient to investigate further differences among emerging countries. In particular, the limited number of observations related to transitional economies did not allow us to compare transitional economies, such as Argentina, with less developed economies, such as China or India. Future research should deepen our understanding of the advertising persuasion process in EMs by including additional ad dimensions and by categorizing EMs along other pertinent constructs, such as ethnicity, history, and religion.

## Acknowledgments

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## Appendix. Consumer response and experts' measures

| Dimension measured | Items | Scales |
|---|---|---|
| *Consumer response data* | | |
| Cognition | 1. *Understanding*: How easy was it to understand what was going on in the advertisement?<br>2. *Credibility*: How strongly do you agree or disagree that what the advertisement puts across about brand X is believable?<br>3. *Relevance*: If you were buying a household cleaner, how relevant would the points made in the advertisement be to you?<br>4. *Differentiation*: How different is this advertisement from others that you have seen?<br>5. *Brand identification*: Thinking about the advertisement you've just seen for brand X, which one of the phrases below applies to this advertisement? | 1. Four-point scale from "Very hard" to "Very easy"<br>2. and 3. Five-point scale from "Strongly disagree" to "Strongly agree"<br>4. Four-point scale from "Not at all relevant" to "Very relevant"<br>5. Five-point scale from "It could have been for almost anything" to "You couldn't fail to remember it was for brand X" |
| Affect | 1. *Enjoyment*: How much would you enjoy watching this advertising each time you see it on television?<br>2. *Attractiveness*: How much is the ad able to increase the appeal of brand X? | 1. Five-point scale from "Not at all" to "A lot"<br>2. Five-point scale from "Much less appealing" to "Much more appealing" |
| Purchase Intention | 1. How will the advertising affect your use of brand X? | Four-point scale from "Makes me less likely to continue using brand" to "Strongly encourage me to continue using brand X" |
| *Experts' judgment data* | | |
| Functional aspects of ads | To what degree does the ad focus on:<br>1. *Product attributes* (i.e., the formulation or ingredients of the product and its features)?<br>2. *Product application* (i.e., how the product has to be applied or rinsed; example: instructions for use, dosage, implement required)?<br>3. *Product performance* (i.e., what the product can do and its cleaning efficacy)?<br>4. *Functional benefits* (i.e., the advantages for the consumer)?<br>5. *Functional value* (i.e., value for money or convenience of the product)?<br>6. *Overall functional* (i.e., an ad that includes the above and related characteristics) | 1. to 5.: 1 = Not at all present, 2 = Poorly present, 3 = Somewhat present, 4 = Strongly present<br>6. 1 = Not at all functional, 2 = Poorly functional, 3 = Somewhat functional, 4 = Strongly functional |
| Experiential aspects of ads | To what degree does the ad use or appeal to:<br>1. *Sensory elements* (i.e., colors and exciting visuals, music, touch, smell)?<br>2. *Feelings and emotions* (i.e., all kinds of feelings and emotions, either positive such as joy or negative such as fear)?<br>3. *Imagination and mental stimulation* (i.e., thinking in a different, original and innovative way, approaching things from a new angle)?<br>4. *Behaviors and actions* (i.e., physical activities, specific actions, bodily experiences)?<br>5. *Overall experiential* (i.e., an ad that includes the above and related characteristics) | 1. to 4.: 1 = Not at all present, 2 = Poorly present, 3 = Somewhat present, 4 = Strongly present<br>5. 1 = Not at all experiential, 2 = Poorly experiential, 3 = Somewhat experiential, 4 = Strongly experiential |
| Socio-cultural ad appeal | The ad:<br>1. *Local/global*. Has a local or global appeal (local = country specific, connecting with a particular culture, place or area; global = universal or inter-cultural, can travel across different countries without specific need of translation)?<br>2. *Traditional/modern*. Has a traditional or modern appeal (traditional = conventional, following ideas and methods that have been existing for a long time; modern = up-to-date, using or willing to use very recent ideas, fashions or ways of thinking)?<br>3. *Individualistic/collectivistic*. Talks about the individual or a group/community (individual = self, single person and his/her world; group/community = a group of persons such as family, neighborhood, friends)? | For all questions: 1 = Has a more local (or traditional or individual…) than global (or modern or group/community…) appeal; 2 = Has an equally local and modern appeal; 3 = Has a more local than modern appeal |

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