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Effectiveness of comparative advertising in Czech Republic

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Declaration of Authenticity

I hereby declare that the master's thesis presented herein is my own work, or fully and specifically acknowledged wherever adapted from other sources. This work has not been published or submitted elsewhere for the requirement of a degree program.

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Abstract:

This thesis aims to analyze the effectiveness of Direct versus Indirect comparative advertising in low and high-context communication cultures in Czech Republic. These two groups are represented by Czech consumers and Vietnamese minority. The goal is to determine potential differences in the attitude towards this marketing technique among the two culturally distinguished groups. The effectiveness of the ad was measure using two constructs: attitude towards the ad and persuasion effect. For the purpose of this study a survey was conducted among 200 consumers, in the capital of Czech Republic, Prague. Czech consumers were found to have a more positive attitude toward the direct comparative advertising than Vietnamese consumers. Further, the Vietnamese respondents showed a significantly better acceptance of indirect comparative advertising than of the direct comparative one. In addition, it was found that the age category does have a slight influence on the consumers attitude towards the comparative advertising. The recommendations from this thesis, can serve as a basis for better strategical and tactical decisions concerning the usage of comparative advertising.

Key words:

Effectiveness of comparative advertising, Direct comparative advertising, Indirect comparative advertising, attitude toward the ad, persuasion effect, Vietnamese ethnic minority, Czech Republic, Pepsi, Air Bank

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1. Introduction

In today's world the marketing influence is present almost everywhere. It became such a big part of our everyday life, that we do not even pay attention to different methods marketers use in order to promote or sell the product, its qualities and attributes. Every day consumers go to the shops where they choose what product from which brand to buy, as well as to which shop should they go. They also make other decisions like for example choosing the preferable candidate during political elections or simply what radio should they listen to on their way to work. However, a lot of these decisions are influenced by the information people hear or read every single day. Marketing promotion methods became one of the most powerful tools in order to be successful and recognized on different markets. With nowadays technologies, it became easier to conduct a market research and provide managers with the data about specific markets, in order for them to come up with the most effective way to achieve their desired goal and increase the awareness. In the most cases the way to this recognition by consumers is an effective advertisement. Marketers need to analyze the targeted markets in detail and understand the specifics of the given cultures. Basically, penetrate into people's minds, and define particularly what they really want and what is the best way to attract their attention.

With increased globalization the companies must not only know the customers and their culture on the markets they operate on, but also distinguish different nationalities living in the same locations. So, called ethnical minorities. These group of people sharing same culture between them, but potentially different one from the local consumer, need to be addressed separately in a lot of cases. Ethnic minorities became an important part of different countries, representing a big share of local populations. Due to different value and norms, their perception of thing could be slightly or completely different. This perception of differentiated marketing processes towards ethnic minorities became more important with the increase of globalization. Marketers need to develop their promotion messages sometimes completely differently to actually attain these groups. As well as use different marketing tools, to promote and spread these messages.

There exist a lot of different types of advertising which were developed throughout the years. These will be discussed more in details later in this thesis. Two different advertising channels can be distinguished: above the line advertising channel (ATL) and below the line advertising channel (BTL). ATL which include mass marketing and

is about building the brand as well as promote the product, for instance, television, radio, social media etc. The second channel is BTL, this one includes direct marketing strategies, and its goal is to target specific group of customers'. The main focus for the BTL is rather to gain new clients on their side or create a strong relationship with the old and new once, then build the brand itself. For example, it comprises outdoor advertising, direct mail marketing or sponsorship (Feedough, 2018). Later on, different advertising channels will be introduced in more details.

One of the advertising types is comparative advertising. It is a marketing strategy in which the company's product or service is presented as superior in comparison to the opponent's one. One of the first official appearance of this method dates back to 1910, in United States, where this term was used in one of the court cases (Kenton, Investopedia, 2018). Today there is a lot of discussions about this method, if it is ethical or not and if it is actually effective to promote the products or services in this comparative and sometimes aggressive way. The opinions about this strategy differs a lot in different part of the world. In US this method is widely used since the 70's (Shao, Bao, & Gray, 2004); (Choi & Miracle, 2004); (Neese, Foxx, & Eppler, 2019) etc., when in some European countries is was completely banned or strictly limited till recently (Machek, Král, & Karel, 2016); (Schwaiger, Rennhak, Taylor, & Cannon, 2007); (Nye, Roth, & Shimp, 2008); (Shao, Bao, & Gray, 2004) etc. The reasons for these differentiations are numerous. For instance, the cross-cultural differences, which can explain the different results between different countries with different cultural backgrounds (Donthu, 1998); (Miracle, Chang, & Taylor, 1992); (Shao, Bao, & Gray, 2004). Other differences can also occur within the country itself. It could be between different brands, which have distinguished market position, meaning one brand is the leader and another is the follower (Shimp & Dyer, 1978); (Diamond, 1978). Or another reason can be the brand's novelty or the market novelty which also influence the customer's perception of comparative advertising (Nye, Roth, & Shimp, 2008). And finally, the country of origin of the brand can also have an impact on the customer's attitude toward comparative advertising (featuring foreign or/and domestic brands) (Neese, Foxx, & Eppler, 2019).

1.1. The relevance of the topic and the necessity for a solution

Today the potential effectiveness of comparative advertising is still growing in the US, but the biggest change is occurring in Europe and Asia. As was previously mentioned this marketing strategy was banned in most of the European countries

including Czech Republic and allowed again relatively recently. While in the US it was very popular and widely used for a longer period of time. Due to a success of this kind of marketing promotion in United States, the Europe has a potential to acquire the knowledge from western world and escape unnecessary risks that can occur in order to succeed in the introduction of this marketing strategy, in the new markets. This is the reason why this topic is more and more discussed today and it is interesting to elaborate on it even more, in order to gain as much information from different markets and in different situations as possible.

As it was mentioned in the study conducted by Machek et al. (2016), the main problems that arise about the comparative advertising in Czech Republic, is the strict regulations of its usage as well as the lack of knowledge about the customer's opinion about this promotional style (Machek, Král, & Karel, 2016). One can find a lot of different literature concerning this topic from the United States, however there is a big gap in the literature covering the data for Czech market. The facts about the effectiveness of this method as well as the information about customer's attitude are minimal. For successful implementation of this advertising style and resolution of these problems, the marketers should know their market very well. And thus, this thesis will provide a structured informational base which can be used later on as a possible future solutions or guideline for implementations.

The study conducted by Machek et al. (2016) showed the effectiveness of this method in Czech Republic in the automobile industry. However, this information does not offer the knowledge which can be applied to other industries or does not shows the differentiation of effectiveness between different forms of this advertising (more specifically direct and indirect comparative advertising). Thus, the work will concentrate on analyzing the effectiveness of different forms of this marketing strategy on the Czech market and further separate the consumer into two main parts: Czech respondents and Vietnamese ethnic minorities living in Czech Republic. Similar cross cultural studies were conducted by many other authors, namely: (Shao, Bao, & Gray, 2004); (Choi & Miracle, 2004); (Xue, Zhou, Zhou, & Frei, 2005); (Nye, Roth, & Shimp, 2008) and many other which will appear in the following work. Nevertheless, there was no study found which showed that the cross-cultural data could be applied on the ethnic minorities. And thus, the aim of this thesis will be to see if the companies could use cross-cultural data, in order to appeal to the ethnic minorities on the markets they operate on.

1.2. Motives for choosing a particular topic

As was previously mentioned the potential for the comparative advertising to be effective on the Czech market is growing every day. The reason to analyze the attitude of the Czech customers towards this type of advertising is interesting, as well as found out which factors does influence their positive or negative points of views for both forms: direct and indirect comparative advertising. In addition, find out if there is a difference in perception of this promotional tool between Czech respondents and ethnical minorities living in Czech Republic (specifically Vietnamese minority). As will be described later on, the studies about comparative advertising effectiveness from different countries were analyzed. Thus, it gives one the possibility to compare different results based on the cultural differences as well as see different leading factors that have an influence on customer's attitude from different cultural background towards this strategy. The information found and obtained in this work can serve later on, as a starting point for companies in different market situations in Czech Republic, which would like to implement comparative advertising in order to promote their product or service and show successfully the local customer's in which way they are better than the competitors.

Above it was mentioned that there already exists one study, which analyses the effectiveness of comparative advertising on the Czech market (Machek, Král, & Karel, 2016). After sorting different studies concerning this topic from around the world, namely the study from Shao et al. (2004) caught the authors attention. This study concentrated to find out the effectiveness of comparative ads versus non-comparative ads in low versus high context communication cultures. The effectiveness was measured based on two different aspects: attitude toward the ad and the persuasion effect (Shao, Bao, & Gray, 2004). Another research which seemed relevant was the study conducted by Choi et al. (2004). The authors studied effectiveness of comparative advertising in two distinguished markets, Korea (high in collectivism, high context communication culture) and US (high in individualism, low context communication culture) (Choi & Miracle, 2004). These three studies mentioned above became a basis for the formulation of this thesis main research problem.

1.3. Research problem and research approach towards the problem

In 2016, Machek et al., conducted a study on the Czech market concerning the effectiveness of comparative advertising in Czech Republic in automobile industry (Machek, Král, & Karel, 2016). This was the basis of the idea of doing a further research on the Czech market to deepen up the available data. Furthermore, work provided by Shao et al. (2004), gave the author an idea to differentiate two different forms of this type of advertising (direct and indirect) (Shao, Bao, & Gray, 2004). And finally, the author of this thesis decided to find out (based on different articles describing cross cultural situation of this marketing tool) if there will be fundamental differences in the findings of the research. Which includes Czech respondent and comparer the results to the answers from Vietnamese ethnic minorities living in Czech Republic. And thus, show if cross cultural studies, which provide information from different countries (with similar cultural backgrounds) can be applied to the ethnic minorities in Czech Republic. (Machek, Král, & Karel, 2016); (Shao, Bao, & Gray, 2004); (Choi & Miracle, 2004)

The results coming from one industry in a particular country can be used by the company in the wrong way. These sometimes, misleading results can complicate the process for the marketers when analyzing the effectiveness of the chosen communication method. If the customer chooses its purchasing preference according to a specific reason in one industry, it does not in reality reflect its opinion about the preferences of a product or service from another industrial category. Also, as it was mentioned above, the results may differ according to the cultural background of the targeted consumer. And so, the marketer needs to take into consideration different aspects of one country when formulating the promotional messages. Therefore, it may be interesting to analyze the effectiveness of direct and indirect comparative advertising in Czech Republic and determine if there is a difference in perception of Czech respondents and Vietnamese minorities living in Czech Republic. Thus, the research question which will serve as the basis of this study is: *Is there a difference in effectiveness of direct and indirect comparative advertising between low-context communication culture and high-context communication culture?*

In order to collect the data, the quantitative research will be conducted in the capital of Czech Republic, Prague. The survey will concentrate on analyzing the general opinions of segmented groups of people, represented by Czech and minority Vietnamese. The aim of the survey would be to get the information from two culturally distinct group of people living in Prague, about their attitude towards comparative

advertising and this marketing method's persuasion effect. And further see, a potential cultural difference in obtained results.

To collect the data, the random sampling will be used in order to obtain as many responses as possible by sharing the survey with those who are "hard to reach" and also give each consumer an equal probability of being chosen. With this sample technique will represented an unbiased share of the total population (The Economic Times, 2019). Once the results will be obtained, the thesis will provide information about the attitude toward direct and indirect comparative advertising from the perspective of two culturally different groups living in the capital of Czech Republic, Prague.

1.4. The objectives of the thesis

The main objective of the thesis is to test customer's attitude towards the direct or indirect comparative advertising featuring foreign and/or domestic brand in Czech Republic, by providing the respondents from different cultural backgrounds (Czech and Vietnamese respondents) with two different campaigns. Namely, the case of Air Bank versus "...ční banka" (indirectly named competitor) and Pepsi versus Coca-Cola experiment (directly named competitor). This will be done by testing the following hypothesis: (H1): *Comparative ads are perceived to be more effective in low-context communication cultures than in high-context communication cultures*. By testing this hypothesis, one is aiming to show that while analyzing the effectiveness of the comparative advertising on one market, it is important to differentiate the results obtained, and classify them into different groups, by respondents with different cultural background. As well as, show that it will perhaps not be always effective for some marketers to use this specific marketing method, to promote products or services for some specific cultures. The second and third hypothesis which will be tested are: (H2): *Direct comparative ads are perceived to be more effective than indirect comparative ads in low-context communication cultures*; (H3): *Indirect comparative ads are perceived to be more effective than direct comparative ads in high-context communication cultures*. This will help us to identify the reasoning behind a possible difference in the obtained results about the level of effectiveness of comparative ads, and possibly navigate us toward the future researches about how to formulate the marketing messages and which tools to use to attract consumers from a particular cultural background.

By doing this research, the work will provide important information about different cultures and how their attitude toward comparative advertising differs. As well there will be a further distinction between two form of this marketing strategy: direct comparative advertising and indirect comparative advertising. Thus, it will be possible to see if there is a difference in effectiveness of these two types of comparison among two distinct cultures living in Czech Republic.

1.5. Thesis structure

The thesis will be divided into two main parts, theoretical and practical.

The first, theoretical part, will provide all the important definitions and explanations needed for the reader to understand the rest of the work. The found literature researches will be assembled in this part, showing different information which exists already from different markets, as well it will serve us later in the practical part as the basis of the reasoning behind our obtained results. A brief definition of advertising, and some important types of communication strategies will be described. Also, different communication channels will be presented for general knowledge which may help in the further understanding of this thesis. Further, the work will concentrate the reader's attention on in-depth analysis of different studies on the comparative advertising, showing the results across the world and describing the conducted studies and the obtained findings.

In the second practical part, the research question of this work will be answered with the help of the quantitative research, and the obtained numbers will be shown and explained. Furthermore, the obtained results will be described, analyzed, and discussed. At the end a possible recommendation for the future researched will be presented and the whole thesis will be finally concluded.

1.6. Work limitations and difficulties

As it was mentioned above, Czech market will be analyzed in a quantitative research, specifically a survey, which will provide information of different viewpoints of the customers from two different cultural backgrounds on direct and indirect comparative advertising. This work aims to enrich the information base from the Czech Republic and see if the attitude toward this marketing method differs, when it concerns different cultural segments as well as if there is a difference in results concerning two different

forms of this advertising: direct and indirect. However, even after this work will be concluded, these data cannot be applied generally to all countries, markets situations, industries or consumers.

It is also crucial, to take into consideration the fact that the amount of the respondent do not represented the whole population, neither the whole population representing the ethnic minorities in Czech Republic. The number of respondents will be limited, and the research will only concern on people living in Prague. Thus, the results obtained in this work should be addressed with this knowledge.

With this introduction to the topic, and our future work, it is now possible to continue with the exploration of the following findings.

2. Theoretical part

In the first part of this work, one will be able to go through basic information concerning the topic of advertising. The types of advertising as well as the channels of communication will be briefly defined. Furthermore, different research papers will be summarized in order to get a general overview for the reader about the already existing studies and get familiar with specific terminology about the comparative advertising. And at the end, the Czech car industry market will be brought to light for the reader, in order to be able to clearly understand the further research which will occur later in the practical part of this thesis.

2.1. Marketing Communication

Throughout this chapter, the topic of marketing communication will be introduced, and its importance, basic types and the channels through which the messages are communicated.

To start it is important to have a clear idea about what the advertising is. Today there exist a lot of different definitions which can be found on this term. One of the possible options, was introduced by Advertising Association of UK: “Advertising is a mean of communication with the users of a product or a service. Advertisements are messages paid for, by those who send them and are intended to inform or influence people who receive them” (Advertising Association of UK, 2019). As one can understand from this definition, it is the process of communicating the values and uniqueness of one product or a service, to the potential consumers in order to overcome the competitors from the same sector. Kotler and Keller, defined the marketing communications in the book as follow: “[marketing communications are] the means by which firms attempt to inform, persuade and remind consumers – directly or indirectly – about the products and brands they sell ” (Kotler & Keller, 2011).

The advertising is present everywhere, companies promote themselves as well as people do. Everyone wants to appeal in other people’s eyes in the best possible way. The path to success of a brand is standing behind the same idea, promote the product or the service and overcome the opponents as well as pull the customers from

competitors' side to their own. All of these tools (and knowledge about how to apply them) are accessible to everybody, one just need to have something to promote.

A lot of different approaches exists in order to do so. For different situation there exists different methods which are more convenient than the other in the specific markets or period of time. Various factors influence the types of advertising the companies choose. However, they need to be careful what type they decide to pick in what part of the world. Due to the existence of different jurisdictions in different countries, which sometime prohibit or just limits the usage of existing communication methods on their markets, it is crucial for the advertisers to make sure the in-depth research was conducted, and all necessary information were collected. Then they can actually proceed to making the choice of appropriate way to promote their good or service.

To understand even further the reason behind the necessity to be very careful when choosing the advertisement type in different countries, we can present the findings from a study conducted by Shuhua Zhou, Peiqin Zhou and Fei Xue (2005). As we know every advertisement holds a precise message, which is intended to penetrate into targeted customer's minds. This message needs to be precisely formulated, in order to gain the attention and thus interest of the segmented group of people. As one example we could use Zhou brothers & Xue study, which shows visual differences in US and Chinese television commercials. The main point which is trying to be demonstrated in this report is the cultural values importance in the advertisements (Xue, Zhou, Zhou, & Frei, 2005). The focus of this research is the difference between the visual appeals in the television commercials created in occidental and oriental markets. According to the studies analyzed in the paper, the visuals in television commercials play a significant role in determining the marketing effectiveness. As many marketers believe the power of advertising is hidden in the visuals which they offer to local public. It is considered to be more accepted by a bigger amount of people. Through visuals the information is easily and quickly processed by them, and thus there is a bigger chance of them to remember the message which is being marketed. However, it is denoted that the same message introduced in two different cultures is understood in a very distinguished way. The perception of these messages differs in accordance to the norms and values in the specific cultures. As was already mentioned above, in order to demonstrate this idea Xue and Zhou brothers compared two countries with different cultural aspects: United States and China. These two countries represent two extremes which concerns the advertising maturity. Furthermore, one can also distinguish their

cultural differences. Chinese consumers are considered to be part of the high context cultural group, this is due to their increased usage of nonverbal and indirect verbal communication. In contrary the United States as well as most of the European countries are from the low context group. They are usually identified as people of explicit information and direct speeches. Another differentiating factor which was used, is collectivistic culture versus individualistic cultures. China is historically part of collectivistic culture, the importance for them of family, social interest and collective actions is the prove of that. On the other hand, the United State is a typical individualistic culture, they are mostly focused on their personal goals and well-being before they actually start to think about anyone else. This differentiation has an important effect on the formulation of the actual message communicated to the public. As what concerns results, it is not important to go into the details of the founding. However, it is crucial to say that a lot of distinct results between China and US were obtained. As one example we can say that after the provided analyses it showed that US ads use more direct product comparison than Chinese commercials. This can be explained by the US low context cultural aspect as well as their individualistic approach. They are direct, and care only about their personal benefit. When in China, if this comparative strategy was used, they did not even name their opponent directly, which can be explained by their high context way of communication as well as their collectivistic approach to things (Xue, Zhou, Zhou, & Frei, 2005).

The television commercials are not the only type of advertising where these two cultures differ in their way of communicating the messages to the public. They have to make this contrast of culture in any promotion type they choose. Few various kinds of advertising will be shortly presented in the following part.

2.1.1. Different types of advertising

In this subchapter the reader will be able to learn few types of advertising, in order to get a clear idea about the marketer possible options. These types can be combined as well as used alone. In this work the author will not demonstrate all of the existing type of marketing communication mix but only few of them.

- **Advertising campaign:** This type of media reaches the most dispersed buyers, without targeting only one precise segmented group. It gives an opportunity to the seller to repeat the message many times and amplifies

expressiveness. Also, it allows the marketer to have a full control over what aspect of product or brand he wants to focus the communication. According to Cambridge dictionary, the advertising campaign is: “a planned series of advertisements that will be used in particular places at particular times in order to advertise a product or a service and persuade people to buy it or use it” (Cambridge Business English Dictionary, 2019). Also, as Kotler and Keller defined advertising as: “any paid form of nonpersonal presentation and promotion of idea, goods or services by identified sponsor via: print media, broadcast media, network media, electronic media and display media” (Kotler & Keller, 2011).

As a very good example of effective advertising campaign we can talk about the ad for Ariel the detergent, in India. In the campaign we can see a typical Indian family. When the mother comes home, she still has some tasks to do for her job, as well as quickly cook a dinner for her hungry husband, tidy up the living room after her son, and clean his dirty shirt. All of this is being observed by the woman's father who had visited them. After he returns home to his wife, he starts to help her with the household chores. The main idea behind this promotion, was to put the idea of a shared tasks between the husband and the wife. Their plan was accomplished when their sales doubled by value and by volume according to the study by advertising research company WARC. Also, more than 1.5 million men in India, started to do their fair share of the work around the house (Handley, 2017).

- **Sale Promotion:** This marketing tool is based on coupons, contests, premiums etc. in other words “sale promotions tools”. The aim is to stimulate stronger and quicker buyer response. According to Kotler, the sale promotion tools offer three main benefits: the ability to be attention getting, incentive and invitation. All of this should bring the customer to an early purchase by giving them a bigger value of purchase or reason to buy the product “now”. (Kotler & Keller, 2011)
- **Events and Experiences:** This marketing tool is effective when they incorporate following characteristics: (Kotler & Keller, 2011)

1. Relevant – the organized event should make the customer personally engaged, meaning the customer should be interested in the outcome of the experience, which will stimulate a “recall” in his mind during his next purchase
 2. Engaging – the customers need to be actively engaged in the event or experience, so for example Red Bull sponsoring adrenaline sport events.
 3. Implicit – the event should be organized a such a way that they are an indirect “soft sell”, meaning the message is more casual, soft and friendly.
- **Word-of-mouth:** Also known as word-of-marketing was defined as “people-to-people oral, written, or electronic communication the relate to the merits or experiences of purchasing or using products or services” (Kotler & Keller, 2011). This type of advertising is considered to be the most effective one as well as the cheapest one. The brand producing the product or the service, puts an effort in the production or execution, which needs to be at the highest possible quality. Only this way, their customers who have already tried this, will recommend their friends and family to actually try it out. It is the most effective one, because the brand doesn’t need to try to persuade the potential new clients about their quality. Usually people trust the most their friends and family, so this part of the job is done by the customers for the marketers. During this casual social interaction, the companies can gain bigger amount of the customers than if they would just promote it in a typically commercial way. It can easily be the most ancient type of advertising, because it is a very common for people who interact with each other on a daily basis, to recommend the other things they may like or be interested in. This marketing promotion type can be connected with one of the most growing type of advertising; the influencer marketing.
 - **Influencer marketing:** As one may think, this type can replace the social or the content marketing, however this is not true. The influencer marketing cannot exist without the two other types, since the main activity of this marketing promotion is happening on the online platforms. Even though one may understand from the term what this type is about, an official

definition from the influencer marketing hub will be provided. The so-called IM is some kind of hybrid of old and new marketing tools, it takes the idea of the celebrity branding and place it into nowadays marketing campaign, which is usually content-driven. From this comes out as a result, collaboration between the influencers and the brands (Influencer Marketing Hub, 2018). This market is growing constantly, with everyday more and more new options for the marketers to collaborate and expand their awareness in different markets and among different segments. Today we can mention a lot of influencers which are known worldwide. For instance, *Jon Olsson*, he is a former freestyle skier who nowadays do YouTube vlogs as a hobby. He films his life every day and likes to experience with different camera tools. For this reason, a lot of different camera companies like GoPro, Sony, Leica etc. cooperate with him in order to promote their products. The viewers can see the comparison of different cameras through his shots as well as they can learn a lot about them in this practical way. This type of advertising is one of the most promising one today, the influencers usually give us their opinion about the products or services, then the viewers get the chance to compare and analyze his possible options easily. They can also read the comments or just take the influencers opinion as a review on the product. So, this marketing tool is useful for the influencers because they get a small percentage from the sales, the viewers because they are offered a review on a product and as well, they are usually offered a discount code for a limited amount of time and of course it is an easy and very effective way for the brands to promote themselves.

- **Celebrity branding/Advertising jingles/Logo/Slogan/Samples:** For these five types of advertising it makes sense to put them together in one group. The reason for that is their common objective, which is to penetrate into people's mind and make the customer remember them and come back. It can be something they hear, see, try or taste. They can also relate something or someone famous to this brand, which automatically after stays in people's brain. These elements are especially important when building the brand's equity. For instance, celebrity advertising: "a form of brand or advertising campaign that involves a well knowns person using their fame to help promote a product or service" (Business dictionary,

2019). A good example of that would be almost any perfume on today's market. The already famous (or not) brands like Gucci, Dior or Chanel use celebrities in their campaigns in this way they create a link between customer's favorite persons and their product, which makes people buy more. The same idea stands behind logo and slogan. If company's logo stands out and is well rememberable or if their slogan speaks to their targeted customers, these people will choose this company's product instead of choosing competitor's one. As for samples, if you give your potential consumers to try your product, test it, see if they like it or not you create a trust in their minds. These people will probably come back buy your products, and through this method you are the most likely to gain a number of loyal customers. For instance, in Sephora, members can come in and try out the perfumes on themselves, wear it throughout the day and see if it suits them, or they can ask for a sample of a specific cream they are interested in. Sephora today has a huge number of loyal customers and was the fifth personal care and cosmetics retailer in Europe in 2017 according to retail-index (Veraat Research, 2017). So even though Sephora do not use only this tool to gain their loyal customers, what they do it works, and the sample type of advertising definitely works. And the last one, advertising jingle. In this type, the advertisers use a catchy sound, or melody with some lyrics which represents their brand. For example, McDonald's even though this fast-food chain does not need a promotion their jingle is well placed in customer's mind. "I am loving it", this phrase even sometimes replaces the name of the chain in self, one can sing it to someone else, and both of them will probably understand what restaurant they are talking about.

- **Comparative advertising:** This term will be explained more in details in the second chapter of this part. For now, we can give brief definition of this specific type, to make short introduction for the reader in this term. According to Investopedia, the comparative advertising is "a marketing strategy in which a company's product or service is presented as superior when compared to a competitor's" (Kenton, 2019). The company's use the competitor's product or service in their campaign in order to put the down and make their offer more appealing to the customers. Also, one of the

objectives of this campaign is to steal the opponent's clients and bring them to their own side. However, it is not that easy to use this marketing method, there exist a lot of restrictions and limitations of the usage of this strategy, and one need to be very careful in what market they are using such a method, as well as towards which target group, they are trying to bring the message.

There exist more marketing communication tools in the mix. For instance: public relations and publicity, direct marketing or interactive marketing, personal selling etc. (Kotler & Keller, 2011). The chosen type depends on the type of product or service, on the market in which the company operate, the buyer's readiness stage and product life cycle stage. (Kotler & Keller, 2011)

The last described marketing strategy (comparative advertising) will be discussed later on in more details, with practical examples for a better reader's understanding of this work's topic. Now, that one knows about the existence of different advertising types the marketers use, we can very briefly present the communication channels, to eliminate any possible confusion in the later practical part of this thesis.

2.1.2. Communication Channels

This subchapter will define different communication channels through which marketers communicate their message to the desired customers. One can define the marketing channels as: "sets of interdependent organizations participating in the process of making a product or service available for use or consumption" (Kotler & Keller, 2011). At first the thesis will concentrate on the media channels, then the channels as physical locations and finally the direct communication channels. It is important to distinguish different advertisement channels, because nowadays different customers segments absorb the information through different ways. Since this work will later on analyze attitudes of different segments toward specific type of advertising, it is better for the reader to get familiar also with the various channels through which marketers communicate with the consumers.

- **Media Channels:** These are all modes of advertisement which marketers used in order to bring their desired message to the final customers (MBAaskool, 2019). At the beginning it can be useful to say, that there exist three different types of media channels. The first one is the owned media, which is for instance represented by company's own Facebook page, its YouTube channel basically anything that is controlled by the entity itself. Even though one does not legally own its Facebook or YouTube channels, he only leverages of this platform to create his own desired content, which he is entitled to control and manage as it is preferred. So, by creating on a non-paid (or paid) platform an advertisement for company's brand, product or service, one owns this media, due to the power of being able to control it on its own. Second type is so-called earned media. The idea behind this type, is that the public, the press or basically anyone behind your business shares your content, through word-of-mouth or again different media platforms. It is earned media, because this spread of information is done voluntarily, so one earned this by offering a product or a service worth the promotion. And finally, paid media, which is the paid way of leveraging a third-party channel, it can be a sponsorship or an advertising on a someone else's media platform (Campbell, 2018).

Traditional media channels are for instance the print publications, radio, television, billboards, events etc.

- **Location-based:** This channel is one of the most exciting one. It is based on the idea that people nowadays carry their phones, or any other electronic device with them at any time. Often people share their location data, which makes possible for the marketers to locate their position at all times. With this information the advertisements can be personalized to those specific places. So different messages, are sent to different people base on their various location (Simpson, 2016). One can imagine walking through a city, in a specific street, browsing their phone, and see an ad on some media platform which shows a small newly opened coffee place on the street nearby, which a special offer. This is the way this type of marketing channel works.

- **Direct marketing:** “The method of selling directly to the end buyer from the manufacturer with no middle man or intermediary involved” (Business Dictionary, 2019). This type is becoming more used with the development of Internet, since the direct contact between the business and the client increased in efficiency and decreased in time. One can consider door-to-door sales, chain stores sales, courier or post office sales and direct online selling being the direct marketing channel. It has a lot of advantages. For the customer the ease of getting the required information about their potential purchase and for the company’s it enables the opportunity to create a stronger bond with their customers and thus produce exactly according to their wishes.

2.2. Marketing 4.0

However, these theories mentioned above, which are from so called “marketing 3.0” have been adapted to nowadays trends. And so, the new book came to live, written by the same author P. Kotler with help of H. Kartajaya and I. Setiawan, talking about Marketing 4.0. To describe this approach, a definition from Kotler et al. (2017) will be given: *“Marketing 4.0 is a marketing approach that combines online and off- line interaction between companies and customers, blends style with substance in building brands, and ultimately complements machine- to-machine connectivity with human-to-human touch to strengthen customer engagement. It helps marketers to transition into the digital economy, which has redefined the key concepts of marketing. Digital marketing and traditional marketing are meant to coexist in Marketing 4.0 with the ultimate goal of winning customer advocacy.”* (Kotler, Kartajaya, & Setiawan, 2017). This evolution is natural, and even though we do not have a lot of new technologies from 2010 (when the “marketing 3.0 was published), these technologies did evolve and with them came new trends. For instance, “sharing economy”, “now” economy, omnichannel integration, content marketing and social CRM (Kotler, Kartajaya, & Setiawan, 2017). The main idea behind this shit is that the marketing is moving from traditional aspect, to more digitalized one. And so, it is important to understand changes that occur around us and affect marketing practices. In addition, it is important to understand new customer’s paths in this new digital era. The authors claim, that the marketing practices are becoming more personalized. Due to big data analytics, personalized products are easier to produce than ever before. Customers become more

connected and thus content creation is becoming more and more crucial, as well as brands presence on various social media platforms. What concerns the marketing communication the authors stated in their book: *“The concept of customer trust is no longer vertical; it is now horizontal. Customers in the past were easily influenced by marketing campaigns. They also sought for and listened to authority and expertise. But recent research across industries show that most customers believe more in the f-factor (friends, families, Facebook fans, Twitter followers) than in marketing communications. Most ask strangers on social media for advice and trust them more than they do advertising and expert opinions.”* (Kotler, Kartajaya, & Setiawan, 2017). The reviews, ratings, comments and “influencers” became the most effective way to gain customer’s trust. This can be linked to tradition “word-of-mouth” marketing or “influencer marketing”. However, the way that the process is happening is very different from the traditional approach. The market is becoming more inclusive, and customers more horizontally oriented. It became possible to decrease geographic and demographic obstacles by *“enabling people to connect and communicate and companies to innovate through collaboration”* (Kotler, Kartajaya, & Setiawan, 2017). It is also important to denote that youth segment are becoming the most important one. They are considerate to be “early adopters” of new technologies or products. And thus, they are the most important subjects in this digitalized era.

To demonstrate the difference of the past marketing and the present even further, the figure 2. down below, is a summary of the interchanging roles of traditional and digital marketing.



Figure 1: The interchanging roles of traditional and digital marketing; **Sources:** (Kotler, Kartajaya, & Setiawan, 2017).

As it can be seen in the figure above, the blue rectangles represent five A's. According to Kotler et al. (2017), this is how consumer's path should be redefined in the digital economy. In order for marketers to optimize their offer for the customers, they can use a new tool which is called "O - zone" (O3). The three O's represent the main source of influence among nowadays customers: Own, Others', Outer (Kotler, Kartajaya, & Setiawan, 2017).

The authors try to show throughout the book, that nowadays marketers are trying to shift from "advertising" to "content marketing" in general. They identified eight different steps for a successful content marketing creation, and they tell us that the marketers are required to change their mindset too. However, for this work, it is not important to go throughout all the new approaches in details, but it is interesting to go through the main topics in general.

What concerns communication channel, some changes are occurring in this area too. In today's digital era, customers go from one channel to another. To ensure a seamless transition, and satisfactory experience marketers are integrating *"online and offline channels in an attempt to drive customers all the way on their path to purchase"* (Kotler, Kartajaya, & Setiawan, 2017). To effectively combine online and offline channels, marketers should try to find the channels and points that really matter, and motivate the whole organizations, to support the omnichannel marketing strategy.

To conclude the first chapter of this thesis, it is possible to say that there is a lot of different types of advertising as well as channels through which the marketers can communicate their messages with their customers. For instance: Advertising campaign through which they can reach the mass market, sale promotion which can stimulate an early purchase, events and experiences through which it is possible to create an even stronger connection with the consumers and all of the above could stimulate a potential "word-of-mouth" marketing which could make possible to attain "hard to reach consumers". There exist also other tools to do so, as influencer marketing or interactive marketing, which can provide the consumers with a particular "prove" of the quality or effectiveness of your good or service which they need for a potential purchase. Also, the brand building is a crucial part of your marketing process. The formulation of the message, usage of jingles, visual attractiveness of your logo, colors, slogans etc. Further, the choice of the physical connection with the customer, or so-called marketing channels are also highly important. The marketers need to decide where

they want to actually be present, and where is the highest probability that their message will be seen by the consumers. As was described above, it is possible to distinguish three main types: media channels, location-based and direct marketing. The choice of these depends on the brand's current situation on the market, and the type of product or service they are trying to promote. It is possible to find a lot of information nowadays concerning this topic, with precise data and information.

Nevertheless, the markets are changing, as is the whole world. And for this reason, marketing activities are being redefined. Kotler et al. (2017) came out with their new book: *Marketing 4.0*, which is complementary to the older version which came out in 2010. The base of the book as was written above is: "sharing economy", "now" economy, omnichannel integration, content marketing and social CRM. As the author described, nowadays we are living in a digital era, where most of the activities are happening on our connected devices. It became easier for the marketer to track consumers' preferences and behavior on the market, as well as the ways to get to them became faster and less complicated (Kotler, Kartajaya, & Setiawan, 2017).

However, despite the fact that according to Kotler et al. (2017), the marketing is moving from traditional to digital way of working, we are still not quite fully there, and the old traditional marketing activities are still in work. For this reason, it is possible to say that one of the most interesting and controversial types of advertising, and message creation is the comparative advertising. And now, that basic knowledge about the marketing activities today and in the past was discussed, this thesis can move towards the main topic, which is the effectiveness of comparative advertising.

2.3. Comparative Advertising

This chapter will focus on defining the term of comparative advertising, as well as assemble different existing literatures concerning this topic. To begin, the work will provide a definition and few examples of this marketing strategy, in order to make the reader familiar with the term as well as its development throughout the time in different parts of the world. Secondly, relevant literature from different countries around the world concerning comparative advertising will be summarized to show different circumstances under which this method's effectiveness changes.

2.3.1. Comparative advertising development

This subchapter will concentrate on a general definition of the term, as well as different development of this method in US, East Asia and in Europe.

The aim of comparative advertising is to promote their product, by comparing it to the products of their competitors. As one could find out from the policy statement of the Federal Trade Commission which concerns the comparative advertising, the term is defined as: “advertising that compares alternative brands on objectively measurable attributes or price and identifies the alternative brand by name, illustration or other distinctive information”. Another possible definition is provided by the European Union, and the law 97/55/EC which covers the topic of misleading and comparative advertising, this directive says that: “comparative advertising means any advertising which explicitly or by implication identifies a competitor or goods or services offered by a competitor”. According to Brown and Jackson (1977), only between five and ten percent in 1973 of all television campaigns were comparative (Brown & Jackson, 1977). In 1986, the percentage increased to more than fifty percent according to Levy (1987); (Levy, 1987). Until today the amount of comparative campaign increases in the whole world, with the legalization of this strategy and spread of its popularity. For the readers better understanding of this marketing methods, two examples of companies using this style of promotion will be presented. A lot of different global companies used the comparative advertising in order to dominate the market in the specific sector. Two of the most popular brands on the carbonated soft drink market, Coca-Cola and Pepsi, have the global advertising war for a long period of time. Which makes of them a good example of a company using this strategy. For instance, one video advertisement was banned back in the beginning of 2000’s. The video shows a little boy buying himself a drink in the vending machine. He buys two cans of Coca-Cola, then he places them on the floor and steps on them in order to reach the button to buy himself a Pepsi. This is a direct attack of Pepsi on their biggest competitor Coca-Cola. This aggressive way of promoting a brand was considered unethical, and thus was banned. However, a lot of people were able to respond to it, by saying that even in a Pepsi commercial Coca-Cola sells more. Here one can see, how comparative advertising does not create “war” only between the brands, but also shows which proportion of the customers on this market are their loyal consumers.

Recently Pepsi did another direct attack on Coca-Cola in Czech Republic. The brand created a blind test around the country, where the consumers were blindfolded, or the cups with the drink were covered in order not to see where Pepsi is and where is Coke. Then random pedestrians, were invited to taste two beverages and then state which one they prefer. Based on these data, Pepsi now created a TV advertising, where they show that 60% of the consumers, prefers Pepsi over Coke. This assumption (of Pepsi having a better taste than Coke) is the basis of Pepsi versus Coke war, which started back in 1975 (Bhasin, 2011). These kinds of tests were done all around the world, an example can be the test done on a popular YouTube channel “BuzzFeed” (BuzzFeed, 2016).

Another example of comparative advertising usage on the Czech market was done in the bank industry. Particularly, “Air bank” uses this advertising, and was able to grow its customer base in a very fast speed. The ad represents two banks: Air bank and not named commercial bank. In the Air bank works a “good banker” however in the presented commercial bank appears the bad/mean banker. The aim of this ad is to show Air bank as the best possible choice in comparison to any other commercial bank on the Czech market. As it was proven, it worked. In 2018, Moneta bank planned an alliance with Air Bank and Home Credit. Precisely, Moneta wants to buy Air Bank and Home Credit. These banks will operate under one unique name: Air Bank. By creating this alliance, KB which is one of the leaders on the Czech market, would lose its third place in the number of customers, and was replaced by Air Bank alliance (Horacek, 2018).

Due to the popularity of these two-particular examples on the Czech market, they will be presented to the respondents later on in the quantitative research, as a direct form of comparative advertising (Pepsi versus Coca-Cola) and indirect form comparative advertising (Air Bank).

In addition, other interesting advertisements will be described for a deeper understanding of this marketing strategy. For instance, a car producer Jaguar, attacked Mercedes Benz in their video. Mercedes came up with an advertisement promoting their car’s comfort and comparing it to a chicken. Showing the stability, control and also precise and intelligent drive. To this ad, Jaguar replied by creating a video where the “Mercedes’s” chicken is eaten by an actual jaguar. Today a lot of global brands create the awareness among the customers using this method. Despite this, the use of this marketing strategy changes among countries, due to different jurisdiction concerning this method. Also, according to many different studies, its application is

usually impacted by two main problems. The first one is the controversial points of views about this method's applicability and convenience of the company. The second one, already mentioned, legal aspects of this method, not only in different countries, but as well within them (Corvi & Bonera, 2008).

The Table 1 is a visual representation of comparative advertising usage around the world from 2002. It is possible to distinguish different countries with high level of usage as: United States, United Kingdom, Canada etc. As well as countries with low level of usage or no usage at all: Africa, China, Czech Republic, Vietnam (Shao, Bao, & Gray, 2004). As will be described in the following work, these data did change. It is due to change of regulation concerning this marketing method within some countries. Further, these minor or major changes, and the situation in general on different markets will be presented. The analysis will be divided into three parts, which represents three different part of the world, where comparative advertising is being used: United States, Europe and East Asia.

Comparative Advertising Usage			
<i>High to Moderate</i>	<i>Low to Not Used</i>		
Canada ⁷	Afghanistan ¹	France ⁷	Mexico ⁷
New Zealand ⁸	Africa ¹	Germany ⁷	Pakistan ¹
Puerto Rico	Austria	Greece ⁵	Palestine ¹
United Kingdom ⁷	Belgium ²	India ⁷	South Korea ⁷
United States ⁷	Brazil ⁷	Indonesia	Spain ⁴
	Bulgaria	Iran ¹	Syria ¹
	China ⁶	Jamaica	Taiwan
	Colombia ³	Japan ⁷	Thailand
	Czech Republic	Jordan ¹	Turkey
	Ecuador ³	Laos	Venezuela ³
	El Salvador	Lebanon ¹	Vietnam

Table 1: *Comparative Advertising Usage, 2002.*

Source: (Shao, Bao, & Gray, 2004).

United States

What concerns the usage of comparative advertising in USA, the American law has the most liberal position towards it among any other country. They stand behind the idea, that customers have the right to see the market the most transparently as possible and comparative advertising gives them this opportunity. According to their mind set, these types of promotion gives the customers all the information needed to compare their options and chose the product or a service according to their preferences. Thus, comparative advertising is very well established nowadays in United States. It

accounts approximately one-third of all advertisements in US (Grewal & Kavanoor, 1997); (Stewart & Furse, 1986). Various academic studies were conducted concerning this topic. Usually if a study from abroad tries to evaluate the effectiveness of comparative advertising in its country, they will end up comparing it to the previous studies from US. For instance, Grewal and al. (1997), did a meta-analysis reassembling existing studies about the comparative advertising effectiveness in US (Grewal & Kavanoor, 1997). Another study was provided by Neese, Fox and Eppler (2019). They aimed to evaluate the effectiveness of direct and indirect comparative advertising featuring domestic versus foreign automobile brands among US consumers (Neese, Foxx, & Eppler, 2019). Most of these and other different studies end up showing that comparative advertising is more effective than the communication strategy using other ways of promotion in US. It is the reason why American marketers believe that it is one of the most effective promotion styles. This positive attitude towards this strategy, created a lot of advertising wars in the country. Due to the open and very direct comparison in America, it is often taken as an attack and the best way to respond to it, and potentially save the reputation of your own brands is to attack back. This is why there is a chain effect which always lead the other party, to the usage of comparative advertising (Corvi & Bonera, 2008).

Nevertheless, not all the countries shared the same positive attitude towards the usage of comparative advertising. For some it is due to the cultural barriers, for others due to the restrictions which was recently dismissed, which makes of this marketing strategy a novelty in these countries and for other it is just the unfamiliarity with this marketing strategy (Donthu, 1998).

East Asia

In East Asia, the comparative advertising is less frequently used in comparison to US. This marketing practice is less popular in east-Asian regions due to cultural reasons, it is perceived by the local customers and marketers as an unethical way to act. As was described by Nye, Roth & Shimp (2008), in 1995 in China, the Advertising Law placed a ban on comparative advertising messages. For Chinese culture, this type of advertising is perceived as too direct and thus offensive. For instance, one of the most famous case occurred in Japan, when the “Pepsi challenge” ad failed, and was not popular among local customers. Japanese marketers had to hide the name “Coke” from

the video and replace it with anonymous drink name representing the competitor in order to be even able to promote it on Japanese market (Nye, Roth, & Shimp, 2008). Other studies also observed that the comparative advertising is not an effective way to promote products or services on for example the Chinese, Japanese or Korean markets. In these particular countries the indirect way of promotion is much more frequent and thus more accepted by the customers (Jeon & Beatty, 2002); (Choi & Miracle, 2004). Another study provided an explanation of potential impact of cultural difference between Korea and US, comparing them on a high and low context cultural bases. The finding showed once again the effectiveness of comparative advertising in low context culture is higher than in country with high communication context (Miracle, Chang, & Taylor, 1992). On the other hand, in 1994, Ang and Leong conducted an experiment on Singapore's students. They came up with the results which showed that when the interference is absent from other advertisements, the comparative style of promotion is being more effective than non-comparative one (Ang & Leong, 1994).

Europe

Similar situation occurred in most of European countries. When comparative advertising was already very popular and widely used in US, it only started to be used by the European marketers. Even though the data from different European countries shows different information, till mid-seventies, this marketing method was prohibited for most of them. According to specific laws, which were against the unfair competition, this specific form of promotion was considered to be unethical and unfair. And only in 1997, the directive 55 was written which was amending the old directives concerning in particular the comparative advertising. Nowadays, the European laws allows the usage of comparative advertising only if it provides information that can be easily proved and are not considered to be misleading or unfair towards other (attacked) participants on the specific market. The legislation states precisely: "comparative advertising is allowed only if it is not misleading, compares like with like, does not create confusion, discredit or take unfair advantage of a rival's trademark or present goods as imitation of those bearing a protected trade name" (European directive 97/55/EC).

Therefore, in the countries where the use of comparative advertising is considered to be legal, this activity still has few limitations concerning its application. This advertising style is being very much monitored and controlled by the legal authorities

and government agencies. Thus, if the marketers made a decision to promote their goods or services using this method, they need to be very careful not to make any mistakes, which can cost them even their company. It is important to weight their decision wisely, by analyzing the market first, and then see how effective this method is on the local market and what attitude the customers have towards it. Various types of studies tried to find out if comparative advertising would be as much effective in particular European country as it is in the US. For example, Schwaiger, Manfred and Rennhak (2007), did this analysis in Germany. Base on their theory, they used two campaign where one was supposed to be effective in comparative advertising and the other one was not. The findings showed that as their theory predicted, the direct comparative advertising can be effective in Germany as in US, even if in Germany this style is still a novelty. However, under certain other circumstances it would not be effective at all (Schwaiger, Rennhak, Taylor, & Cannon, 2007). These results support another study which was conducted by Shao et al. (2004), they compared the effectiveness of comparative advertising in countries with high context communication and low context communication. Among them there was nine European countries, for instance France, Belgium, Greece or Bulgaria. Based on their results the authors concluded that the comparative advertising can be more effective in low-context communication cultures than in high context communication once (Shao, Bao, & Gray, 2004). Nye, Roth and Shimp (2008), in their research compared France and Netherlands, where comparative advertising is still rarely used, and this marketing method is considered to be still a novelty. Again, the comparison of these two European countries was to US. What is interesting is that the results for both European countries (even if there exist quit few cultural differences) showed that the effectiveness of this method could be even higher than the effectiveness in US (Nye, Roth, & Shimp, 2008). A study by Machek, Král and Karel (2016), aimed to investigate the effectiveness in Czech Republic. The results showed that in general the customers on the Czech markets had rather positive attitude toward comparative advertising (Machek, Král, & Karel, 2016). Czech Republic is considered to be a more a low context culture, which according to Shao et al. (2004), can make sense that comparative advertising can have a positive effectiveness and positive acceptance by the public. To compare, it can be said that Vietnamese are considerate to be from high-context communication culture, and according to Hofstede Insight, it is a very collectivistic society (Hofstede, 2019). Thus, as it was proven before, this culture I

more skeptical towards direct style of comparison and would prefer no comparison at all or in an indirect way.

It is clear that the studies from Europe and Asia differ in the results. There is no explicit research that proves one assumption or another. This is due especially to the fact that comparative advertising is still a novelty in these countries or is rarely used because of the cultural reasons. Thus, in the next subchapter, the reader will be able to identify different circumstances under which the effectiveness of these comparative campaigns differs.

2.3.2. Effectiveness of comparative advertising

In the following subchapter, the reader will be able to have a closer look at different studies on comparative advertising provided all around the world. These studies are numerous as well as the literature covering different characteristics which influence comparative advertising in order for it to be effective. It is equally important to be aware of several comparison format that can be used by marketers to spread their messages, and these forms usually have also different effectiveness for different situations and different player on the market.

As one may already know, the comparative advertising is defined as one in which the advertised brand is being superior to the competing brand. The main point of this promotion is to lower the value of the competitors in the customer's eyes. However there exist different comparison formats to communicate these messages with different effectiveness, which will be identified in the following work.

Direct and Indirect comparative advertisements effectiveness

The main difference between these two forms of comparative advertising, is the fact that if the competitor (the attacked one) is directly identified or not. It can be an identification under a form of direct name, photo or anything from which it is clearly understandable what brand is brought in, as a comparison factor. For instance, in the direct comparison strategy, the competitor (or competitors) brand's values will be explicitly lowered against the advertised brand values. This aggressive type of comparative advertising has become more used and effective these past few years, especially in the sectors like food or retail. In contrary, indirect comparative

advertisement do not use any trademark at all. The advertised brand is being simply shown as the leading brand, and its characteristics and performances are demonstrated to be, once again, superior to the “other” brand which is not being named specifically (Corvi & Bonera, 2008).

Different studies were conducted with the aim to investigate the effectiveness of direct versus indirect comparative advertising. One particular study provided by Shao, Bao and Gray (2004), investigated the perceived effectiveness of comparative (direct) versus non-comparative (indirect) advertising in low and high-context communication cultures using two variables: attitude toward the ad and persuasion effect. The results of this study showed that when evaluating direct comparative communication method, low-context communication cultures had higher persuasion effect than those in high-context communication cultures. So, one can understand that in low-context communication cultures the persuasion effect for direct comparative advertising is more important than for indirect comparative ads. What is important to denote, is that these results were obtained on a measure of the persuasive effect on this advertisement, and not on a measure of attitude toward it (Shao, Bao, & Gray, 2004). Three years later another work was conducted by Schwaiger, Rennhak & Taylor (2007). The main research point of this study was to explore the effectiveness of comparative advertising in Germany by analyzing two differentiated campaigns, one that potentially lead itself to effective comparative advertising and one that does not. As the results they obtained that like in US (where the comparative advertising is being effective for the biggest part of the market), in Germany this marketing strategy can also be effective, however only in some precise contexts (Schwaiger, Rennhak, Taylor, & Cannon, 2007). With Germany being low communication context culture, this work proves the results obtained by Shao, Bao and Gray (2004). Another study this time compared Korea to USA. The authors, Choi & Miracle (2004) examined if the Korean consumer’s response to a direct comparative advertising or to a non-comparative one, is different than the American consumer’s response. They tried to show the links between national culture, self-construal, and the effectiveness of comparative advertising in US and Korea. The obtained result denoted that national culture influences the effectiveness of comparative advertising, but also that self-construal has moderated effects on attitudes toward the advertisement (for both direct comparative advertising and non-comparative advertising). In more details, they demonstrated that US customers have a more positive behavior towards direct as well as indirect comparative advertisements and towards the advertised brand. Contrary, the Korean participant attitudes differed a

lot from the Americans, especially due to the fact that comparative advertisement is relatively unknown and not popular in Korea (Choi & Miracle, 2004). What is interesting, is that Jeon & Beatty (2002), which conducted the same study in US and Korea, came up with slightly different founding. They stated that US consumers have a more positive attitude toward the indirect comparative messages, when the Korean consumers preferer the direct comparative messages (Jeon & Beatty, 2002). As it was written earlier, this differences in the findings between Choi & Miracle (2004) and Jeon & Beatty (2002), can be explained by the Korean consumers unfamiliarity with the comparative advertising. An interesting study occurred in 1997, by Grewal & Kavanoor (1997). They did a meta-analysis, with 77 studies, evaluating the effectiveness of comparative versus non-comparative advertising. The reason behind doing a meta-analysis was to clarify previous mixed results concerning this topic and come up with a more precise report. The authors found out, that the comparative advertising tends to be more effective than non-comparative ads especially in: generating attention, message and brand awareness, levels of message processing, favorable sponsored brand attitudes and increased purchase intensions and purchase behaviors. Despite this method's positive aspects, there exist also negative once. For instance, a lower source of believability and less favorable attitude toward the ad (Grewal & Kavanoor, 1997). A year later, Williams (1978), tested the effectiveness of direct advertisements on two groups of students using two distinct campaigns. He found out that generally consumers preferred the competing brand (or the named competitor's brand), (Williams, 1978). All the above-mentioned studies examined the effects of direct comparative ads, however there is a shortage of the studies on indirect comparative advertising. For that reason, Paul W. Miniard et al. (2006), did an analysis on noncomparative advertisements. In the work, the authors conducted two studies, and proved that the indirect comparative advertising's lack of effectiveness, disappears. They stated that if the message is formulated in the right way, were the competitor's name is not mentioned, but the customers can guess it from the context, the effectiveness of noncomparative ads can be compared to the comparative once (Miniard, Barone, Rose, & Manning , 2006).

So as one can understand, the results are often mixed and unprecise what concerns this topic. Only with a meta-analysis, it is possible conclude if direct or indirect type of advertisement is better and why. However there exist still other circumstances under which this reasoning is incorrect.

Comparative advertising effectiveness in Individualistic versus Collectivistic cultures

How it was already mentioned before and demonstrated by Shao et al. (2004), the customer's attitude towards comparative advertising and thus its effectiveness is influenced by the high or low cultural context (Shao, Bao, & Gray, 2004). Nevertheless, it is not the only cultural aspect that has an impact on comparative advertising. Different cultures have different values, and according to Geert Hofstede one could measure different cultures on a scale, classifying them into six dimensions: power distance, individualism, masculinity, uncertainty avoidance, long term orientation and indulgence (Hofstede, 2019). What concerns the comparative advertising, it is possible to divide the whole population into two different subgroups, to classify them according to their acceptance of such a marketing style: individualistic cultures and collectivistic cultures. The difference between these two aspects is, if the population generally approaches life as "I" (individualistic) or as "We" (collectivistic). The main definition of this dimension according to Hofstede Insights is: "the degree of interdependence a society maintains among its members" (Hofstede, 2019). So, in individualist societies, generally people's selfcare goes before anything else, on the other hand in the collectivistic societies it is common to care about your surroundings, family and friends. As well the way of communication differs, in individualist cultures people tend to be more strict, direct and emotionless (low context communication). In collectivistic societies they tend to prefer more indirect way of communication, be gentle and care about what others think (high context communication).

This differentiation influences the effectiveness of comparative advertising. According to Jing Zhang (2010), who analyzed the persuasiveness of individualistic and collectivistic advertising appeals among Chinese, between the age 18 and 35, with high income and high education. As results he obtained that, individualistic advertising as well as collectivistic were both equally persuasive for the respondents, however from the theory he also assumed that for the older generation the individualistic ads appealed more to them. Based on these findings he concluded that there is a rise in biculturalism in China due to globalization. He noted that the younger generation adopt more and more with time to individualist and traditional campaign as well as to collectivistic once (Zhang, 2010).

Nevertheless, Hofstede stated that China scores 20 in individualistic/collectivistic dimension (Hofstede, 2019). Thus, one can assume that China is a collectivistic culture, which means they care more about their surroundings, and the well-being of

others is important for them as much as their own. So, the direct type of advertising will not be the best option to employ in this culture. On the other hand, Germany with score 67 or Czech Republic scoring 58 (Hofstede, 2019), seems to be more individualistic cultures, and thus the comparative advertising should be more acceptable by the public. As it was proved by Schwaiger et al. (2007), or Machek et al. (2016) these two countries have rather positive attitude toward comparative campaigns (Schwaiger, Rennhak, Taylor, & Cannon, 2007) (Machek, Král, & Karel, 2016). The same goes for earlier mentioned France and Netherlands, which are both very individualistic societies. As it was proved by Shao et al. (2004), their acceptance of direct comparative ads seems to be rather positive too (Shao, Bao, & Gray, 2004).

As we can conclude, the direct type of advertising is more suitable for individualistic cultures, with low context way of communication as it seems according to different studies. However, the effectiveness of comparative advertising is not only measured and differentiated between different countries or cultures, but as well within them.

Comparative advertisement effectiveness of the leader's or the follower's brand

It is important to denote, that direct comparative advertisement has a different consequence for the company that is considered to be a follower and for the one that is considered to be the leader in a specific sector. If the leader uses the direct comparative ad, and directly names any follower from that same industry, it is likely that the follower company will get more awareness on that market and the leader (which already has the highest awareness) will get more or less nothing, and thus he has the most to lose. However, if the situation is reversed, and the follower compares itself directly in a campaign to the leader from the same industry, it is more likely for that following company to get more awareness among customers (but this does not mean it will attract them). So, the usage of comparative advertising is recommended to smaller brands, which are new on the market or just have a really small spread among consumers. In this case the direct comparison to the market leader will be effective (Corvi & Bonera, 2008). Therefore, one can conclude and as it was already mentioned in the study from Shimp and Dyer (1978), that when a customer will obtain the message, where the leader is being presented in the same campaign as the unknown following brand, they will automatically create a link between these two products or

services. And in their next purchase, they might consider buying the unknown brand instead of the leading one (Shimp & Dyer, 1978). The same year, Sidney A. Diamond (1978), denotes in his study to pay attention to the ad sponsor misidentification, and lists all negative outcomes for a brand leader (Diamond, 1978). This is called a “underdog hypothesis”, in other word the less known brands can benefit from the usage of direct comparative ads, which thus will be more effective for them then it would be for the market’s leader (Gnepa, 1993).

Comparative advertising effectiveness for new brand or new market

Another factor that influence the effectiveness of comparative marketing strategy is the market novelty or the brand novelty. Already in 1979, Goodwin and Etgar (1980), noted that in fact the novelty of the brand or the market novelty does have an impact on the direct ad’s effectiveness (Goodwin & Etgar, 1980). There were different studies which showed analyzed customer’s psychology and explained the reason for their different purchasing choices. For instance, Lynch and Srull (1982), proved that at first the novelty of the brand or market, leads the customer into uncertainty (about the products value) but at the same time into curiosity to actually find out if the product or service is good or not. This is why the new brand or the new wave of attention towards existing, unpopular brand on the market or a new type of comparative promotion on the market, will create greater awareness, which spreads faster among customers. And potentially later they will easily recall of this comparative campaign (where they maybe saw the brand they are currently using) and potentially purchase the new product to try it out (Lynch Jr & Srull, 1982).

As for market novelty one can understand it as the markets where the comparative advertising has not been present as a typical marketing practice for a long time, in other words the markets where this strategy is still a new way of promotion. In 2008, Nye et al. (2008) assumed that the customers who are unfamiliar with the comparative advertising promotion tactics will respond differently (negatively) to this type of advertising than the customers who see these types of promotion regularly. In their study which they conducted on the French and Dutch markets, it was proven that even though there is no significant difference in acceptance of such a method in comparison to noncomparative ads, that still the effectiveness is much lower than in US where the practice is common (Nye, Roth, & Shimp, 2008). There is definitely a lack of academic researches concerning this topic for the markets where comparative advertising is still a novelty, when it is compared to the studies from US. However, in a lot of these

countries, where due to legal or cultural reasons this marketing strategy was not a common advertising format, the authors came up to the similar results. For instance, Czech Republic, Germany, Korea or Japan, in all these studies the authors showed that comparative advertising can be potentially well accepted by the local public, and that the effectiveness could be similar to the level in US, but it is still not sure that it will be the same in different circumstances (Machek, Král, & Karel, 2016); (Schwaiger, Rennhak, Taylor, & Cannon, 2007); (Choi & Miracle, 2004); (Shao, Bao, & Gray, 2004). The brand novelty refers to the level at which the customers are unfamiliar with the advertised brand (Nye, Roth, & Shimp, 2008). In this situation the lack of knowledge of the particular brand can play in advantage for the company. Since one can assume that consumers have already seen competitor's advertisements and have used the product or service in the past, the new promotion can be interesting for them as it is something new. This also gives the customer the opportunity to weigh the values of the two separate brands and compare them in order to create a proper idea about the new advertised product or service (Sujan, 1985). In addition, as it was mentioned above, the new brand can have a big advantage in the creation of the awareness by using the comparative advertising. If the new brand, names the market leader, or just another brand which is popular on the market, they can gain more attention from the local public (Shimp & Dyer, 1978).

Foreign versus domestic brand influence on comparative advertising effectiveness

Recently Neese et al. (2019), conducted a study in US, testing how consumer's ethnocentrism and personal characteristics influence the effectiveness of direct and indirect comparative advertising in automobile industry. In Northern American automobile industry market, comparative advertising (direct as well as indirect) has been used for decades. It is a commonly known, that usually ethnocentric consumer considers the products produced domestically superior to those imported from abroad. As it was noted in their study, ethnocentric consumers materializes in the form of cognitive (act of knowing, perceiving), affective (influencing feelings and/or emotions) and conative (striving towards goals) personal characteristics, and it can have an impact on their purchase decision (Neese, Foxx, & Eppler, 2019). The authors divided the theoretical part into three subparts: consumer's ethnocentrism, industry's personal characteristics and brand ownership. According to them, these are the potential factors, that has an impact on customers purchasing behavior (and thus

comparative/non-comparative advertising effectiveness) (Neese, Foxx, & Eppler, 2019).

As was already mentioned for ethnocentric consumers, usually, the domestic brand is viewed as the superior one when compared to the foreign one (Steenkamp & Jong, 2010); (Neese, Foxx, & Eppler, 2019). The main dimension, which characterizes this type of customers, is their intention to support local employment by purchasing only from domestic producers and thus maintain domestic economy's health and its stability (Shimp & Sharma, 1987). These purchasing intentions are influenced by consumer's cognitive, affective and conative personal characteristics. Therefore, when an ethnocentric person sees a comparative direct or indirect advertising featuring domestic versus foreign brand, his or her ethnocentric state of mind and emotions will automatically create a link and preference in their mind towards the domestic brand (Neese & Haynie, 2015). However, with an increased number of imports of foreign automobiles brands into US, the domestic households usually cannot escape from the consideration of purchasing the product from global brands while making their purchase decision in order to fulfill their needs. To sum up, the moment a consumer is exposed to any comparative ad format featuring domestic and foreign brands, is the moment he or she can develop ethnocentric beliefs, feelings and purchase intentions. And it works in the opposite way too, ethnocentrism can influence consumers' reaction to comparative ads featuring domestic and foreign brands (Neese, Foxx, & Eppler, 2019).

The industry specific personal characteristics are important, they highly influence how employees respond towards their employer's brand. They will usually know more about the source of their income (about the employer, brand), than those who are not connected to this source at all. If the company is able to promote itself in a bright light, and make its employees proud of their job, as well as show in comparison to other posts in other firms, that they are much better, it is a positive point for them (Wolfenbarger & Gilly, 1991). By doing so, the company will receive a better return from the customers, since their employees will do a better job for them, and also, they will become brand's most loyal customers (Rosengren & Bondesson, 2014). According to Neese and Davis (2015), employment attitude in a specific industry can also impact the influence of demographic variables on ethnocentric tendencies. A satisfied employee will provide a better customer service, and thus attract more potential buyers (Neese, Davis, & Haynie, 2015).

Brand ownership has been defined in many different studies. In general, a very waste definition is that brand ownership is the purchase behavior influenced by the country of origin of the brand. The whole process is occurring in consumer's mind, starting from the initial willingness (or just need) to purchase, till the post-purchase evaluation of the product or service. On the other hand, Chang et al. (2015), defined brand ownership more from a psychological point of view. For them, it is a: "state in which people feel possessive of a brand and as if they have control over the brand [...] they own the brand by having a close connection with and an emotional investment in it" (Chang, Kwak, Puzakova, Park, & Smit, 2015). Also, as it was mentioned in the study from Herz and Diamantopoulos (2013), the emotional country specifics are significantly linked to brand ownership (Herz & Diamantopoulos, 2013). Thus, as it was predicted by Neese et al. (2019), brand owner has a potential to impact consumer's attitude towards comparative (direct and indirect) or non-comparative advertising featuring foreign and domestic brands (Neese, Foxx, & Eppler, 2019).

Neese et al. (2019) study, tested the following research question: "How does ethnocentrism, industry specific knowledge, beliefs, and employment, and foreign versus domestic automobile brand ownership influence the effectiveness of advertising content?" (Neese, Foxx, & Eppler, 2019). The authors found out that in general the US respondents have most favorable purchasing intentions when it comes to the noncomparative campaigns with domestic brand as a sponsor, and least favorable for the directly comparative foreign brands campaigns (Neese, Foxx, & Eppler, 2019).

Now the reader is informed about the potential influence a country of origin of the brand has on consumer's perception of the brand itself and thus its purchasing behaviors, after being exposed to a direct or indirect comparative advertisement and noncomparative advertisement. Ethnocentric consumers will tend to relate to the domestic brands rather than the foreign one. For this reason, if a foreign brand utilizes a direct comparative advertising in another market than its own, it may be less effective since it will be perceived negatively by some part of the local customers.

2.4. Summary of Theoretical Part

In the first part of this thesis, concerning the comparative advertising effectiveness, the reader was able to get familiar with the term of advertising, as well get into the topic of comparative advertising.

The first subchapter focused on defining the term: advertising. The reader was able to find out basic types of advertising as well as different tools to enhance its effectiveness, which are widely used nowadays: advertising campaigns, word-of-mouth marketing, influencer marketing, celebrity branding, advertising jingles, logo, slogan, samples and comparative advertising. The next subchapter concentrated on the advertising channels, one was able to read about the media channels, location-based channel and finally the direct marketing channels. After a brief reminder of the advertising term and its main attributes the thesis focused on the topic of comparative advertising. At the beginning the term itself was defined. Two different explanation were provided, one from the Federal Trade Commission and the second one by European Union's law – 97/55/EC. They both identified that comparative advertising is a marketing practice, which directly or indirectly compares one brand to its competitors, where the sponsoring brand is being showed as one having better qualities and values then the attacked brand. This marketing strategy is used often in nowadays marketing all over the world. However, the law applied to comparative advertising limits the usage for the advertisers. For this reason, the work identified legal aspects and this method's presence in three different parts of the world: US, East Asia and Europe. After analyzing various studies, it was possible to conclude that the comparative advertising, is the most popular among American marketers. They practice it often, and usually it seems to be effective in various industries. On the other hand, in Europe and East Asia, this practice is still relatively new, and usually the customers on the market are still unfamiliar with it. The difference in the results from European as well as from Asian countries proves that the practice still is in its rising phase, but it has a big potential to be very effective communicating tool in near future, if it is used in the right way.

Following this idea, the next chapter identified the effectiveness of comparative advertising as well it showed in which circumstances does that effectiveness changes (according to different studies). First of all, the reader was able to distinguish the direct comparative ad (which states clearly the name of the attacked brand) from the indirect comparative ad (which does not mention a specific brand, but rather just identify anonymous opponent as the point of comparison). Then, cross-cultural differences in

the perception of comparative advertising by the client were identified. Studies from individualistic and collectivistic cultures, helped to show how does the acceptance of this promotional style differentiate across cultures. It seems, that customers from individualist culture has a more positive position towards this type of advertising then those from collectivistic cultures. However, these differences do not occur only between different countries and cultures, but also within them.

The reader was able to see the differences in effectiveness of comparative advertising, for the industry's leader and the following brands. It was shown that for the leader it does not make sense to use direct comparative advertising to communicate the main message to the customers. Usually the leader already has the biggest awareness on the specific market, and by using this aggressive promotional style, the leading company has the most to lose (especially if the customers in this particular culture, do not accept well this advertising method). However, for the following brand, comparative advertising can bring differ benefits, when compared to the market's leader. By naming already known brand in unknown brand's campaign, one can attract people's attention, and thus create a greater awareness among the customers. Further it was demonstrated that the brand novelty can also have a positive effect on customers, by using the comparative advertising. As for following brand, the new brands need to create the awareness, however their advantage is that they are new, and usually people will be tempted to try it out. What concerns the new market, one need to be careful since it can be risky for the success of the companies due to the novelty of this marketing method in a particular country, its effectiveness can be impacted by other factors. People won't be familiar with such an aggressive way to see their advertisements, so before introducing this method on a new market, one should conduct an in-depth analysis, to get to know those to whom the future messages will be addressed.

And finally, the work provided different literature analysis to distinguish how the foreign versus domestic brands influence the comparative advertising effectiveness. It was shown according to different studies, that usually ethnocentric customers, will prefer the domestic producers over the foreign one. However, there is another group which does not care about the country of origin, but do care about the industry's personal specifics, which will help them to decide on their future purchase decisions. Thus, it is was said, that usually if a foreign brand, use direct comparative advertising on another country's market, there is a big chance, that this act will be perceived negatively by certain portion of the population, due to ethnocentric reasons.

The theoretical analysis above brought a potential interesting research which can be conducted in Czech Republic. Only one study was conducted on the Czech market concerning the topic of effectiveness of comparative advertising, in automobile industry (Machek, Král, & Karel, 2016). The questions that arise from it are numerous since the study did not cover all the possible aspects of this marketing strategy on the Czech market. One that seems to be of a high importance, is the topic concerning the cross-cultural differences in effectiveness of comparative advertising, as well as influence of the form of this promotional style on advertising effectiveness and persuasion effect among consumers.

Thus, this work will have as the main point of research the following research question: *Is there a difference in effectiveness of direct and indirect comparative advertising between low-context communication culture and high-context communication culture?* The research question was based on information collected from various studies from the theoretical part, namely: (Choi & Miracle, 2004) (Machek, Král, & Karel, 2016) (Shao, Bao, & Gray, 2004) (Nye, Roth, & Shimp, 2008) etc. The purpose of the following analysis will be to test the effectiveness of direct and indirect comparative advertising featuring brands from different industries among Czech customers as well as Vietnamese minority living in Prague. Further the analysis will provide a reasoning behind potential differences in results for two different culture.

2.5. Ethnic Minority

An important input to this thesis is the theory on the ethnic minorities. This part is crucial, since the main cultural comparison in the research will occur between Czech respondents and Vietnamese ethnic minorities living in Prague.

Thus, while analyzing the market in one particular country it is important to take into account, that with increase of globalization the marketers may face an obstacle to attract people from different cultural backgrounds, while still playing on the same market. In order to avoid the risk, it is crucial to formulate the promotional message based on characteristics which describes what is the best way to attract a particular cultural group (Zhang, 2010). The groups of people that share similar national cultural pattern between them, but different from the “main” population of the country, are called ethnic minorities. According to scholastic (2019), an ethnic minority is: „a group of people who differ in race or color or in national, religious, or cultural origin from the dominant group — often the majority population — of the country in which they live. The different identity of an ethnic minority may be displayed in any number of ways, ranging from distinctive customs, lifestyles, language or accent, dress, and food preferences to particular attitudes, moral values, and economic or political beliefs espoused by members of the group. “ (Chaiklin, 2019)

In USA, term “ethnic marketing” is widely used (Cui, 1997). And even though ethnic marketing differs from multicultural marketing, the two terms are often used interchangeably (Nwankwo, Aiyeku, & Ogbuehi, 1997). The reason for this can be a gap in the marketing literature, which would provide a useful processes and structures which might help marketers to clarify and apply efficiently the marketing mix toward these cultural groups, and thus help to differentiate the two terms (Nwankwo & Lindrigde, 1998).

As was already mentioned above, due to increase in globalization in the past few decades (Zhang, 2010), the size of groups which are considerate ethnic minorities are becoming increasingly significant part of the whole main population. And thus, marketers can no longer neglect this information and need to treat this groups separately according to their cultures. This is due to the fact, that their purchasing behavior and attitude toward the ads may differ from the main population. And so, marketers need to put an extra effort, to analyze these group’s buying/consumption behaviors, and act accordingly (Nwankwo & Lindrigde, 1998).

In 1998, Nwankwo et al., did an analysis of British market concerning the marketing to ethnic minorities. The authors stated two main points which need to be taken into

consideration when trying to attain ethnic minorities on the market: Rethink marketing segmentation and understand the ethno-marketing environment (Nwankwo & Lindridge, 1998).

And so as was mentioned previously, traditional way to segment a market can no more determine the actual market situation. The diversity and instability on these markets, due to increased number of immigrants, requires a specific in-depth market research in order to determine their values, preferences and behaviors. According to Cui (1997), it is crucial nowadays to distinguish traditional marketing from, separated marketing, integrated marketing and multicultural marketing. Further in his study, he proposes for main strategies for marketing to ethnic marketing: total standardization, product adaptation, advertising adaptation and ethnic marketing. As authors stated, the choice of the most effective marketing depends of various factors, as for instance product preference, ethnic identification, acculturation and advertising responses (Cui, 1997).

Furthermore, Nwankwo et al. (1998), developed schema for cultural classification of ethnic minorities. They tried to cluster the total population (of ethnic minorities), into 4 mains groups: least acculturated, moderately acculturated, most acculturated, totally acculturated (Nwankwo & Lindridge, 1998). The main characteristics according to the authors, of each cluster in UK will be shown in the appendix.

In addition, the authors of this study in UK, described the following factors, which need to be taken in consideration when developing the ethno-marketing mix (Nwankwo & Lindridge, 1998):

- Stereotypes
- Condescending
- Culture
- Intentional and unintentional racism
- Celebrities
- Permission

According to several studies, ethnic minorities are a potentially very profitable market segment to enter (Dwek, 1997), (Swenson, 1990). However as was described in the study of Nwankwo et al. (1998), it may be counter-productive to segment a market on ethnic origin alone, and so it is recommended to take into consideration other aspects as: consumption-related behaviors. And thus, it will help the marketers

to understand ethno-marketing environment, namely group's: demographics, life style, education/employment etc. (Nwankwo & Lindrigde, 1998).

There exist other studies which also analyzed the immigrant groups. For instance, according to Light (US sociologist), immigrant groups should be analyzed through their cultural capital (Light & Gold, 2000). However, as was denotes in the study by Collins (2003), Waldinger opposed this idea by saying that the immigrants should be analyzed through their group characteristics (human capital and financial resources) and opportunity structures (experience of establishing new business in host country), rather than cultural capital only (Collins, 2003).

In conclusion, it is important to indicate, that the topic on marketing towards ethnic minorities is not as wide, as marketers would like it to be. For this reason, this work will try to analyze cross-cultural differences in attitude towards comparative advertising, where the groups of comparison would be: Vietnamese minorities living in Czech Republic and Czech inhabitants them self.

2.6. Hypothesis

As was already mentioned in the introduction of this thesis, three hypotheses and three null hypotheses were developed to be tested in the analysis. They incorporate two main criteria which aimed to differentiate the attitude toward the comparative advertising (and thus its effectiveness): cross-cultural differences and advertisement form (direct and indirect).

Primarily, *H10* and *H11* will be presented in the following text:

(H10): Comparative ads are not perceived to be more effective in low-context communication cultures than in high-context communication cultures

(H11): Comparative ads are perceived to be more effective in low-context communication cultures than in high-context communication cultures

By testing this hypothesis, one is aiming to show that while analyzing the effectiveness of the comparative advertising in one market, it is important to differentiate the results obtained, and classify them into different groups, by respondents with different cultural background. It is denoted by countless studies that, cultures with high-context communication backgrounds will be more resistant to a comparative advertising in general. This is due to perception of this marketing method as an unethical way to market products or services. (Shao, Bao, & Gray, 2004); (Xue, Zhou, Zhou, & Frei, 2005); (Nye, Roth, & Shimp, 2008); (Choi & Miracle, 2004) and many more. This research also aims to show that it will not be always effective for marketers to use this specific marketing method, to promote products or services for some specific cultural groups.

As was demonstrated above, several studies aimed to show cross-cultural differences in attitude towards comparative advertising in different countries. However, it seems that there is a lack of data concerning the ethnic minorities living in different countries. It seems important to see if the cross-cultural data are applicable for these communities, which with globalization are growing today.

The second and third hypothesis which will be tested are:

(H20): Direct comparative ads are not perceived to be more effective than indirect comparative ads in low-context communication cultures

(H21): Direct comparative ads are perceived to be more effective than indirect comparative ads in low-context communication cultures

(H30): Indirect comparative ads are not perceived to be more effective than direct comparative ads in high-context communication cultures

(H31): Indirect comparative ads are perceived to be more effective than direct comparative ads in high-context communication cultures

This will help to identify the reasoning behind a possible differentiation in the obtained results about the level of effectiveness of comparative ads. The forms, namely direct and indirect comparative ads, play a crucial role in the respondent's attitude toward such a type of promotion. According to different studies it seems that cultures with high-context communication background, prefer the indirect form of comparative advertising, which seems to be more ethical in a way (Choi & Miracle, 2004); (Shao, Bao, & Gray, 2004), (Neese, Foxx, & Eppler, 2019), (Xue, Zhou, Zhou, & Frei, 2005). Contrary, cultures from low-context communication cultures do not show any significant resistance toward the direct or indirect comparative campaigns.

3. Methodology

3.1. Research goal

The aim of this work is to demonstrate the results concerning the effectiveness of comparative advertising in Czech Republic among two culturally distinctive groups: originally Czech inhabitants and Vietnamese Minorities living in Czech Republic. Further, there is another distinction which will be analyzed, concerning the form of the comparative advertising. As was explained in the theoretical part of the thesis, there exist two main types of comparative advertising: Direct Comparative Ads and Indirect Comparative Ads. The goal is to see if there is a significant relation between the culture of origin of the consumer, and his/hers attitude toward these two types of comparative advertising. And further state if the cross-cultural studies are applicable to the groups as ethnic minorities. The results could serve as a basis for firms and the marketers, which would like to operate on the Czech market, and attract Vietnamese consumers living in Czech Republic by utilizing the comparative style of advertisement. The report could show each group's attitude toward direct and indirect comparative advertising, as well as provide a clear picture of the differences which occur between these groups. To summarize it, the main ideas will now be presented in the following points:

- Examine the effectiveness of direct and indirect comparative advertising in Czech Republic
- Determine if there is a difference in perception of the direct and indirect comparative advertising between Czech respondents (low-context communication culture) and Vietnamese minorities living in Czech Republic (high-context communication culture).
- Explore, Analyze and Understand differences between Czech and Vietnamese consumers concerning the attitude towards these ads, and their persuasion effect among these two groups of respondents
- Equally determine potential influence of other demographic variables like: age, gender and occupation; on the effectiveness of the direct and indirect comparative advertising within Czech respondent and Vietnamese once

To reach the desired aim, a quantitative research was conducted in Prague, between the dates of 24th of November and 29th of November.

3.2. Sample of respondents

As was mentioned previously the questionnaire were divide into two parts, Vietnamese minority and Czech respondents. These two nationalities represent, two culturally distinct groups. Czechs represent high-context communication culture, with medium to high individualism score (58) according to Hofstede Insights (Hofstede, 2019). On the other hand, Vietnamese are low-context communication culture, and scores low in individualism (20), which make from this nation a collectivistic culture (Hofstede, 2019).

According to “The Economist”, currently there is approximately between 60,000 and 80,000 Vietnamese living in Czech Republic, which after Slovaks and Ukrainians makes them the third largest minority group in the country (Kosowska, 2019). It is clear that this group is a big part of the Czech population, which currently represents more than 10,650,000 people (more than 1,3 million in Prague) (Worldometers, 2019). The highest concentration of Vietnamese minority is in Prague (more than 10,000), where is also located a so called “Vietnamese paradise” or known under the name “SAPA”. It is a Vietnamese market, at heart of Czech Republic. The market incorporates a number of traditional restaurants, clothing stands, food shops etc. It is also possible to find specific services as for instance insurance companies, doctors, kindergarten and many other which are operated by only Vietnamese employees for almost exclusively for Vietnamese clients (Česky rozhlas Radio Praha, 2015). So, it is obvious, that Vietnamese minority in Czech Republic are a very important group, which needs to be taken into account when performing marketing activities or any other market related projects. Especially if we consider the fact that in the last decade, the Vietnamese population grew almost seven time the number back in 2005, it can be assumed that the size of this group will grow even more.

By taking into consideration the information collected above, it is now possible to understand the reasoning behind the choice of the sample population: Czech and Vietnamese minorities living in Prague. And thus, it could be interesting to analyze cross-cultural differences between these two groups, regarding their attitude toward the comparative advertising.

3.3. Research methods

To reach the work's main goal a quantitative research was conducted in the capital of Czech Republic, Prague. The survey was developed and consists out of 200 respondents, where 48% were female and 52% male. The analysis of the dependent variable (effectiveness of comparative advertising), was divided into two main points: the attitude towards the ad and the persuasion effect. Both of these aspects were covered by the questions which will be described later on. Further, the survey was divided into two sections, with two "real world" campaigns, each representing one type of the advertising. First one, was representing the direct comparative advertising, featuring the taste test challenge between Pepsi and Coke (where Pepsi is the attacking brand). The war between the two-brand started back in the 70's (Bhasin, 2011), and today is known under the label "Cola Wars". In recent events, Pepsi attacked Coke directly (named the attacked brand), in Czech Republic. They created a series of taste tests around Czech Republic, where they blindfolded random pedestrians or poured the drinks into cups without letting the respondents know where which drink is. After, the consumers where asked to state their preference between two drinks they just tasted. The results showed that approximately 60% of respondents preferred Pepsi. Another campaign which figured in the survey, was Air Bank versus "...ční" bank. This ad represented the indirect comparative advertising. The bank came up with an indirect comparative ad (not attacking someone specifically), featuring good versus bad banker. The aim of this campaign was to show in comparison to competitors, how "uncomplicated" and "caring" Air Bank is, while presenting all their offered benefits for the clients.

The two campaign were chosen due to the popularity on the market among consumers. Before the final decisions about the ads, 15 random Czech students were asked "which of the following campaign is the most familiar to you?". The ads proposed included: Pepsi taste challenge, Air Bank: bad versus good banker, Hyundai campaign attacking Skoda and finally Apple versus Samsung. Out of the 15 respondents 11 stated Pepsi versus Coke and Air Bank as the most familiar to them.

Further, to insure the knowledge of the two chosen campaign among the respondents, an explicit description of each of them was given in the digital survey. For the purpose to divide the answers into two parts (by direct and indirect advertising), a series of seven questions were asked under each campaign.

The seven questions were derived from the studies of (Choi & Miracle, 2004); (Machek, Král, & Karel, 2016); (Shao, Bao, & Gray, 2004). The first two questions

concerning the general respondent's attitude toward direct or indirect ad, and general attitude towards the concerning campaign (first direct – Pepsi versus Coke, second indirect – Air Bank) were derived from the study conducted by (Machek, Král, & Karel, 2016). Furthermore, the following question concerned the attitude toward the ad, here respondents were asked to rate 13 adjectives, describing the ad. The adjectives like: “good”, “tasteful”, “memorable”, “offensive” etc., were taken from two studies by (Choi & Miracle, 2004) and (Shao, Bao, & Gray, 2004). The next question aimed to analyze the persuasion effect of the underlying campaign among the respondents. They were asked to rate five assumptions, for instance “*If I were to need a product like this, this advertisement would persuade me to purchase Pepsi*” or “*Regardless of my personal preference, this advertisement is effective*”. These assumptions were extracted from the study by (Shao, Bao, & Gray, 2004). The last two aimed to assess the respondent's attitude toward the brand itself. And here again the first question presented 7 adjectives like: “positive”, “works well”, “good quality” etc., for the consumer to rate. The next question asked the respondent to rate its likely purchase/usage of the underlying product/service. The consumer had to rank three possibilities: “Likely”, “Probable” and “Possible” purchase intensity. And finally, one last question from (Machek, Král, & Karel, 2016) was introduced, asking the respondent to rate the following assumption: “*After this campaign I changed my attitude towards Pepsi/Air Bank*”. This question was added in the questionnaire as a “control question” for the part concerning the persuasion effect. These seven questions were repeated two times, once for each campaign.

In the last part of the survey, the respondent was asked questions focusing on its socio-demographic information on parameters such as gender, age, nationality and occupation. Of course, the information about the nationality of the respondent played the crucial role since the goal was to analyze cross-cultural differences between Vietnamese and Czechs consumers. Nevertheless, other demographic question could also contribute to information of precise respondent's profile and its attitude toward the comparative advertising. For instance, the question “*Which category below includes your age?*”, proposed the five options, which each represented one generation.

- 74-91 – Silent Generation
- 55-73 – Baby Boomers
- 39-54 – Generation X
- 23-38 – Millennials

The aim of dividing the age groups accordingly, was to facilitate the identification of potentially profitable segments on the market. A big number of literatures concerning the topic of “generations” proved that among these age groups, are some similarities but much more differences. These differences can play an important role when it comes to the attitude toward the ads or their behaviors in general (Gürcüoğlu, 2016), (Slootweg E., 2018). Each generation has distinguished trends. For instance, nowadays with increase of technology power, and all the available social media, the difference between countries is decreasing and the world is becoming more and more one undistinguished market.

The questionnaire consisted out of 18 questions in total. All the questions concerning attitude toward the ad, persuasion effect of attitude toward the brand, were numerically coded using a 5-point Likert scale, which was also present in the research papers from (Choi & Miracle, 2004); (Machek, Král, & Karel, 2016), (Shao, Bao, & Gray, 2004). This showed their relative levels of importance. All the questions were pretested on 5 students, which insured a better understanding of the whole questionnaire by all the respondents. For instance, the question: “*Rate Pepsi on a scale from 1 to 5*”, was changed to “*Rate PepsiCo (as a brand) on a scale from 1 to 5*” due to non-understanding of the fact that here the respondent was asked to rate the brand not the product in the campaign. Also, what concerns the scale, many of the students on which the pretest was made, recommended to write next to the number “1” and “5”, “1 – Worst” and “5 – Best”, to insure a full understanding of the scale in case the respondent do not read the introduction of the survey.

The questionnaire was conducted online via Google Forms, an online survey administration application made by Google. The sampling method picked for this work was convenience sampling as well as random sampling. To begin the survey was shared with more than 50 people through social medias like: Facebook, WhatsApp and Instagram. Further, due to lack of responses random sampling method was used to collect a minimum response, in order for the research to be more reliable. The collection occurred at the at four main locations: National Technical Library, University of Economics in Prague, SAPA market and Shopping Mall Nový Smíchov. The multiple locations were chosen in order to gain as various answers as possible from different people. Every 10th person passing was asked to fill in the survey, between the 24th and 29th of November. This method makes the sampling completely

random and led to a total of 150 responses. Approximately 350 passersby were personally asked to fill in the survey, which makes the response rate of this sampling method 52,9%. The rest of responses were gathered by social media. Due to the convenience sampling method, where the survey was distributed through social media, measuring the response rate was not possible.

Once the suitable amount of responses was collected, the dataset was analyzed using descriptive statistics, relative frequencies and two-sample statistical tests. Respondents' answers were coded on a scale 1-5. Further, they were compared using Welch's t-test in case of comparison of two different groups of respondents. And Paired t-test was used in case of repeated measures on the same group of respondents. Data were analyzed using computing software STATISTICA and additionally MS Excel software. The value of significance level was chosen 0,05.

In addition, two t-tests used in the thesis will be describe. First, Paired t-test is used to compare two population means where there are two samples in which observations in one sample can be paired with observations in the other sample. A paired t-test calculates the difference between paired observations and then performs a 1-sample t-test on the differences. For instance, in this specific thesis, the question "*I generally dislike direct/indirect comparison between competing brands*", in this case the same question is compared with the difference of the underlying type of ad.

Further, Welch's t-test is the second statistical test used. generally preferred when the variances of two tested means from independent populations are not equal. This statistical test is often compared to Student-t test, with less assumptions about the data. On the other hand, in the Welch's t-test assumptions like "equivalent variance" and "equivalent sample size" are not ignored. And thus, is makes it easier to be able to cut the data anywhere, to see more concrete results.

4. Results

The data collected from the survey were analyzed in order to reject or fail to reject the null hypothesis. For this reason, it is important to analyze the answers as a total sample and further separated by country of origin of the respondent. Different tests were run in order to test the hypothesis. Namely, linear regression, ANOVA test. These two however, were not accurate and with the data at hand, it was not possible to perform them. For this reason, descriptive statistics, Paired t-test analysis and Welch's t-test analysis were chosen to test the mentioned hypothesis. First of all, an explorative analysis will be done to organize the descriptive variables of the data.

Tables 2,3 and 4 demonstrate the demographic data of the respondents. It shows that majority of respondents claimed to be male, precisely 52%, and 48% seems to be female. Further, it is demonstrated in the table below what percentage each gender represents by country. Therefore, among Czech consumer the amount of female and male seems to be exactly the same 50% of each. What concerns the Vietnamese sample, there was collected 54% of responses from males and 46% from females.

Respondents Characteristics

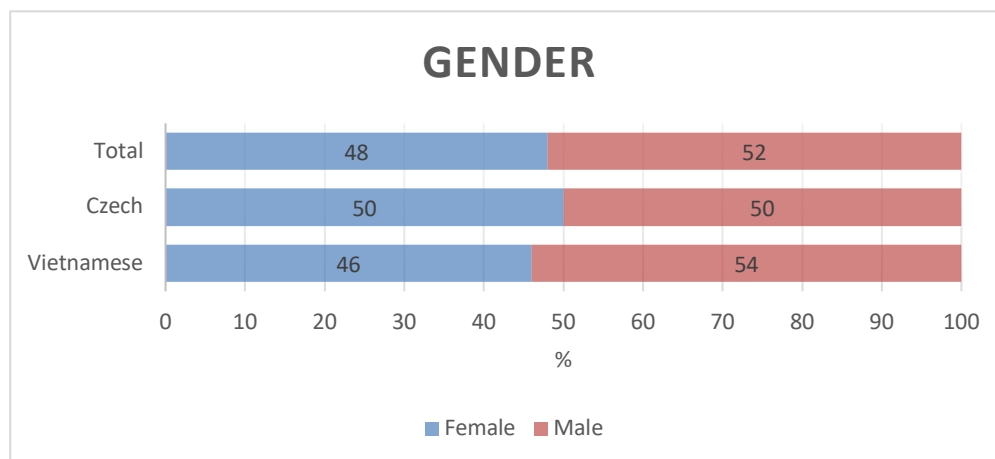


Figure 2 – Division according to Gender (Source: Author)

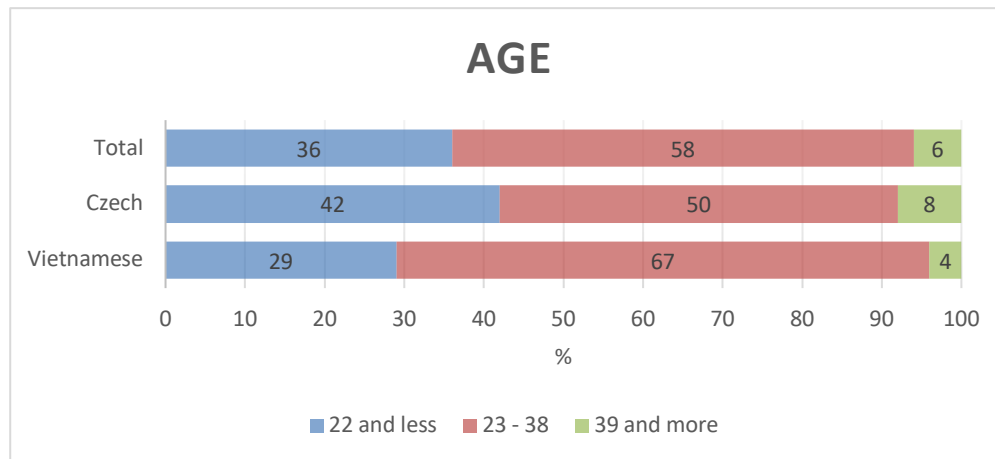


Figure 3 – Division according to Age (Source: Author)

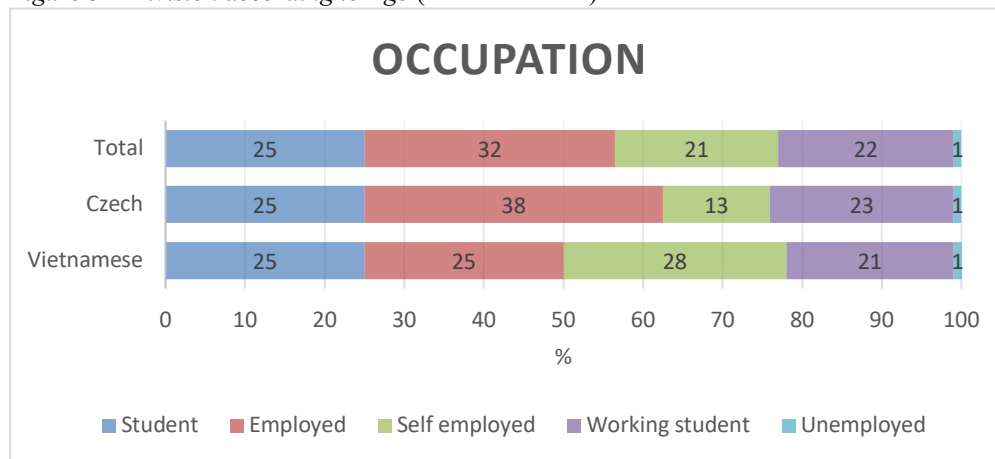


Figure 4 – Division according to Occupation (Source: Author)

Overall, it seems that the amount of male was predominant in the collected data. However, the difference overall was really small, only 4 percentage point. Further, in the figure 3, it can be observed how differentiated the sample was according to the age. In general, two age group were of the highest important. The category “22 and less” representing generation Z, and category “23-38” representing the millennials. The other answer from other age category, were small, and therefore were combined in the figure 3 as the category “38 and more”. As the figure 3 shows, the biggest portion of responses were from the Millennials, namely 58%. The Generation Z represented 36% and 6% of the answer were from category “38 and more”. For the Czech as well as for the Vietnamese sample, the biggest category represented Millennials (Czech – 50%, Vietnamese – 67%). The Generation Z was bigger among Czech respondents (42%), than among Vietnamese (29%).

Following, figure 4 represents consumer’s occupation. In this case, there was no predominant groups. The respondent’s occupation was distributed more or less equally among Czech respondents and Vietnamese. Respectively, the larger group was

“employed” which represented in total 32%. The second largest group for Czechs was “student” (25%), however for Vietnamese it was “self-employed” (28%).

Furthermore, we can proceed to the analysis of respondent’s attitude towards two type of campaigns: direct and indirect. The figures 5, 6 and 7 down below, represents comparison of consumer’s general acceptance of the two types of ads.

Comparison of direct and indirect campaigns generally

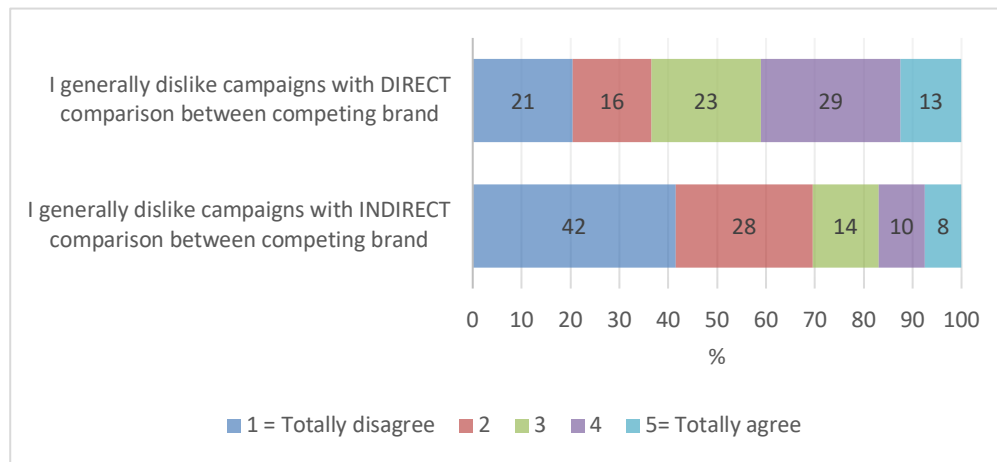


Figure 5 – General attitude towards Direct and Indirect campaigns (total) (Source: Author)

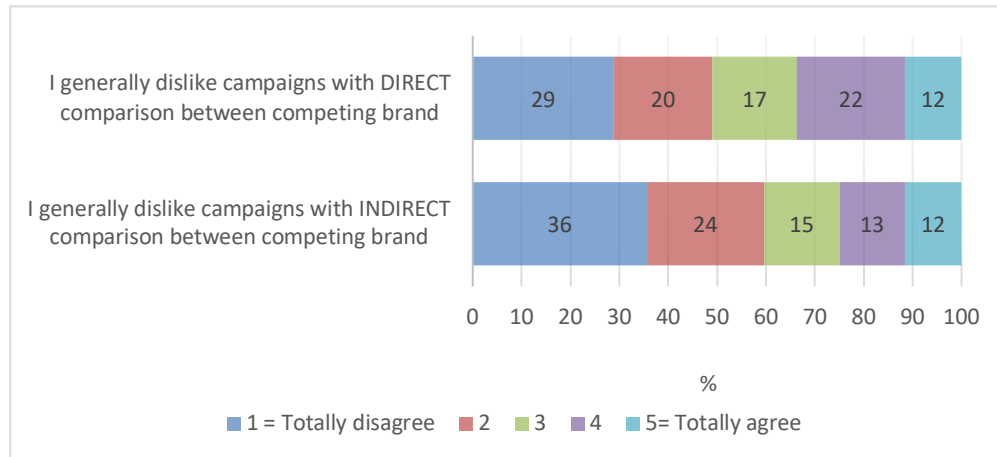


Figure 6 – General attitude towards Direct and Indirect campaigns (Czech respondents) (Source: Author)

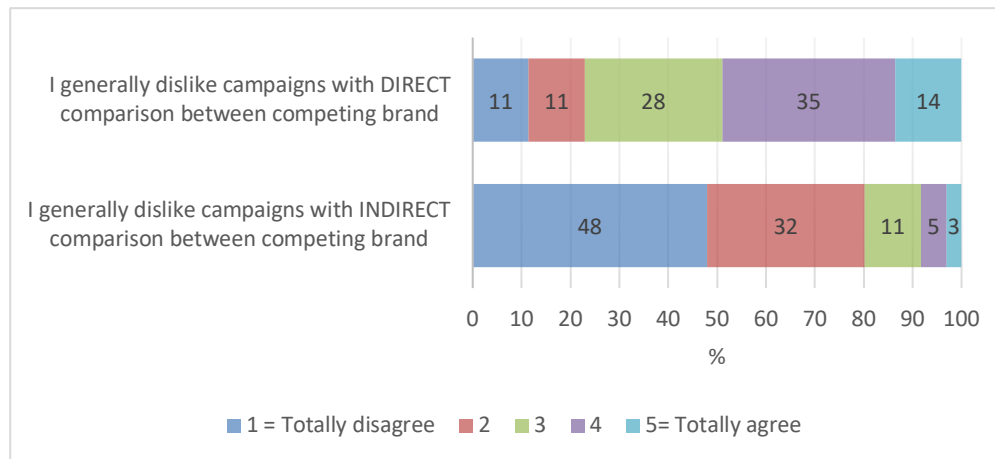


Figure 7 – General attitude towards Direct and Indirect campaigns (Vietnamese respondents)
(Source: Author)

Looking at the figures above, it is possible to conclude that in general the opinions concerning the direct comparative ad differs. As in Figure 5, there seems to be no one cluster which stands out. The biggest portion of answers however belongs to the option “agree” (29%). So, most of the respondents in general seems to agree with the statement that usually they dislike direct comparative ads. On the other hand, when looking at the responses for the same question, but concerning the indirect type of advertising, it is possible to see one cluster that predominate. The biggest portion of consumers, namely 48%, seems to “totally disagree” with the statement “*I usually dislike campaigns with direct comparison between competing brands*”.

Further the opinions are separated according to countries, the figures 6 and 7 shows the results. The biggest differences among respondent can be seen there. Generally, Czechs (figure 6) seems to have more positive reaction and higher acceptance toward “direct comparative ads”, precisely 29% totally disagree and 20% disagree with the statement “*I usually dislike campaigns with direct comparison between competing brands*”. They demonstrate the same reaction towards “indirect comparison ads”, where 36% totally disagree and 24% disagree with the statement “*I usually dislike campaigns with indirect comparison between competing brands*”. Then moving to the data concerning Vietnamese it is possible to observe, their very negative reaction in general towards “direct comparative ads”, 14% totally agree, 35% agree and 28% somehow agree that they dislike this type of advertising. What concerns the “indirect comparative ad” it seems Vietnamese respondents do not perceive this type of promotion as bad as the direct one. Among 95 Vietnamese respondents, 48% claimed they “totally disagree” and 32% that they “disagree” with the statement “*I usually dislike campaigns with indirect comparison between competing brands*”.

To further prove the significance in the differences of consumer's attitudes toward the two types of campaigns a paired t-test were performed (Table 2).

Paired t-test 1: comparison of opinion on direct and indirect campaigns							
Comparison type	Direct		Indirect		Paired t-test		Significant difference
	mean	SD	mean	SD	t-stat	p-value	
All respondents	2,97	1,33	2,14	1,26	7,4	0,000	yes
Czech	2,67	1,40	2,41	1,39	2,14	0,035	yes
Vietnamese	3,28	1,19	1,83	1,03	8,36	0,000	yes

Table 2: Comparison of opinion on direct and indirect campaigns. (Source: Author)

As it is possible to see in the table 2, the difference of opinion on direct and indirect campaigns generally was statistically significant on the significance level 0,05 for all three versions of the test (p-values less than 0,05): all respondents, Czech, Vietnamese. Specifically, opinion on indirect campaigns is significantly better than opinion on direct campaigns. This difference stands for all respondents as well as for Czech and Vietnamese respondents separately. The biggest difference was found for Vietnamese respondents as was described above.

Next, the analysis of respondent's reactions of the particular chosen campaigns for the survey will be presented in figures 8,9 and 10.

Comparison of Pepsi and Air Bank campaigns

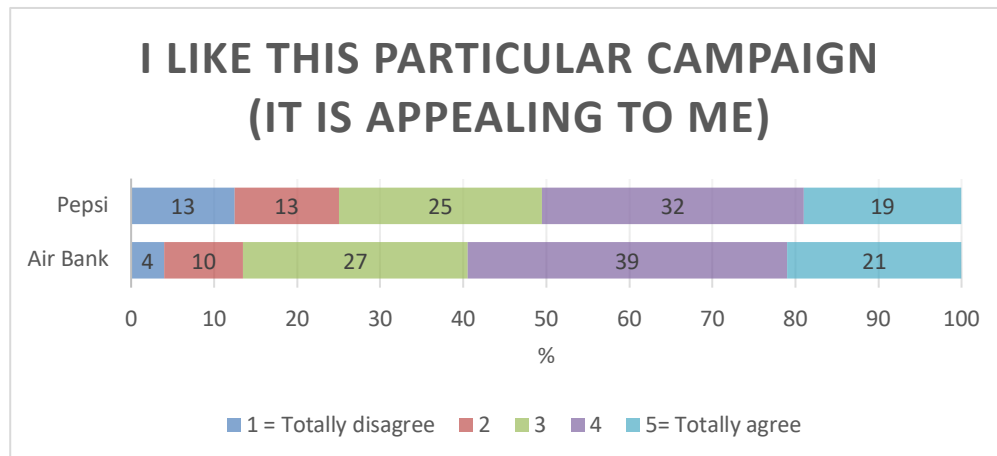


Figure 8 – Attitude toward Pepsi and Air bank campaigns (total) (Source: Author)

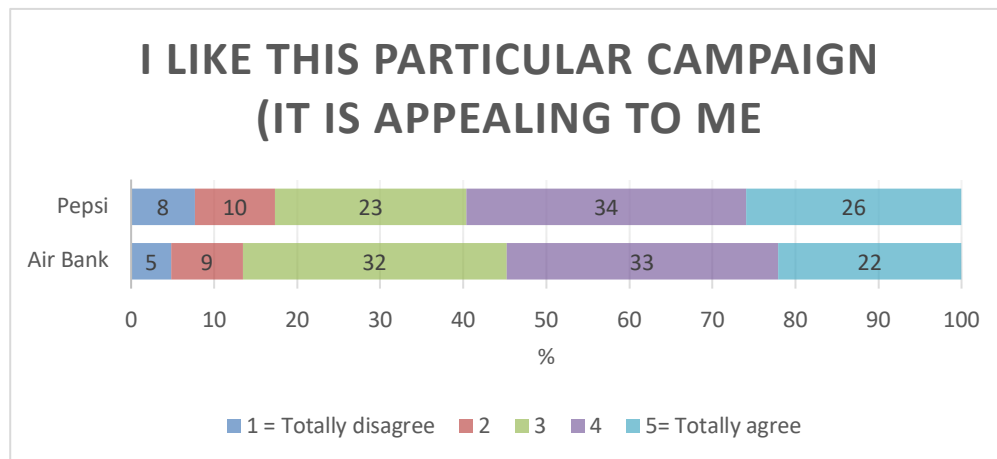


Figure 9 – Attitude towards Pepsi and Air bank campaigns (Czech Respondents) (Source: Author)

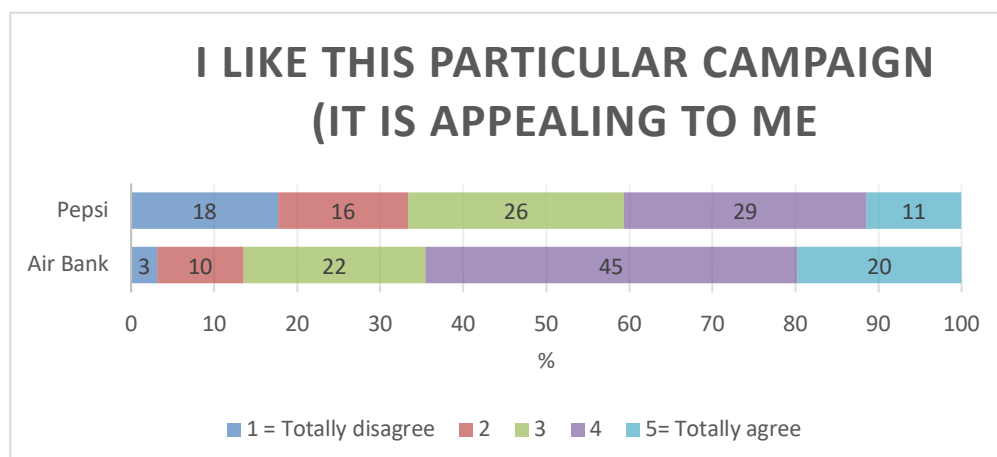


Figure 10 – Attitude towards Pepsi and Air bank campaigns (Vietnamese Respondents) (Source: Author)

In general, it seems that most of the respondents in general did enjoy Pepsi and Air bank campaigns. Most of the answers varied from 3 to 5 (on a scale from 1 to 5). Namely, 25% had no clear opinion, 32% agreed and 19% totally agreed for Pepsi ad. For Air bank ad, 27% had no opinion, 39% agreed and 21% totally agreed. This pattern

can be seen in the individual perception of each ad, by country of origin of the respondent. For Pepsi campaign, Czech mostly agreed that they like this particular campaign (34%) and 25% totally agreed. Out of Vietnamese 26% had no opinion and 29% agreed. This particular campaign seems to be liked by the consumers. Air Bank campaign shows the same results. Representing Czech respondents 32% had no opinion, 33% agreed and 22% totally agreed. For Vietnamese population, 45% agreed that they like Air Bank ad and 20% totally agreed.

Again, to identify significance of these results and interpret the validity of descriptive data, dependent sample t-test (paired sample t-test) was performed.

Paired t-test 2: comparison of opinion on Pepsi and Air Bank campaigns							
Comparison type	Pepsi		Air Bank		Paired t-test		Significant difference
	mean	SD	mean	SD	t-stat	p-value	
All respondents	3,32	1,27	3,63	1,04	-2,83	0,005	yes
Czech	3,61	1,19	3,58	1,08	0,15	0,884	no
Vietnamese	3,01	1,28	3,68	1,01	-3,87	0,000	yes

Table 3 – Comparison of opinion on Pepsi and Air Bank campaigns (Source: Author)

The difference in opinions on Pepsi and Air Bank campaigns was statistically significant on the significance level 0,05 for all respondents ($p=0,005$) and Vietnamese respondents ($p=0,000$). For Czech respondents the difference wasn't statistically significant (0,884). Therefore, the difference for all respondents was driven by the Vietnamese ones. Precisely, opinion on Air Bank campaign was for Vietnamese respondents significantly better than opinion on Pepsi campaign.

Now, that the general attitude of the respondents towards direct and indirect campaigns, and their opinion on the particular campaign proposed in the survey were analyzed it is possible to move forward. This thesis is trying to analyze the effectiveness of comparative advertising in Czech Republic. The effectiveness in this study is divided into two parts. First, the attitude towards the ad, represented by the question “rate this campaign on a scale from 1 to 5” where respondents are asked to rate 13 adjectives. And second the persuasion effect computed by the question “rate

the following assumptions on a scale from 1 to 5". The information concerning these two variables, for each country, will be analyzed in the following text.

Comparison of Vietnamese and Czech Attitude towards the Pepsi Ad

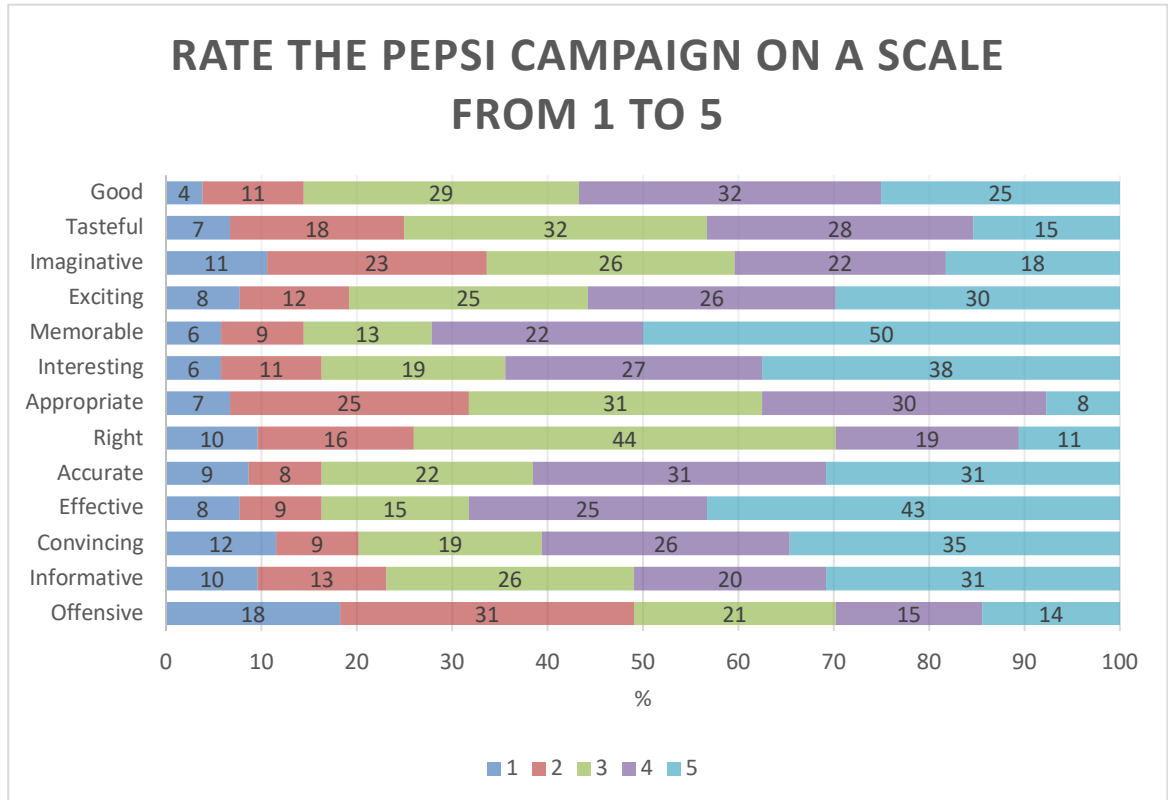


Figure 11 – Czech Attitude toward Pepsi ad (Source: Author)

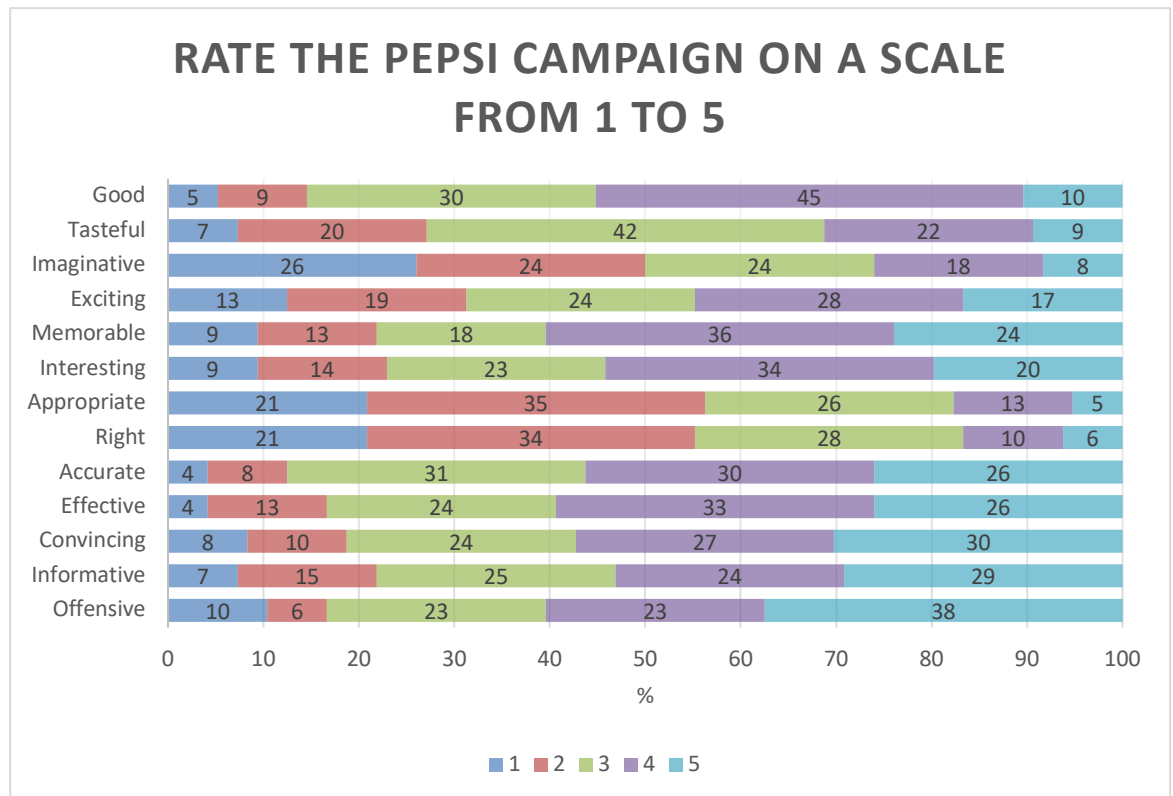


Figure 12 – Vietnamese Attitude towards Pepsi ad (Source: Author)

Only by quickly looking on the Figures 11 and 12, it is possible to notice that the light blue color on the figure 11 representing Czechs is larger, and the red and green are smaller in comparison to Vietnamese figure 12, except for adjectives: *Appropriate*, *Right* and *Offensive*. This can demonstrate Czech’s more positive attitude towards the direct comparative ad (Pepsi) than Vietnamese’s attitude. However, to make these results statistically proven, Welch’s t-test or Unequal variance t-test was performed.

Welch’s t-test 1: comparison of perception of Pepsi campaign between Czech and Vietnamese							
Item	Czech		Vietnamese		Welch’s t-test		Significant difference
	mean	SD	mean	SD	t-stat	p-value	
Good	3,63	1,09	3,46	0,98	1,20	0,230	no
Tasteful	3,27	1,13	3,06	1,04	1,34	0,181	no
Imaginative	3,14	1,27	2,58	1,28	3,12	0,002	yes
Exciting	3,59	1,24	3,18	1,27	2,30	0,023	yes
Memorable	4,02	1,23	3,53	1,25	2,78	0,006	yes
Interesting	3,80	1,22	3,42	1,22	2,21	0,028	yes

Appropriate	3,07	1,06	2,46	1,11	3,95	0,000	yes
Right	3,05	1,08	2,47	1,12	3,71	0,000	yes
Accurate	3,67	1,23	3,66	1,08	0,10	0,918	no
Effective	3,88	1,27	3,65	1,12	1,35	0,178	no
Convincing	3,63	1,34	3,60	1,25	0,17	0,868	no
Informative	3,49	1,31	3,53	1,26	-0,22	0,822	no
Offensive	2,77	1,32	3,71	1,31	-5,05	0,000	yes

Table 4 – Comparison of perception of Pepsi campaign between Czech and Vietnamese (Source: Author)

Therefore, the difference between Czech and Vietnamese in perception of Pepsi campaign was statistically significant on the significance level 0,05 for the following adjectives: *Imaginative, Exciting, Memorable, Interesting, Appropriate, Right* and *Offensive*. Specifically, Czechs, compared to the Vietnamese, found Pepsi campaign significantly more imaginative, exciting, memorable, interesting, appropriate and right and significantly less offensive. For other items no significant difference was found on the 0,05-significance level.

Further, the persuasion effect for direct comparative ad (Pepsi campaign) will be analyzed.

Comparison of Pepsi's ad persuasion effect among Czech and Vietnamese Respondents

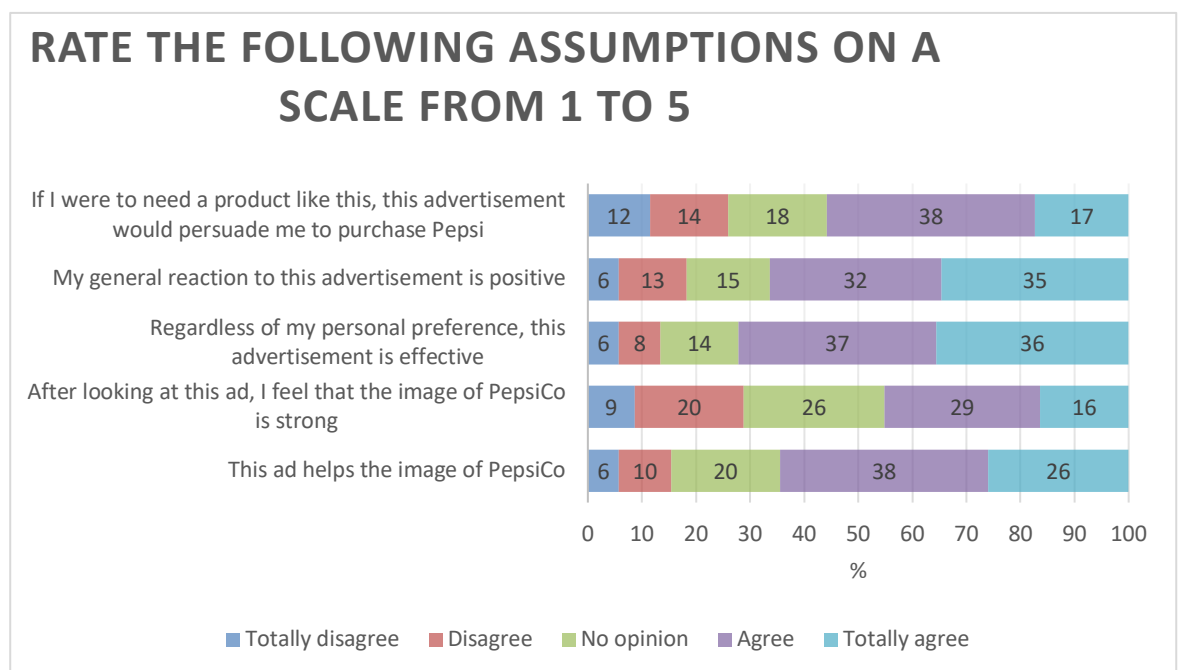


Figure 13 – Pepsi ad persuasion effect among Czech respondents (Source: Author)

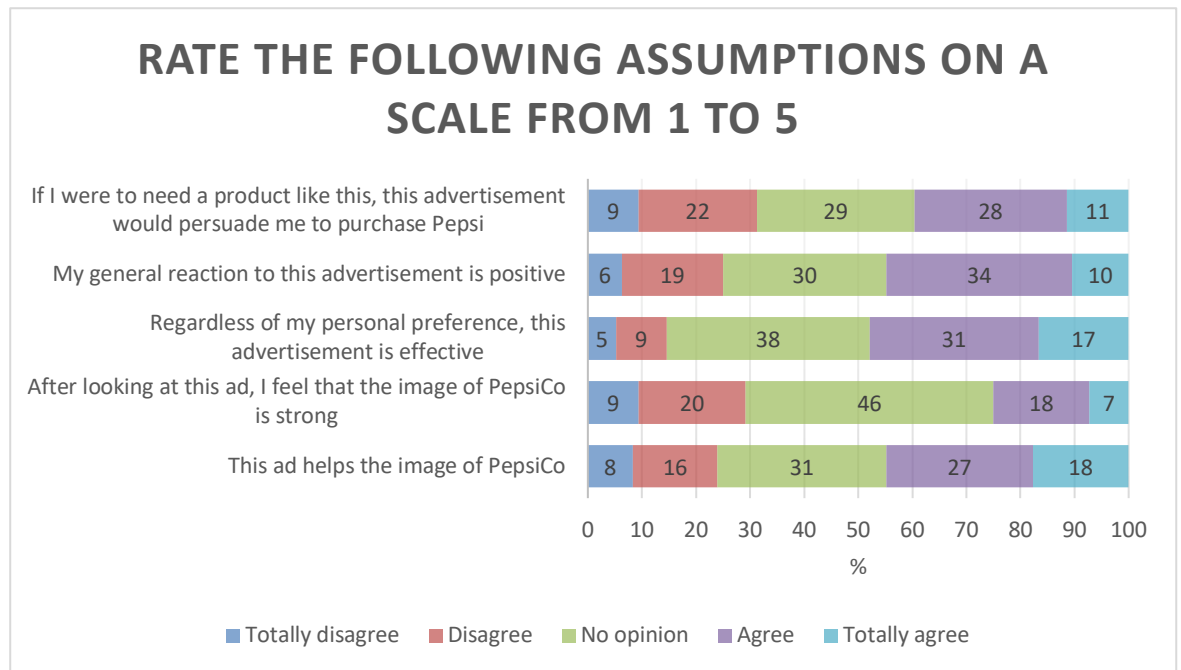


Figure 14 – Pepsi ad persuasion effect among Vietnamese respondents (Source: Author)

Again, only by looking at the figure 13 and 14, it is visible that Czech respondent claimed more positive attitude towards the proposed assumptions. The light blue color on the graph 13 predominate and the green one is much narrower than on the graph 14 (representing Vietnamese responses). To prove this information, Welch's t-test was conducted to determine significant relevance of these differentiations.

Welch's t-test 2: Comparison of Pepsi's persuasion effect between Czech and Vietnamese							
Assumption	Czech		Vietnamese		Welch's t-test		Significant difference
	mean	SD	mean	SD	t-stat	p-value	
If I were ...	3,36	1,25	3,10	1,16	1,48	0,141	no
My general ...	3,77	1,22	3,24	1,07	3,27	0,001	yes
Regardless ...	3,88	1,15	3,45	1,04	2,81	0,005	yes
After ...	3,24	1,20	2,94	1,02	1,92	0,056	no
This ad ...	3,69	1,13	3,30	1,18	2,38	0,018	yes

Table 5 – Comparison of Pepsi's persuasion effect between Czech and Vietnamese (Source: Author)

As was proven by the Welch's t-test, the difference between Czech and Vietnamese in assumptions about Pepsi campaign was statistically significant on the significance level 0,05 for 3 assumptions. Specifically, Czechs, compared to the Vietnamese, agreed more about these assumptions about Pepsi campaign:

- *“My general reaction to this advertisement is positive “*
- *“Regardless of my personal preference, this advertisement is effective “*
- *“This ad helps the image of Pepsi “*

For other assumptions none of the significant difference was found on the 0,05-significance level.

To follow the analysis, the description of results for the indirect comparative ad (Air Bank in this thesis) will be given in the same structure as for direct ad analysis. The following figures 15 and 16 shows Czech and Vietnamese attitude toward the Air Bank campaign.

Comparison of Vietnamese and Czech Attitude towards the Air Bank Ad

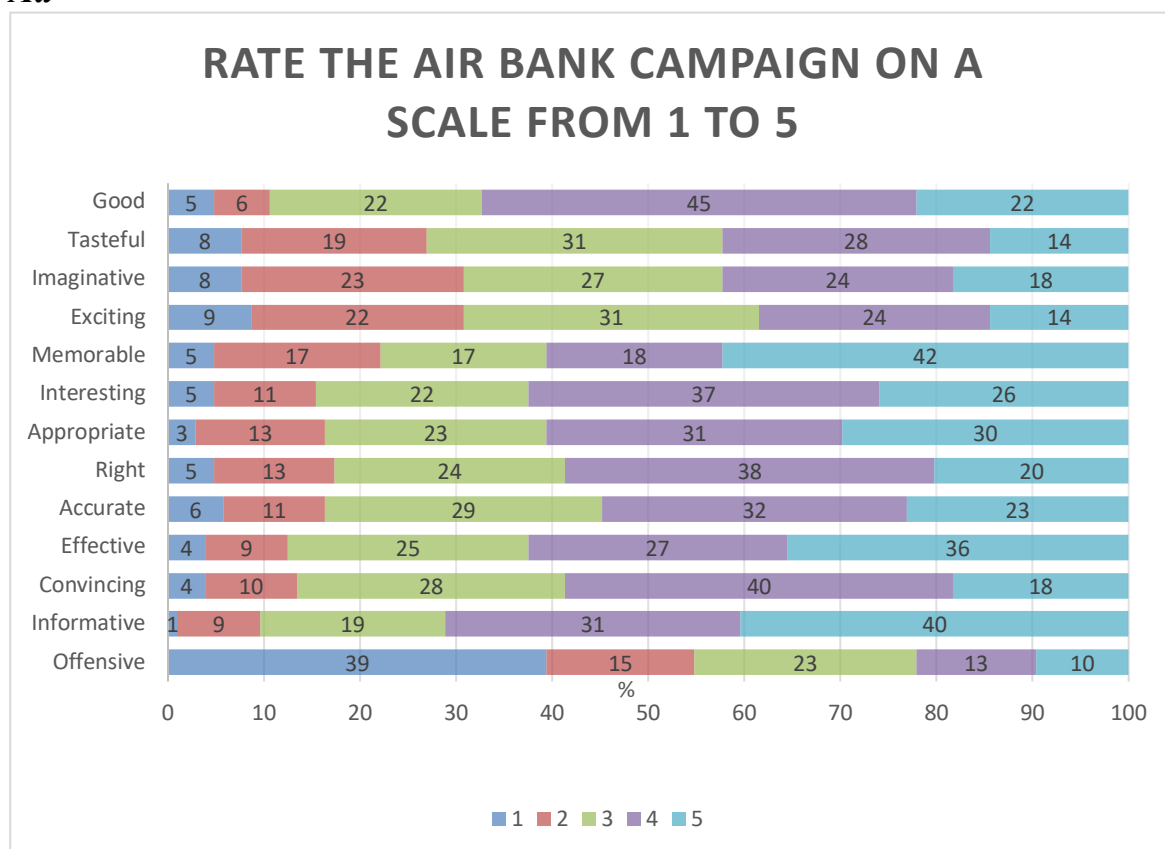


Figure 15 – Czech Attitude toward Pepsi ad (Source: Author)

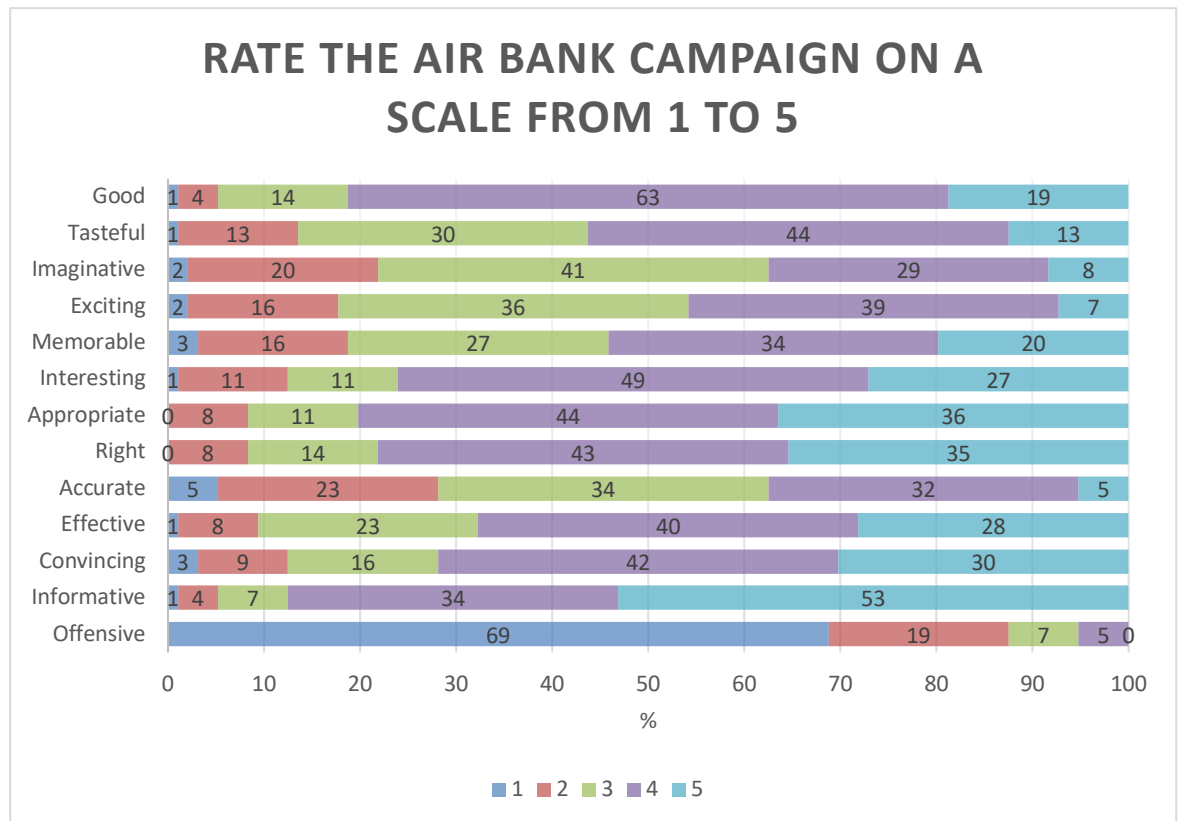


Figure 16 – Vietnamese Attitude toward Pepsi ad (Source: Author)

In comparison to the data obtained for the attitude toward the direct comparative ad in the previous text, in these figures above (15 and 16) it is not possible at first sight to identify if there are any significant differences between two cultural groups. However, it can be observed that the distribution of the bars in both graphs seems to be similar. For this reason, and to prove statistical significance of these assumptions another Welch's t-test analysis was performed.

Welch's t-test 3: comparison of perception of Air Bank campaign between Czech and Vietnamese							
Item	Czech		Vietnamese		Welch's t-test		Significant difference
	mean	SD	mean	SD	t-stat	p-value	
Good	3,74	1,02	3,94	0,77	-1,55	0,123	no
Tasteful	3,22	1,15	3,54	0,91	-2,20	0,029	yes
Imaginative	3,22	1,21	3,22	0,93	0,02	0,987	no
Exciting	3,13	1,17	3,33	0,90	-1,35	0,179	no
Memorable	3,76	1,30	3,52	1,08	1,42	0,157	no
Interesting	3,68	1,12	3,90	0,97	-1,45	0,150	no

Appropriate	3,71	1,12	4,08	0,90	-2,59	0,010	yes
Right	3,57	1,10	4,05	0,91	-3,41	0,001	yes
Accurate	3,56	1,13	3,09	0,98	3,10	0,002	yes
Effective	3,82	1,13	3,85	0,96	-0,25	0,804	no
Convincing	3,60	1,02	3,86	1,05	-1,83	0,069	no
Informative	4,01	1,02	4,34	0,87	-2,50	0,013	yes
Offensive	2,38	1,37	1,49	0,85	5,55	0,000	yes

Table 5 - Comparison of perception of Air bank campaign between Czech and Vietnamese (Source: Author)

The difference between Czech and Vietnamese in perception of Air Bank campaign was statistically significant on the significance level 0,05 for the items: *Tasteful*, *Appropriate*, *Right*, *Accurate*, *Informative* and *Offensive*. It appeared that Czechs, compared to the Vietnamese, found Air Bank campaign significantly less *Tasteful*, *Appropriate*, *Right*, *Informative* and significantly more *Offensive* and *Accurate*. For other items no significant difference was found on the 0,05-significance level.

To analyze the persuasion effect of Air Bank campaign on each cultural group the following figures (17 and 18) will be presented.

Comparison of Air Bank's ad persuasion effect among Czech and Vietnamese Respondents

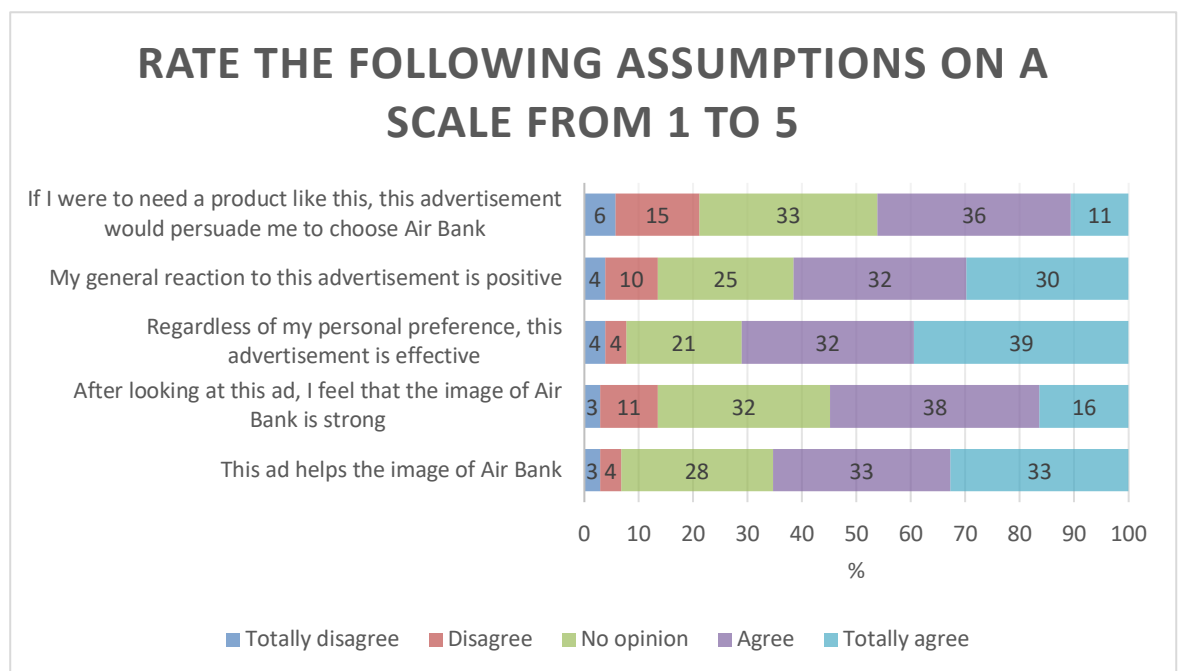


Figure 17 – Air bank ad persuasion effect among Czech respondents (Source: Author)

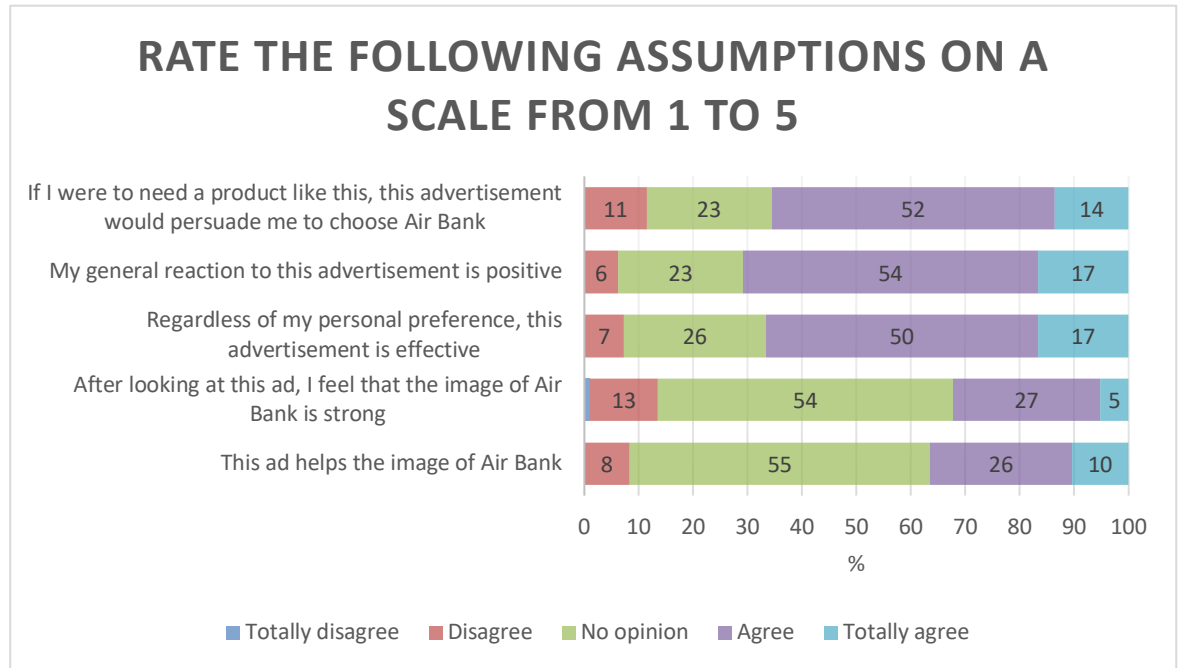


Figure 18 – Air Bank persuasion effect among Czech respondents (Source: Author)

Just by looking at the graphs 17 and 18 above, it can be identified that Vietnamese respondents agreed more on the first three assumptions than the Czech respondents and disagreed more on the last two. To prove this statement statistically, another Welch's t-test was carried out.

Welch's t-test 4: Comparison of Air Bank's persuasion effect between Czech and Vietnamese							
Assumption	Czech		Vietnamese		Welch's t-test		Significant difference
	<i>mean</i>	<i>SD</i>	<i>mean</i>	<i>SD</i>	<i>t-stat</i>	<i>p-value</i>	
If I were ...	3,30	1,04	3,68	0,85	-2,83	0,005	yes
My general ...	3,74	1,11	3,81	0,79	-0,53	0,593	no
Regardless ...	3,99	1,06	3,76	0,82	1,73	0,085	no
After ...	3,55	0,98	3,23	0,77	2,56	0,011	yes
This ad ...	3,88	1,01	3,39	0,79	3,92	0,000	yes

Table 6 - Comparison of Air Bank's persuasion effect between Czech and Vietnamese (Source: Author)

According to the executed t-test, the difference between Czech and Vietnamese in assumptions about Air Bank campaign was statistically significant on the significance

level 0,05 for 3 assumptions. Therefore, Czechs, compared to the Vietnamese, agreed significantly more about these assumptions about Air Bank campaign:

- “After looking at this ad, I feel that the image of Air Bank is strong “
- “This ad helps the image of Air Bank “

On the other hand, they agreed significantly less about this assumption:

- “If I were to need a product/service like this, this advertisement would persuade me to choose Air Bank. “

For other assumptions no-significant difference was found on the 0,05-significance level.

Following the demonstration of the results of each type of campaign, for each cultural group. It can be significant for this thesis to run same Welch’s t-test and see if there is a significant effect from the other demographic variables except nationality. Namely: gender and age.

After executing Welch’s t-test, to see if there is any significant effect of the respondent’s gender on the effectiveness of comparative advertising, none of the performed results showed statistically significant effect of gender for any presented adjectives or assumptions about Pepsi or Air Bank campaigns. All the performed tests are included in the Appendix (appendix 13-17).

When the same tests were carried out to see if there are any effects of the age group on the effectiveness of direct and indirect comparative advertising, the following information were obtained.

Effect of age was tested as a comparison between 22 and less (Generation Z) and 23-38 (Millennials) age categories. This is due to the fact that, other categories were not sufficiently representative in the data (small number of respondents).

To begin it was identified if the age category had a significant effect on the respondent’s attitude toward the direct and/or indirect ads. The following results were obtained.

Welch's t-test 5: Comparison of perception of Pepsi campaign between Generation Z and Millennials							
Item	22 and less		23 - 38		Welch's t-test		Significant difference
	<i>mean</i>	<i>SD</i>	<i>mean</i>	<i>SD</i>	<i>t-stat</i>	<i>p-value</i>	
Good	3,78	1,14	3,46	0,95	1,99	0,048	yes
Tasteful	3,28	1,19	3,13	1,02	0,88	0,381	no
Imaginative	3,04	1,35	2,76	1,28	1,43	0,156	no
Exciting	3,64	1,28	3,31	1,24	1,73	0,086	no
Memorable	4,11	1,35	3,65	1,17	2,42	0,017	yes
Interesting	3,86	1,23	3,51	1,18	1,95	0,053	no
Appropriate	2,94	1,19	2,67	1,06	1,59	0,114	no
Right	3,03	1,11	2,59	1,09	2,62	0,010	yes
Accurate	3,90	1,24	3,59	1,06	1,80	0,074	no
Effective	4,06	1,17	3,63	1,18	2,41	0,017	yes
Convincing	3,90	1,21	3,51	1,28	2,12	0,035	yes
Informative	3,67	1,26	3,47	1,27	1,02	0,311	no
Offensive	3,04	1,39	3,32	1,42	-1,32	0,189	no

Table 7 - Comparison of perception of Pepsi campaign between Generation Z and Millennials (Source: Author)

Welch's t-test showed statistically significant effect of age for the adjectives: *Good*, *Memorable*, *Right*, *Effective* and *Convincing* items of the Pepsi campaign. For all of these items it was the younger age category that perceived them better.

Welch's t-test 6: Comparison of perception of Air Bank campaign between Generation Z and Millennials							
Item	22 and less		23 - 38		Welch's t-test		Significant difference
	<i>mean</i>	<i>SD</i>	<i>mean</i>	<i>SD</i>	<i>t-stat</i>	<i>p-value</i>	
Good	3,83	0,92	3,83	0,91	0,04	0,967	no

Tasteful	3,35	1,09	3,38	1,00	-0,20	0,840	no
Imaginative	2,96	1,13	3,30	1,03	-2,09	0,038	yes
Exciting	3,14	1,12	3,28	1,01	-0,85	0,398	no
Memorable	3,71	1,28	3,56	1,17	0,80	0,428	no
Interesting	3,76	1,08	3,81	1,05	-0,29	0,772	no
Appropriate	3,81	1,12	3,97	1,00	-0,99	0,323	no
Right	3,76	1,08	3,84	1,02	-0,51	0,611	no
Accurate	3,40	1,08	3,28	1,11	0,77	0,440	no
Effective	3,94	1,06	3,79	1,05	0,95	0,341	no
Convincing	3,71	1,05	3,76	1,06	-0,32	0,751	no
Informative	4,21	1,05	4,18	0,91	0,18	0,855	no
Offensive	1,94	1,32	1,84	1,14	0,57	0,566	no

Table 8 - Comparison of perception of Air bank campaign between Generation Z and Millennials
(Source: Author)

Using Welch's t-test the statistically significant effect of age was found for the *Imaginative* adjective of the Air Bank campaign. For this item it was the Millennials who perceived it better. On the other items, by looking at the means score, it is possible to identify similarities across obtained results and thus conclude no high significant differences across the age categories concerning the Air Bank campaign.

Consecutively, it was analyzed if the age category had any significant effect on respondents what concerning the persuasion effect on of the underlying ad. First test, represented in the table 9, analyzed age effects on Pepsi ad, and the following table 10, represents potential age effects on the persuasion effect on of Air Bank campaign.

Welch's t-test 7: Comparison of Pepsi's persuasion effect between Generation Z and Millennials							
Assumption	22 and less		23 - 38		Welch's t-test		Significant difference
	<i>mean</i>	<i>SD</i>	<i>mean</i>	<i>SD</i>	<i>t-stat</i>	<i>p-value</i>	
If I were ...	3,64	1,23	3,02	1,10	3,51	0,001	yes
My general ...	3,88	1,09	3,33	1,17	3,26	0,001	yes
Regardless ...	4,03	1,01	3,49	1,09	3,44	0,001	yes
After ...	3,35	1,10	2,96	1,09	2,37	0,019	yes
This ad ...	3,83	1,07	3,34	1,18	2,92	0,004	yes

Table 9 - Comparison of Pepsi's persuasion effect between Generation Z and Millennials (Source: Author)

Welch's t-test 8: Comparison of Air Bank's persuasion effect between Generation Z and Millennials							
Assumption	22 and less		23 - 38		Welch's t-test		Significant difference
	<i>mean</i>	<i>SD</i>	<i>mean</i>	<i>SD</i>	<i>t-stat</i>	<i>p-value</i>	
If I were ...	3,43	0,98	3,51	0,99	-0,53	0,597	no
My general ...	3,97	0,93	3,69	0,94	2,01	0,046	yes
Regardless ...	4,08	0,95	3,74	0,96	2,39	0,018	yes
After ...	3,47	0,96	3,33	0,85	1,04	0,298	no
This ad ...	3,75	0,90	3,56	0,98	1,36	0,177	no

Table 10 - Comparison of Air bank's persuasion effect between Generation Z and Millennials (Source: Author)

After the execution of this test, it was possible to identify that the younger age category agreed significantly more with all the assumptions about the Pepsi campaign.

Contrary to the previous result, in table 10 the younger age category (generation Z) agreed significantly more, only with the following assumptions about the Air Bank campaign:

- "My general reaction to this advertisement is positive"
- "Regardless of my personal preference, this advertisement is effective"

For other assumptions, there was no significant differences found across the two age categories.

Welch's t-test 9: Comparison of opinion on direct, indirect, Pepsi and Air Bank campaigns							
Comparison of:	22 and less		23 - 38		Welch's t-test		Significant difference
	<i>mean</i>	<i>SD</i>	<i>mean</i>	<i>SD</i>	<i>t-stat</i>	<i>p-value</i>	
Direct	2,81	1,35	3,01	1,30	-1,02	0,311	no
Indirect	1,97	1,21	2,12	1,23	-0,81	0,418	no
Pepsi appealing	3,68	1,18	3,16	1,25	2,90	0,004	yes
Air Bank appealing	3,64	0,97	3,60	1,07	0,23	0,815	no

Table 11 - Comparison of opinion on direct, indirect, Pepsi and Air Bank campaigns (Source: Author)

To conclude the analysis about the age effect on the effectiveness of comparative advertising, the last Welch's t-test was performed. The aim was to see if there is an effect of age on the general respondent's perception of direct and indirect ad, or on the perception of the propose Pepsi and Air bank ads appeal. It seems that there are no significant differences between the younger age category and the Millennials. Except of the Pepsi campaign, which seems to be more significantly appealing to generation Z than to the older age category ($p=0,004 < 0,05$).

Other information obtained from the conducted survey in Prague, were not of high importance to put in the analysis. For this reason, it is possible to found it in the Appendixes. Namely: results concerning total sample for each type of ad, results concerning attitude towards the brand itself of the respondents from two observed cultures, their likelihood of purchase or usage of the underlying product/service (appendix 3-17), results concerning the gender effects on the effectiveness of comparative advertising (appendix 18).

In the following chapter of this thesis, the obtained results will be discussed. And possible reasoning behind the findings will be discussed.

5. Discussion

Comparative advertising is a topic on which many marketers, researcher and cultures in general disagree. Or to be more precise, they do not find a common ground on when and where this marketing strategy works, and what is the best way to formulate this somehow aggressive message. There seems to be many differences in the consumers behaviors on different markets and in different situations. These differences concern marketing practices in general, where comparative advertising is not an exception according to many researches which were presented in the theoretical part of this thesis. Many of the mentioned papers, compare two (or more) different cultures, which usually are situated in physically distinguished countries. In order to perform a similar research in Czech Republic, it was decided to choose Vietnamese ethnic minority as a cultural subject to oppose to Czechs.

Vietnamese living in Czech Republic, established a really strong community in the country, and their cultural values do not seem to fade away. Of course, it is important to denote that the generations which are growing up from the beginning in Czech Republic might have a stronger influence on them of the Czech culture.

The content of the messages of the comparative advertising is also influenced by the country of origin where the message was primarily developed. However, in nowadays world, it is important to take in consideration that the populations living in one country are mixed, and the marketers are no longer addressing only one cultural group of people in this location, but in general multiple once. Nevertheless, it is also important to keep in mind that the “traditional” marketing is slowly fading away, and consumers are no more influenced by the advertising campaigns, products, experts or the companies. Today, it is more common for consumers to trust the so-called F-factors (friends, family, Facebook, followers etc.) (Kotler, Kartajaya, & Setiawan, 2017). And for this reason, while analyzing comparative advertising it is important to accept the fact that the world is volatile, diverse and is changing constantly. Thus, marketers need to dig deeper in precise markets, in order to have as much specific overview of the country’s situation and its population as nowadays technology is making it possible.

With this being said it is possible to indicate that it was interesting to find out if the information concerning the cultures and their differences in behavior towards comparative advertising could be potentially applied for groups with different cultural backgrounds living on the same territory. Precisely, Czech consumers and Vietnamese

minority living in Prague. As was previously mentioned, Czechs are more low-context communication culture and score higher on the individualistic scale according to Hofstede (Hofstede, 2019). On the other hand, Vietnamese culture seems to be more collectivistic population, with high-context communication culture patterns (Hofstede, 2019).

Now that two distinguished groups were identified for this analysis, it is possible to proceed towards the explanation of the second division in this research. Which concerns, distinction between Direct and Indirect comparative advertising. It was explained earlier; that these two types of comparative campaigns can be accepted differently by different consumers. For some it can be perceived to be more aggressive, offensive and not so effective (direct). While for the others, it could have a less negative effect on the perception of its effectiveness (indirect) (Choi & Miracle, 2004). However, it is not true for both high-context communication cultures and low context-communication cultures. According to the theoretical review in this paper, consumers which are from high context-communication culture, present in general more individualistic aspects. Thus, the direct style of advertising does not perturb them that much, and on average they are more positive towards the acceptance of this method. For consumers from low-context communication culture this often seems to be a complete opposite. (Shao, Bao, & Gray, 2004)

What is interesting, is to see if, as was found in other papers, this distinction is correlated with the nationality of the consumer and his/her cultural background. Thus, it can be pre-estimated that the direct style of promotion was more positively accepted by the Czech respondents, while the Vietnamese consumers might have more negative attitude toward this strategy (Shao, Bao, & Gray, 2004). From where first hypothesis came from: *(H11): Comparative ads are perceived to be more effective in low-context communication cultures than in high-context communication cultures*. As was demonstrated by the analysis performed in Prague, this assumption seems to be more or less true. In comparison to Vietnamese which represented 48% of the total sample size, Czech respondents (52% of the total) demonstrated to have a positive response toward the Pepsi challenge campaign (which was chosen as the example of direct comparison for this thesis). Their attitude towards Air Bank ad (indirect example), seems to be also positive. The differences can be seen in the answers from Vietnamese consumers, which in general perceive negatively the direct comparison, while the indirect campaign seems to be more accepted by them. Which represent the third tested

hypothesis in this paper: (H31): *Indirect comparative ads are perceived to be more effective than direct comparative ads in high-context communication cultures*. With the obtained results, it can be suggested that (H10) and (H30) must be rejected. And thus, this study does not confirm, the findings of Shao et al. (2004), where the same H30 failed to be rejected (Shao, Bao, & Gray, 2004). This could be explained by the fact, that in the study of Shao et al. (2004), they did an analysis of multiple cultures at the same time, however in the case of this thesis there was a clear distinction between two differentiated cultures.

To organize this discussion in a logical manner, the text will be divided into two parts: Direct comparative ad and Indirect comparative ad.

To begin, the direct comparative advertising results will be discussed. In this particular study, chosen campaign for this strategy was Pepsi versus Coke, the taste test challenge. The answer concerning the statement: “I usually dislike campaign with direct comparison between competing brands” were very divers. Exactly 29% of respondents stated that they agree with the statement, 23% had no clear opinion on it, 21% totally disagreed and only 13% totally agreed. This can be explained by the first impression when a respondent is facing such a question. At first, many respondents might imagine behind direct comparative ad, something offensive, aggressive and unethical. What is interesting, is the second question which asked consumers if they “*like this particular campaign (it is appealing to me)*”. The biggest response rate appeared in the second half of the scale, which represented more “positive” response toward the Pepsi ad. Namely, 32% of consumer stated that they agree, 25% had no opinion (or they somehow agreed) and 19% totally agreed. It is interesting in comparison to the first question, because in general respondents did not positively replay to the direct comparative advertising appeal, however they like the particular one presented in the survey.

Nevertheless, to make sense of these numbers, it is important to identify the percentage of each culture in each response. Thus, usual Czech response seemed to be more positive, exactly how it was expected. Vietnamese respondents had more problems to accept this style of advertising. Further analysis also showed some differences in results, when separating the sample into age groups. It was observed that the Millennials tended to be a little more skeptical toward the Pepsi campaign then Generation Z. These two age categories were chosen because they represented the

main part of the responses. Precisely, there was 38% of Millennials and 36% belonged to the Generation Z, the rest was distributed among other generation categories. As was mentioned multiple times, nowadays world is a connected world, and people (especially youth) are following trends that they see around them and on social media. For this reason, the overall answers from Generation Z seems to be more positive from both cultures than from the Millennials. The culture of course still plays a crucial role in the development of an individual. They are influence by the F factors. Which include friends and family, but also followers, Facebook etc. (Kotler & Keller, 2011). The social media shows to everyone the same content, and for this reason the difference between cultures nowadays may decrease (Zhang, 2010).

In many cases, it is assumed that Asian countries in general, are more skeptical towards comparative advertising. This is due to legal restrictions in the countries concerning this method, and also their cultural belief, where this style of promotion is considerate to be unethical towards the other players on the marker (Donthu, 1998).

On the other hand, many researches demonstrated that, directly comparative ads in general seems to be more effective than non-comparative ads. This could be explained by the fact, that usually an advertising using a direct form of comparison creates some kind of “surprise effect” among consumers. And thus, the recall of this ad will be higher. Due to this unusual approach to promotion, people will remember the campaign, and the companies will be able to bring a higher attention towards them (Choi & Miracle, 2004); (Months, 1997). However, it is important for the companies to make a further step, not only to gain the awareness, but also consumer’s interest in the proposed product, and later their loyalty. And for this specific reason, the marketers from the East, may reconsider the regulations of this methods, and make a decision to enable the use of this technique more liberally. This recommendation concerns also, Czech marketers.

It is also important to mention, that as it was proven in the study of Ang et al. (1994), the Korean students, which represented in the particular the Millennials, preferred the comparative advertising to non-comparative one (Ang & Leong, 1994). It this particular research by Ang et al. they did not compare direct and indirect comparative ads, but they compared the direct with the non-comparative ad. However, their reasoning could also be used in this thesis. And so, this particular study did not confirm their affirmation, about younger generations.

Another separation concerns the gender and the individual's occupation. However, these variables did not show any statistically significant importance which could influence the effectiveness of comparative advertising (Appendix 18). Thus, this thesis did not confirm Machek et al. (2016) findings about the significant gender influence on the effectiveness of comparative advertising (Machek, Král, & Karel, 2016). This can be due to differentiation in the sample size, and the percentage of each gender from the total. Also, it is possible that these results were not confirmed due to the sample distinction by the country of origin. For this reason, it is recommended to study this specific phenomenon in more details, to clear all the potential misguidances in this topic.

No particular effect from the occupation on the comparative advertising effectiveness, can be mainly explained by the age categories of the respondents. Most of them were Millennials or they were from Generation Z. Additionally, most of the responses were collected at the University of Economics or in the National Technical Library in Prague. Thus, it can be said, that most of the consumers were young, and in this age, there can be many differences between the Millennials or Generation Z what concerns the career. And thus, even though the respondents were asked about their occupation, there was no particular patterns noticed from the analysis which influences the effectiveness of comparative advertising.

Now, it can be recommended for the companies to use direct comparative advertising in cultures representing low-context communication cultures, in this particular case Czech Republic. And of course, it is important to identify the importance of Vietnamese potential buyers which live in Prague. If for the companies the acceptance of their product by majority of the population is of highly importance, it is not recommended to use campaign with direct comparative ad, since this technique can repulse the local buyer which represents the high-context communication culture.

Further, another hypothesis ($H20$) is left to reject or fail to reject in this thesis. The assumption stated: *Direct comparative ads are not perceived to be more effective than indirect comparative ads in low-context communication cultures*. This null hypothesis was also rejected in addition to $H10$ $H30$. As was mentioned above, the direct comparative advertisement was proven to be more effective among Czech respondents in comparison to Vietnamese once. However, the results concerning the difference between Czech's attitude toward the direct and indirect advertisements seemed to be

less evident. Therefore, an interesting finding concerned the indirect comparative advertising effectiveness between two underlying cultural groups in this thesis. As was demonstrated by the statistical analysis, not only Vietnamese liked more the Air Bank campaign than the Pepsi one, they also liked it more than the Czech respondents. This could be observed especially in the analysis of the attitude toward the ad, thus is the question “*rate this campaign on a scale from 1 to 5:*”. Out of thirteen proposed adjectives, Czech respondents found Air Bank campaign less: *tasteful, appropriate, right, accurate, informative* and more *offensive*. This is surprising results could be explained by two things. First, as it is possible to see in the figures 14 and 15 in the appendix, Czech seems to like the Air Bank brand somehow less than the Vietnamese consumers. Except from the assumptions: *Positive and Works Well*, where Czech consumers mostly stated “agree”, the results showed that Czech respondents usually claimed to have “no opinion” about Air Bank. So, it is possible to state, that the effect of consumer’s preference of the bank could have an effect on his/her answers concerning the effectiveness of indirect comparative ad. As was mentioned in the study of Shipm et al. (1978), the market position of the sponsoring brand does play a role in the customer’s acceptance of the advertising in general (Shimp & Dyer, 1978). Air Bank in Czech Republic has grown since the last past few years, especially as it is planning to enter into alliance with Moneta and Home Credit. However, on its own, it does not have a very strong position, in comparison with bigger player on the market. Another possible reasoning behind this information could be the fact, that Vietnamese respondents stated more positive claims about the indirect comparative ad, because they had the clear distinction of direct comparison which was bad for them according to the results, and the indirect one which seemed much more positive next to the Pepsi ad.

Due to these results, it is possible to conclude that as the hypothesis predetermined the acceptance of Direct campaign of the respondents from low-context communication culture seemed to be more positive that their acceptance of the indirect comparative ad. And thus, the assumption of Shao et al. (2004), where the H2 hypothesis was taken from, was confirmed. As they stated, this statement is partially supported (Shao, Bao, & Gray, 2004). By the statistical results, especially for the persuasion effect, the direct comparative ad showed more positive reaction to the assumption, where Czech respondents stated that they agree more the following statements:

- *“My general reaction to this advertisement is positive “*
- *“Regardless of my personal preference, this advertisement is effective “*
- *“This ad helps the image of Pepsi “*

On the other hand, in the analysis of the indirect comparative advertisement, they agree more only to these two assumptions:

- *“After looking at this ad, I feel that the image of Air Bank is strong “*
- *“This ad helps the image of Air Bank “*

But they agreed significantly less about this assumption:

- *“If I were to need a product/service like this, this advertisement would persuade me to choose Air Bank. “*

To conclude this discussion, it is possible to say that all the null hypotheses were fully or partially rejected. And thus, this study could bring some more light on the market situation in Czech Republic, namely in Prague. The information obtained and analyzed could serve as a basis for future implementation of comparative marketing technique by the Czech marketers. It could be recommended to use this type of advertisement wisely, since the Czech Republic incorporate more ethnical groups, which represent different cultural backgrounds. However, if the aim of their developed direct comparative ad is to target Czech consumer only, it could be a successful campaign and bring the company desired results. However, it is important to say that the usage of indirect comparative ad, is safer to use. Since it is less risky when targeting not only high-context communication cultures but also ethnic minorities presenting distinguished cultural background.

Further, some limitation which toned this thesis and potential recommendations will be described. This part is important, since this thesis did have some obstacles, and few information from other studies were not confirmed. Which requires a deeper research in the particular topic.

5.1. Limitations

What concerns the limitations of this study, there are few that need to be brought to light.

The first one concerns the sample bias. The sampling method was convenience sampling and the random sampling. The answers were gathered from multiple locations, but all of them were situated uniquely in Prague. The obtained sample size is not a representative for the population of Czech consumers nor the Vietnamese minority living in Prague. The results might be fully representative without any biases, with a better choice of the sampling method, and more time involved into the collection at multiple location.

Even though for the convenience of the collection the survey was translated from English to Czech and Vietnamese, the collection of Vietnamese responses was difficult. The Vietnamese respondents were not willing to fill in the survey, due to lack of believability or animosity of their answers. Because of the language barrier, when collecting the data at the Sapa market, it was not possible for the author of this thesis to explain every detail correctly. And thus, the collection process was long and difficult and might have excluded a big portion of the representative Vietnamese population living in Prague.

Another barrier that seemed to be important to mention is the language barrier. Not only during the physical collection of responses, but also during the translation of the survey. Multiple adjectives from the question “*rate this campaign on a scale from 1 to 5*”, which was taken from the study of Shao et al., were eliminated due to lack of vocabulary in particular language. Many of the adjectives in English had only a slight difference in the meaning, which resulted in exactly the same word in Vietnamese. Thus, this resulted in modification of the original question, which eliminated different aspects of consumer’s attitude toward the two types of comparative ads.

Some issues appeared during the analysis of the collected data. Two more questions would be good to add. The question “After this campaign I changed my attitude towards Pepsi/Air Bank” on its own, does not hold enough of information to use it in the study. The reason for that is the lack of knowledge of: if the change occurred, toward which way did it happen? Was it a positive or negative change? Another question that might be added for a better description of the sample is concerning the length of the Vietnamese respondents’ stay in Prague. If the respondent is present in the country for a short time, his/her answer might not be that relevant for the goal of this thesis, which involves ethnic minority. By adding this question, it is possible to

bring more clearness and another variable according to which it would be possible to separate and analyze even more Vietnamese consumer's behavior on the Czech market.

Last limitation that seems to be relevant, concerns the ads that were taken as example for the survey. Namely Pepsi taste test Challenge campaign and Air Bank campaign. Both campaign feature two completely different things from completely different industries. In this thesis the comparison occurs between a product from a soft drink industry and a service from banking industry. For the purpose of this thesis, it is not that important to actually choose campaigns featuring the same product or services coming from the same industry. However, it may be a good idea to do so, to insure more accurate answers from the respondents.

With this being said, it is crucial to recommend taking the information from this thesis with caution. And in case of replication of this study, take all the limitations and recommendations into consideration.

5.2. Future research

This thesis concentrates on the effectiveness of direct and indirect comparative advertising and identifies the differences in these campaigns' perception between Czech consumers and Vietnamese minorities living in Prague. This topic is very concrete, and there is not that much diverse literature available. For this reason, there can be many potential directions, for future researches.

For instance, this study analyzed third biggest ethnic minority in Czech Republic. The deeper understanding of other ethnic minorities in Czech Republic or in other European Union might be interesting, considering the fact that this marketing strategy is still considerate to be a novelty in Europe.

Talking about the novelty, it could be informative to gather data about where this advertising style is still very novel and try to do an analysis of this precise market, maybe in comparison to another country where this technique is widely used.

Another possibility is to analyze difference in the acceptance of this advertising style featuring different products. And see, if the product category does influence consumers behavior. As well as the impact of the industry from which the product is from. This could be further split into identification of the chosen brand as the leader or follower brand, and thus it could give another explanation of the obtained results.

Besides the differences in product category itself, it can be interesting to identify differences in consumer's attitude (from different cultures) toward comparative ad,

feature foreign and domestic brands. This would make possible to observe; how different nationalities react to this advertising technique and if the origin of the brand itself does have an impact on their perception.

Last possible recommendation could be to incorporate more cultural dimensions, for instance masculinity, power distance, uncertainty avoidance etc. by analyzing specific nationalities accordingly could benefits the final outcomes and explain various differentiations in results.

To conclude, it is possible to say that there exist many ways how to proceed and what to analyze in the further researches. As was previously said, this type of advertising in Czech Republic as well as in the whole Europe is still novel. And the possible investigations in this topic are very wide. Starting from identifying differences on various level in the country of choice and moving to cross-cultural analysis. By going through existing literature, it may be also possible to identify many other interesting topics which were not yet explored.

6. Conclusion

The topic on the effectiveness of comparative advertising in Czech Republic, is still relatively new. Very few researches analyze this marketing method's effectiveness in this country. For this reason, it is interesting to perform more studies concerning Czech consumers, and their attitude toward comparative ads. Equally it is interesting to investigate the behaviors of ethnic minorities living on the territory of Czech Republic and analyze their resemblance to other cultures which shows the same cultural pattern as in the underlying minority group.

Thus, this study aimed to analyze the direct versus indirect comparative advertising effectiveness in high and low-context communication cultures in Czech Republic. To accomplish this goal two cultural subjects were chosen for the comparison: Czech consumers and Vietnamese minority consumers living in Prague. For the purpose of the study a survey was conducted among 200 consumers.

Despite various limitations which were denoted previously, especially the one concerning the sample which is not representative of Czech consumer neither the Vietnamese minority living in Prague, it was possible to come up with few interesting findings. The main findings concerning the effectiveness of comparative advertising in low and high-context communication culture were confirmed. Precisely, the Czech consumers seemed to have more positive attitude towards the direct comparative ad, than the Vietnamese consumers. Whereas, results concerning the Vietnamese consumers proved that they have more acceptance for the indirect style of promotion than for the direct style. Overall, it could be partially said that the Czechs have more positive attitude toward the comparative advertising in general, and thus they represent more suitable target group which could be addressed with this somehow unethical technique. These results were similar to other studies presented in the theoretical part of this thesis.

Nevertheless, some assumption from literature review were not confirmed. For instance, it was interesting to find that the gender of the respondent had no effect on the effectiveness of the direct or indirect comparative ad. However, the age of the consumer seemed to affect in some degree their attitude. It was found that the younger generation, which represented Generation Z had more favorable acceptance of the chosen direct campaign. On the other hand, the Millennials showed more favorable attitude toward the indirect campaign. What concerned the persuasion effect, both

direct and indirect campaign had more positive effect on the Generation Z. This finding could differ based on different reason. The main cause may be the chosen campaigns for this study, namely Pepsi taste test challenge as direct comparison and Air Bank campaign as the indirect comparison.

First of all, it is important to denote that these campaigns were chosen on the pretest done on 15 students. Out of few other proposed direct and indirect examples of campaigns, majority of the students claimed that these seems the most known by the overall consumers. This could create some bias what concerns the preference. Another important assumption is that these campaigns represent different content: different product category, different industry. And thus, this can also influence the final result. And finally, it is crucial to keep in mind that only the effectiveness of one campaign for each comparison type was tested. With this being said, it is important to recommend using the information from this study with caution. As well as, more in-depth analysis of the specific topics needs to be done, in order to understand better the differentiations in results from different studies.

Furthermore, after the analysis of the theoretical review, not all findings from this thesis were expected. For instance, the fact that Vietnamese respondents had more positive attitude towards indirect comparative ad than Czech consumers were not expected. Czech consumers found this ad to be more offensive, less appropriate and less right than Vietnamese. It was later explained by the consumer attitude toward the brand itself, where Czechs seemed not to like Air Bank as much as Vietnamese did. Also, it was not expected to get the distinction in the results between Vietnamese and Czech consumers. Considering the fact, that majority of Vietnamese respondents were from Generation Z and Millennials, it was awaited that the answers would be somewhat similar to the Czech results. The Vietnamese consumers from the underlying age categories are often growing up in the Czech Republic from very young age, and thus they might have a strong influence on their behaviors of the Czech culture. Nevertheless, Vietnamese did build a strong community in Czech Republic, were they seem not to lose their cultural beliefs. Due to this, the gathering of Vietnamese responses for the survey conducted in this thesis, was harder than expected. Many of the participants did not speak Czech or English and thus, the survey had to be translated in Vietnamese for the purpose of the study.

To conclude, it can be denoted that the comparative advertising could be potentially effective in Czech Republic. Especially if the marketers who apply this technique are

well educated on where and how this style of promotion works. As it was demonstrated in various studies, comparative advertising seems to be more effective than non-comparative one. Moreover, comparative advertising seems to be a good way for the initial creation of awareness among consumers. Air Bank is a good example of it. However, these companies which apply this style need to be prepared to stop at a given moment of time and change their main goal. Not only they need to create awareness but also build consumer base, attract them, satisfy their need and increase their loyalty. Additionally, ethnic minorities not only in Czech Republic but all across the world are gaining importance. And thus, the marketers need to give more attention into the analysis of these groups. As it was proven in this study, the fact that these groups live on the territory of the country where the marketing message was developed does not mean that their reaction will be same as the local consumer's one. And thus, it is recommended for the marketers, in case they want to use such a marketing technique, they need to be sure for whom this message is intended. In the case of Czech Republic, the advertisers need to make sure that the direct comparative ad are meant to attract the Czech consumers not Vietnamese. And in the situation where it is planned to attract waste amount of the population, it is more desirable to reconsider the marketing technique overall or use the indirect comparative style. Further, nowadays marketers must make sure not to formulate the messages in a manner where their own culture plays a role. The messages need to be universally acceptable all at the same time as they need to be unique and effective.

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Appendix:

Appendix 1: A schema for cultural classification of ethnic minorities

Cluster one: least acculturated:

1. more at ease with items closely related to their own culture;
2. tend to live in close-knit family groups and ethnic dwelling areas;
3. low income and blue collar workers;
4. very limited knowledge of English language;
5. do not accept the dominant Caucasian culture as relevant to their lifestyle;
6. are not motivated to adjust to their new environment;
7. behaviour heavily influenced by native culture;
8. poorly educated (Western style); and
9. dress mainly in their ethnic clothes.

Cluster two: moderately acculturated:

1. have a working knowledge of English language;
2. prefer to speak in their native language;
3. behavioural patterns are predominantly influenced by their subculture's values; and
4. combine some characteristics of groups one and three.

Cluster three: most acculturated:

1. fluent in both English and their native tongue;
2. at ease in a predominantly Caucasian environment;
3. live in areas not predominantly ethnic oriented;
4. their behavioural patterns are largely driven by the dominant culture; and
5. have some pride in their ethnic background.

Cluster four: totally acculturated:

1. fluent only in English;
2. have little knowledge of their ethnic culture;
3. likely to be born in the UK;
4. view themselves as "English" and have patriotic feelings towards England only; and
5. ignorant and not motivated to understand their own ethnic background.

Source: (Nwankwo & Lindrigde, 1998)

Appendix 2: Survey on Effectiveness of Comparative Advertising in Czech Republic

Effectiveness of Comparative Advertising in Czech Republic

Thank You for agreeing to take part in this survey measuring effectiveness of comparative advertising in Capital of Czech Republic, Prague. You will be given two distinctive "real world" ads, which you will have to rate on a scale from 1 to 5 (where 1 = worst, 5 = best choice). This survey should only take 5 - 10 minutes to complete. Be assured that all answers you provide will be kept in the strictest confidentiality. All answers will only be used for academic purpose and have no commercial value.

Before you begin, an explanation of comparative advertising will be given: "comparative advertising means any advertising which explicitly or by implication identifies a competitor or goods or services offered by a competitor" European Union, 97/55/EC.

* Required

Ad #1 - Pepsi VS. Coke - Blind Taste Test Challenge (Direct Comparative Ad):

Recently, Pepsi attacked Coke directly (named the attacked brand), in Czech Republic. They created a series of taste tests around Czech Republic, where they blindfolded random pedestrians or poured the drinks into cups without letting the respondents know where which drink is. After, the consumers were asked to state their preference between two drinks they just tasted. The results showed that approximately 60% of respondents preferred Pepsi.



1. I generally dislike campaigns with DIRECT comparison between competing brand: *

Mark only one oval.

	1	2	3	4	5	
Totally disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Totally agree

2. I like this particular campaign (it is appealing to me): *

Mark only one oval.

	1	2	3	4	5	
Totally disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Totally agree

3. Rate this campaign on a scale from 1 to 5: *

Mark only one oval per row.

	1 (worst)	2	3	4	5 (best)
Good	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tasteful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Imaginative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exciting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pleasant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Memorable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interesting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Appealing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Appropriate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attractive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Acceptable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mature	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Right	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Persuasive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accurate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Convincing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Informative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Offensive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Believable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. Rate the following assumptions on a scale from 1 to 5: *

Mark only one oval per row.

	Totally disagree	Disagree	No opinion	Agree	Totally agree
If I were to need a product like this, this advertisement would persuade me to purchase Pepsi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My general reaction to this advertisement is positive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regardless of my personal preference, this advertisement is effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
After looking at this ad, I feel that the image of PepsiCo is strong	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad helps the image of PepsiCo	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. Rate PepsiCo (as a brand) on a scale from 1 to 5: *

Mark only one oval per row.

	1 - worst	2	3	4	5 - best
Positive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Works well	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Satisfactory	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Good quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Favorable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Good	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Like	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. After this campaign I changed my attitude towards Pepsi *

Mark only one oval.

	1	2	3	4	5
Totally disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Totally agree					

7. Rate on a scale from 1 to 5, how likely is your potential purchase of Pepsi: *

Mark only one oval per row.

	1 - weak	2	3	4	5 - strong
Likely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Probable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Possible	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Ad #2 - Air Bank VS. "...ční" Bank (Indirect Comparative Ad)

Air Bank came up with an indirect comparative ad (not attacking someone specifically), featuring good versus bad banker. The aim of this campaign is to show in comparison to competitors, how uncomplicated and caring Air Bank is, while presenting all their offered benefits for the clients.



8. I generally dislike campaigns with INDIRECT comparison between competing brand: *
- Mark only one oval.

	1	2	3	4	5	
Totally disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Totally agree

9. I like this particular campaign (it is appealing to me): *
- Mark only one oval.

	1	2	3	4	5	
Totally disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Totally agree

10. Rate this campaign on a scale from 1 to 5: *

Mark only one oval per row.

	1 - worst	2	3	4	5 - best
Good	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tasteful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Imaginative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exciting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pleasant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Memorable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interesting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Appealing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Appropriate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attractive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Acceptable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mature	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Right	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Persuasive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accurate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Convincing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Informative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Offensive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Believable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. Rate the following assumptions on a scale from 1 to 5: *

Mark only one oval per row.

	Totally disagree	Disagree	No opinion	Agree	Totally agree
If I were to need a product/service like this, this advertisement would persuade me to choose Air Bank	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My general reaction to this advertisement is positive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regardless of my personal preference, this advertisement is effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
After looking at this ad, I feel that the image of Air Bank is strong	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad helps the image of Air Bank	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. Rate Air Bank on a scale from 1 to 5: *

Mark only one oval per row.

	1 - worst	2	3	4	5 - best
Positive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Works well	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Satisfactory	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Good quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Favorable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Good	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Like	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. **After this campaign I changed my attitude towards Air Bank: ***

Mark only one oval.

	1	2	3	4	5	
Totally disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Totally agree

14. **Rate on a scale from 1 to 5, how likely is for Air Bank to be your bank of choice: ***

Mark only one oval per row.

	1 - weak	2	3	4	5 - strong
Likely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Probable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Possible	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. **What is your gender? ***

Mark only one oval.

☐ Female

☐ Male

16. **What is your nationality? ***

Mark only one oval.

☐ Czech

☐ Vietnamese

☐ Other: _____

17. **Which category below includes your age? ***

Mark only one oval.

☐ 74 - 91

☐ 55 - 73

☐ 39 - 54

☐ 23 - 38

☐ 22 and less

17. Which category below includes your age? *

Mark only one oval.

- ☐ 74 - 91
- ☐ 55 - 73
- ☐ 39 - 54
- ☐ 23 - 38
- ☐ 22 and less

18. What is your occupation? *

Mark only one oval.

- ☐ Student
- ☐ Working student
- ☐ Employed
- ☐ Unemployed
- ☐ Self Employed
- ☐ Other: _____

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Appendix 3: General attitude towards Pepsi campaign

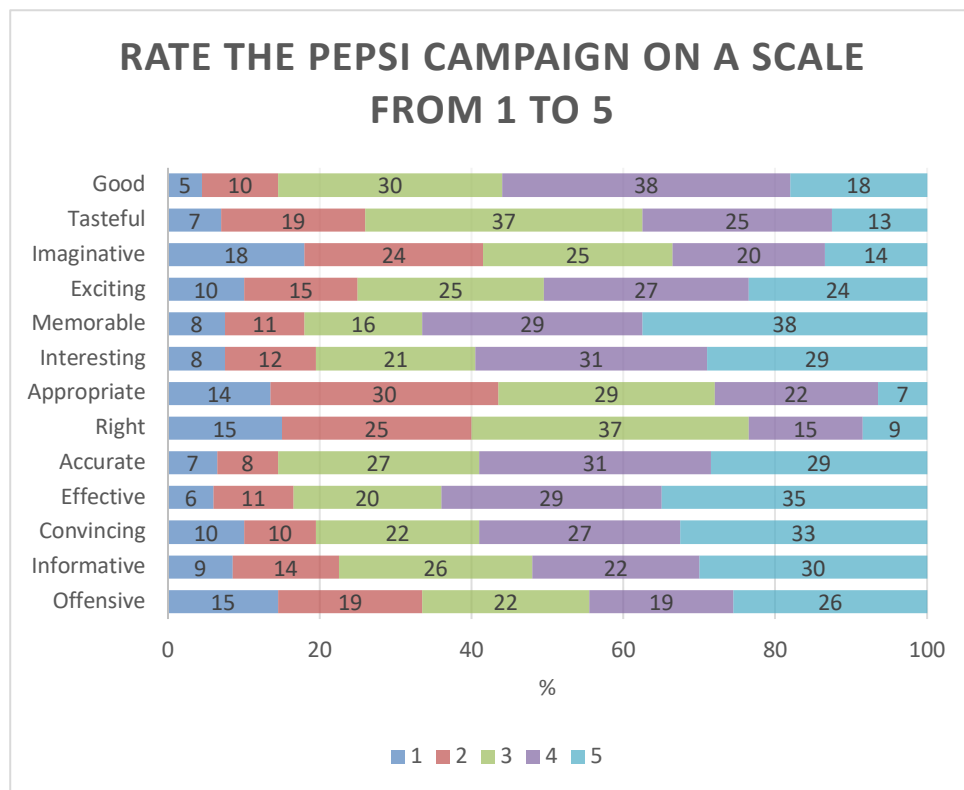


Figure 19 - General attitude towards Pepsi campaign (Source: Author)

Appendix 4: General persuasion effect of Pepsi campaign

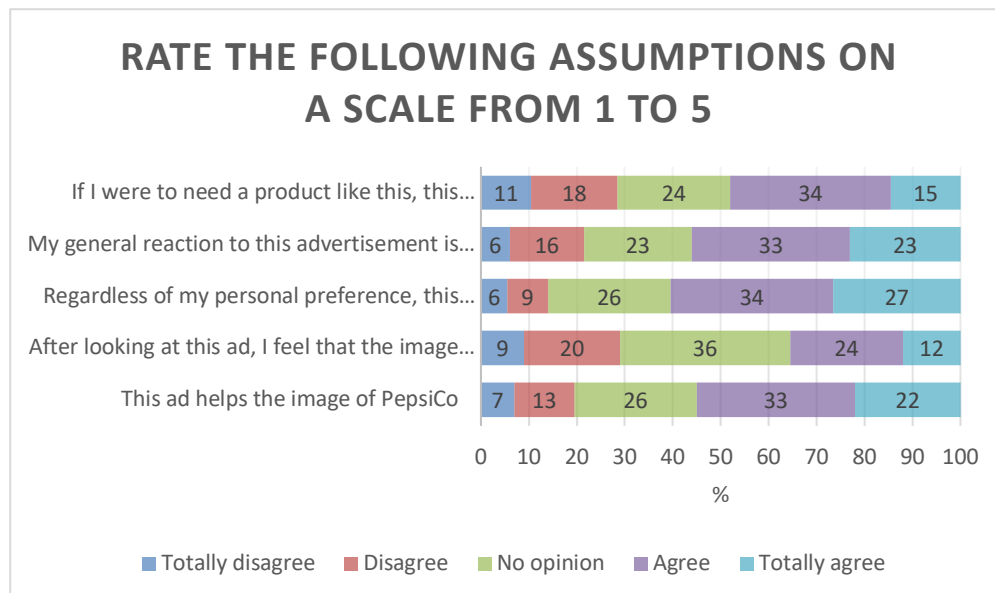


Figure 20 - General persuasion effect of Pepsi campaign (Source: Author)

Appendix 5: General attitude towards the brand (Pepsi)

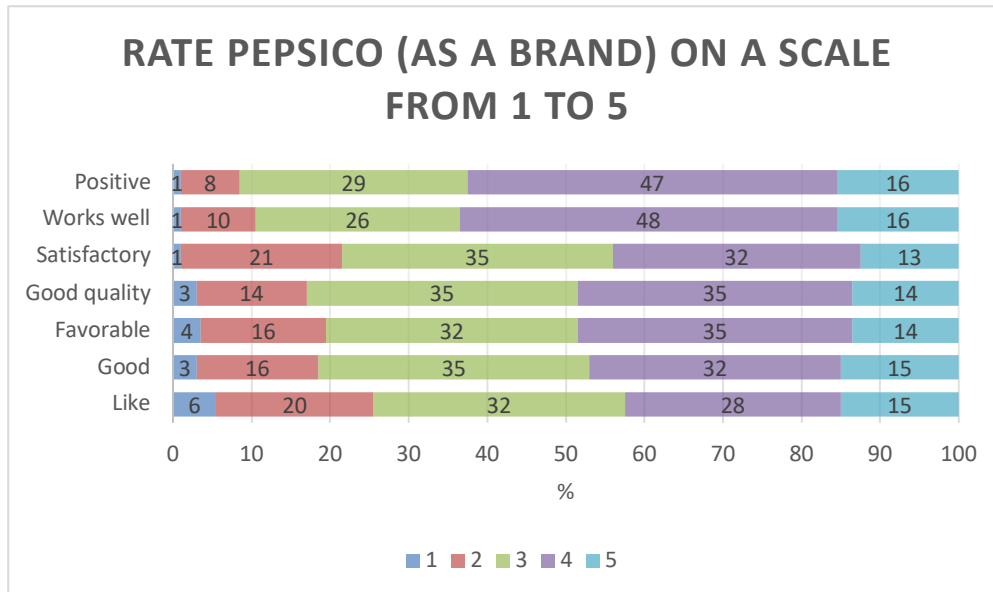


Figure 21 - General attitude towards the brand (Pepsi) (Source: Author)

Appendix 6: Czech attitude towards the brand (Pepsi)

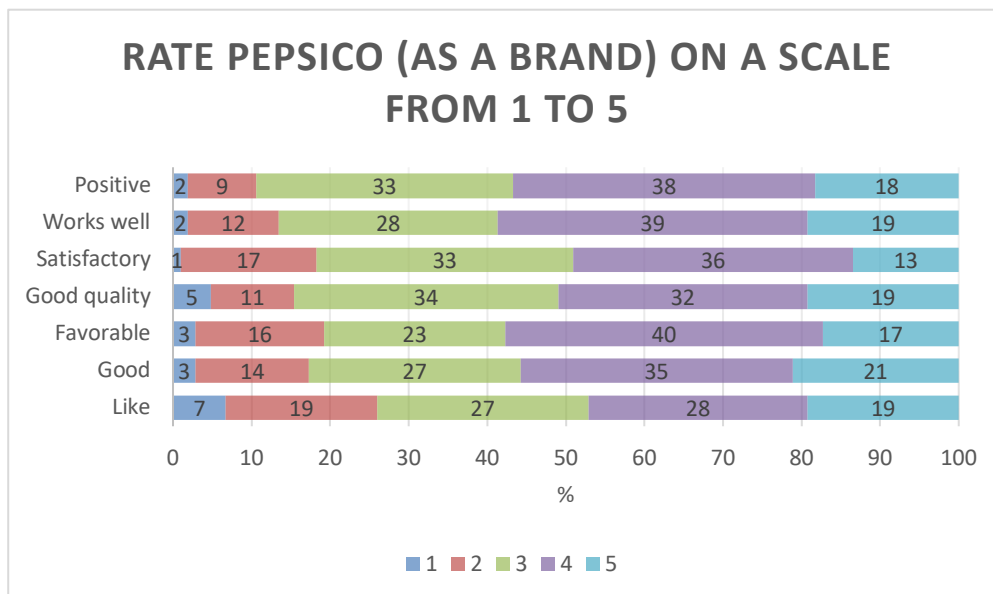


Figure 22 - Czech attitude towards the brand (Pepsi) (Source: Author)

Appendix 7: Vietnamese attitude towards the brand (Pepsi)

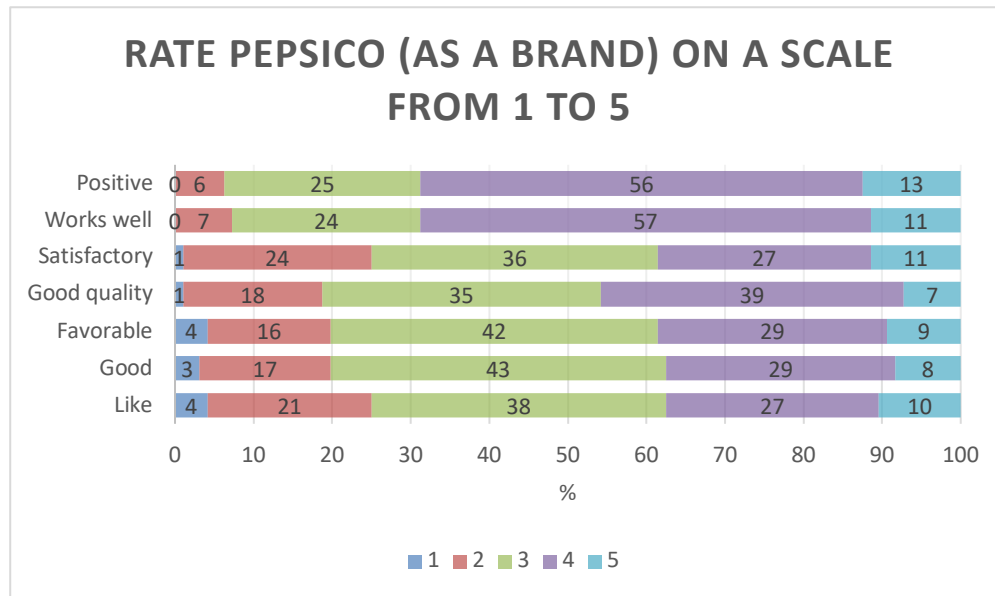


Figure 23 - Vietnamese attitude towards the brand (Pepsi) (Source: Author)

Appendix 8: Likely purchase of Pepsi

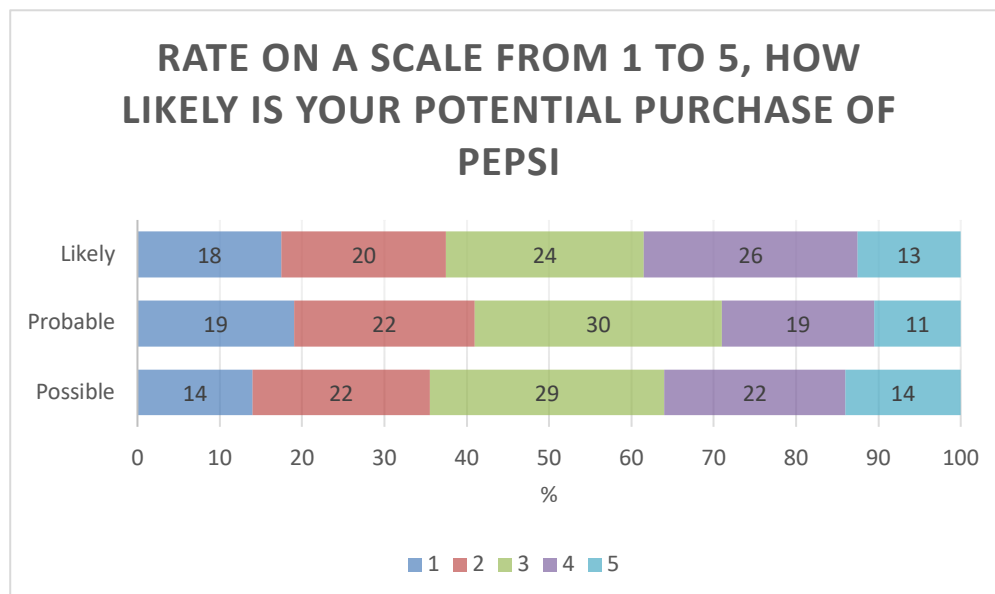


Figure 24 - Likely purchase of Pepsi (Source: Author)

Appendix 9: Likely purchase of Pepsi (Czechs)

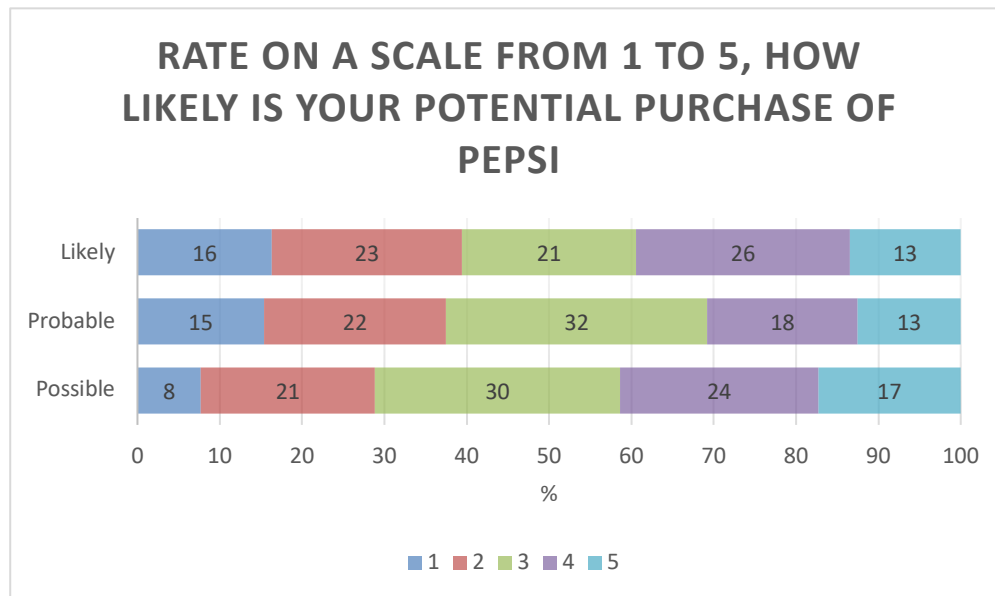


Figure 25 - Likely purchase of Pepsi (Czechs) (Source: Author)

Appendix 10: Likely purchase of Pepsi (Vietnamese)

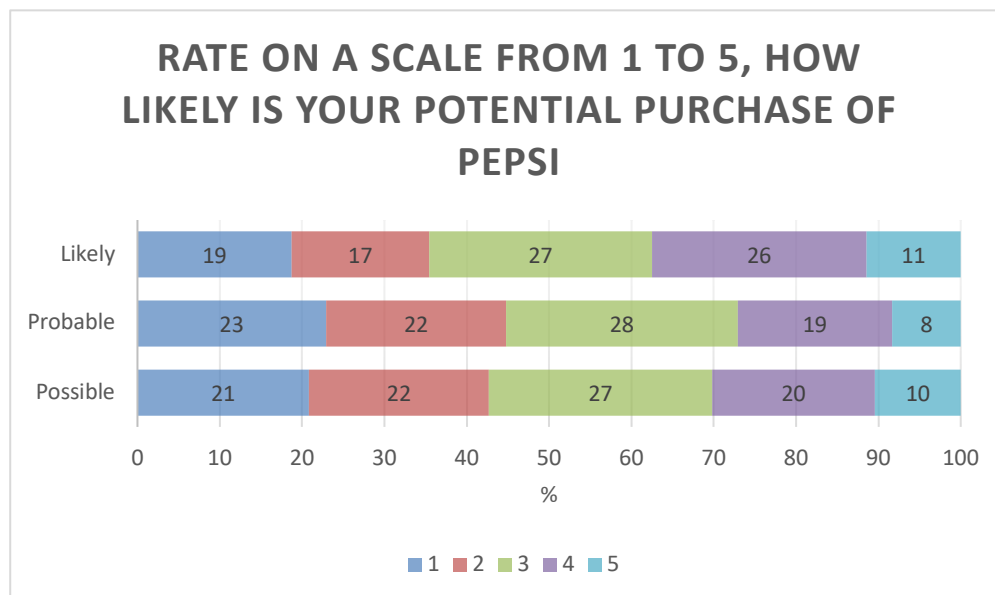


Figure 26 - Likely purchase of Pepsi (Vietnamese) (Source: Author)

Appendix 11: General attitude towards Air Bank campaign

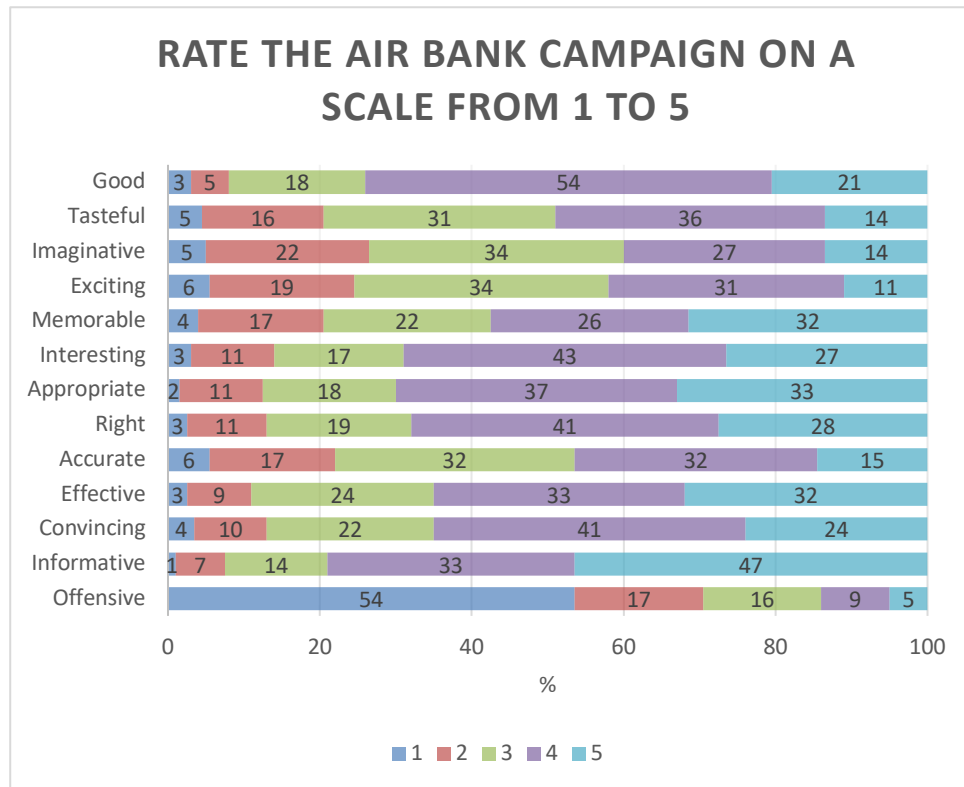


Figure 27 - General attitude towards Air Bank campaign (Source: Author)

Appendix 12: General persuasion effect of Air Bank campaign

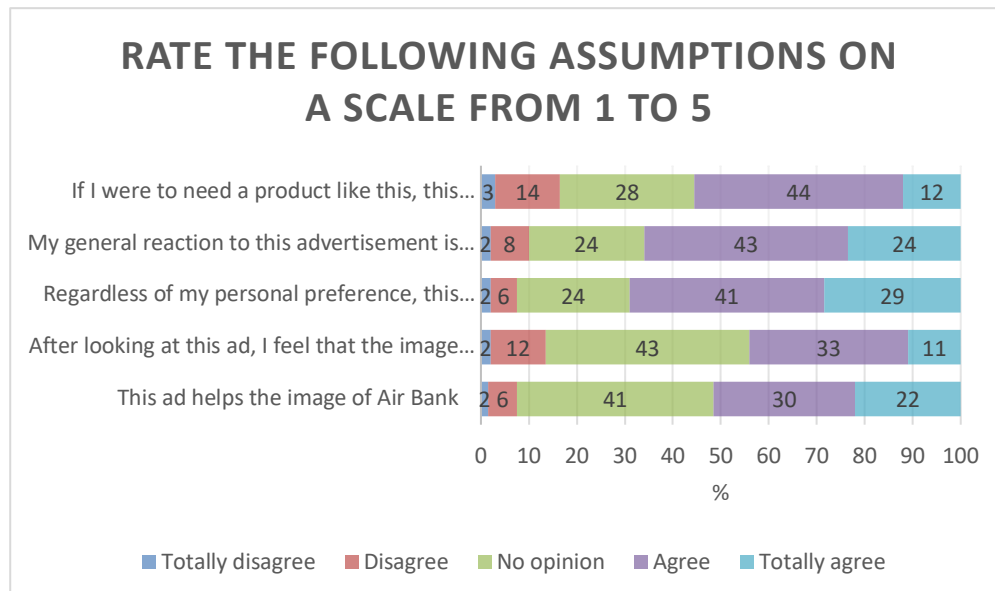


Figure 28 – General persuasion effect of Air Bank campaign (Source: Author)

Appendix 13: General attitude towards the brand (Air Bank)

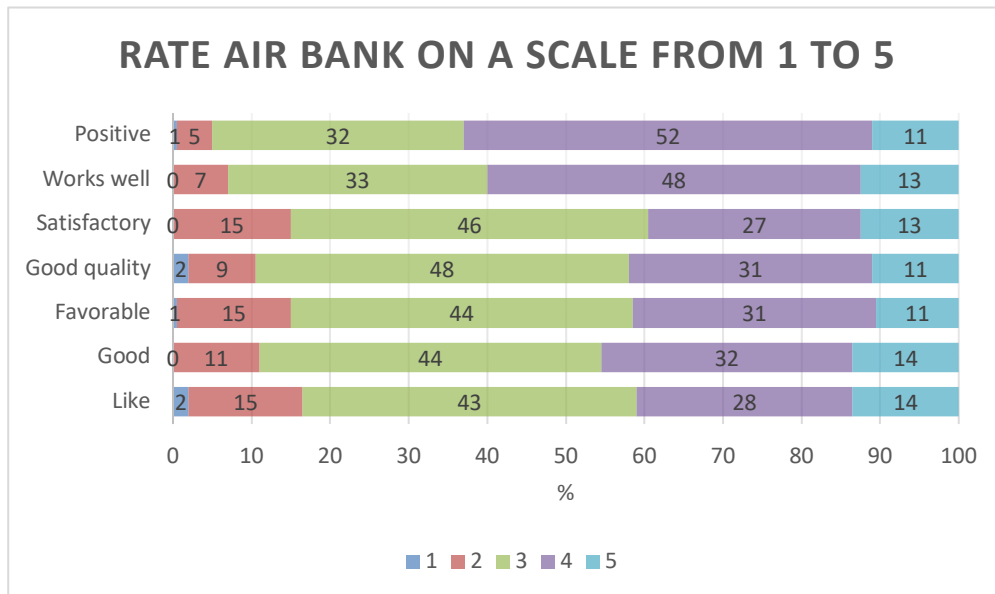


Figure 29 - General attitude towards the brand Air Bank (Source: Author)

Appendix 14: Czech attitude towards the brand (Air Bank)

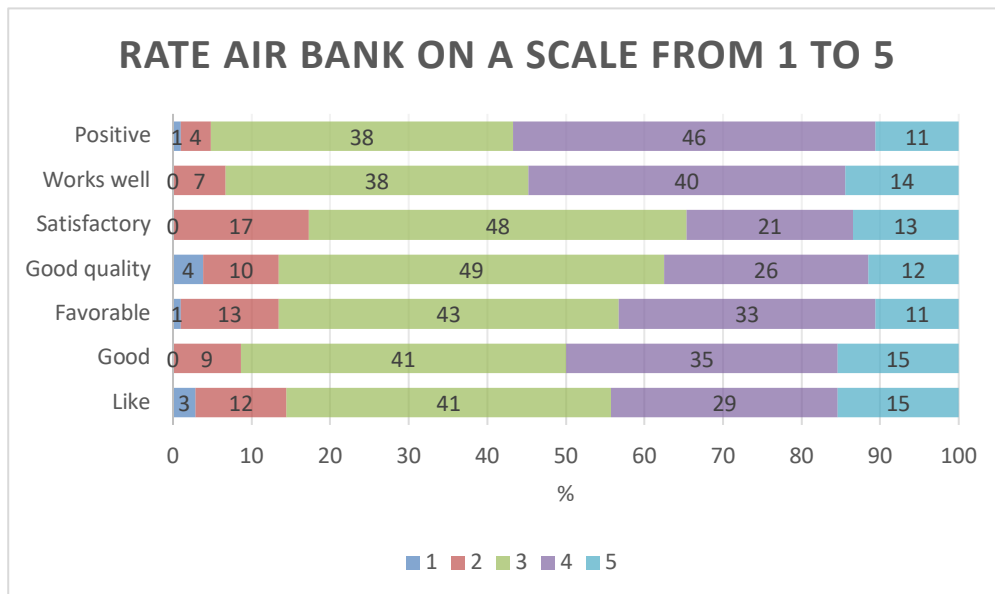


Figure 30 - Czech attitude towards the brand (Air Bank) (Source: Author)

Appendix 15: Vietnamese attitude towards the brand (Air Bank)

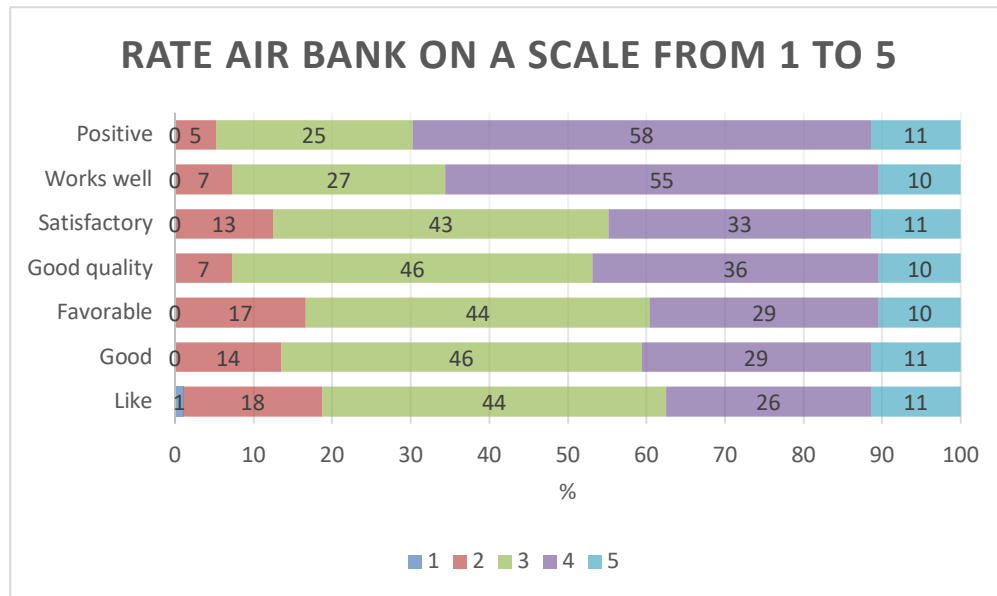


Figure 31 - Vietnamese attitude towards the brand (Air Bank) (Source: Author)

Appendix 16: Likely usage of Air Bank

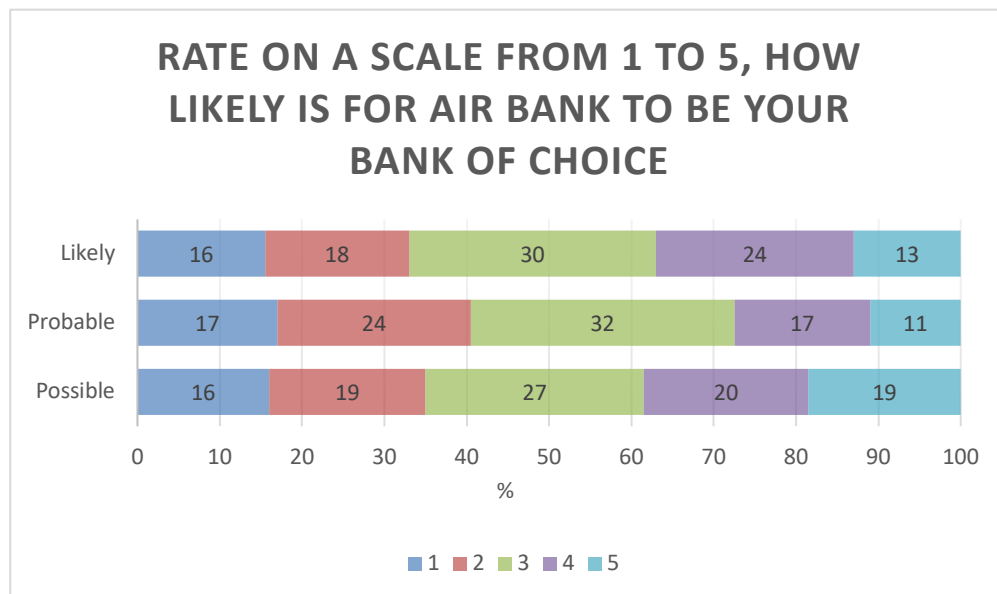


Figure 32 - Likely usage of Air Bank (Source: Author)

Appendix 17: Likely usage of Air Bank (Czech)

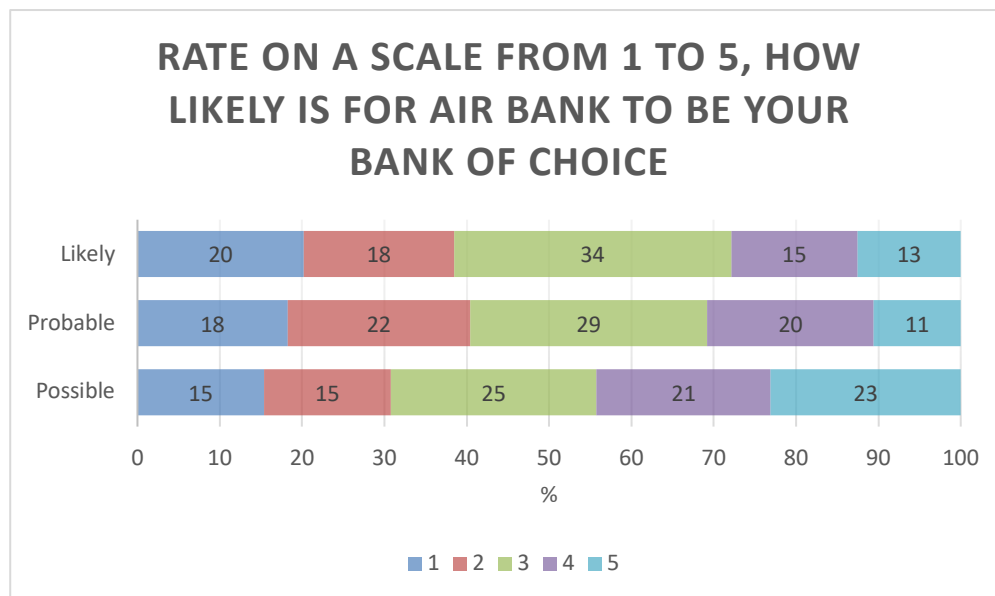


Figure 33 - Likely usage of Air Bank (Czech) (Source: Author)

Appendix 18: Likely usage of Air Bank (Vietnamese)

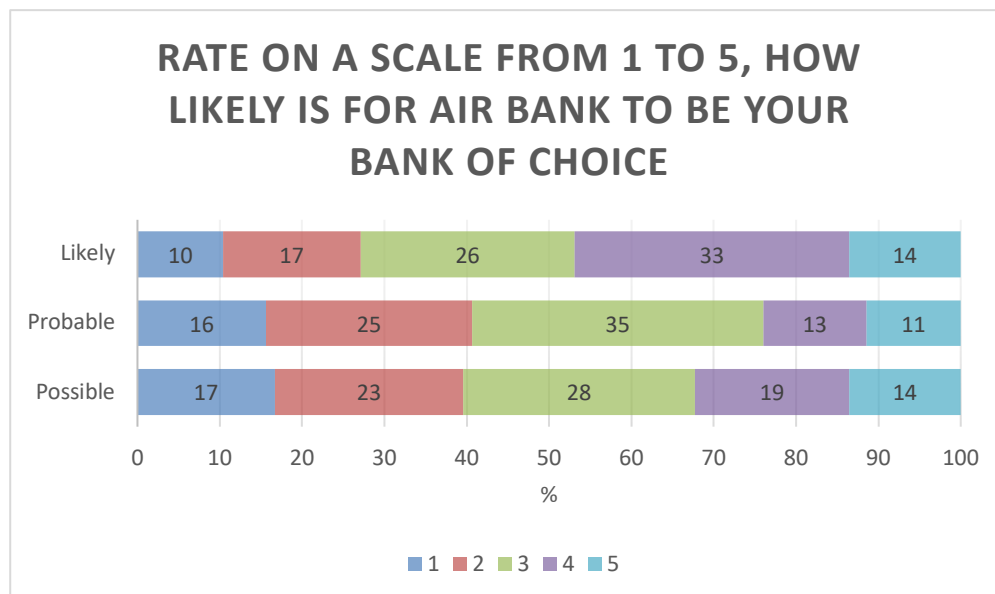


Figure 34 - Likely usage of Air Bank (Vietnamese) (Source: Author)

Appendix 19: Effect of Gender on the effectiveness of comparative advertising

Welch's t-test: comparison of perception of Pepsi campaign between female and male							
Item	female		male		Welch's t-test		Significant difference
	mean	SD	mean	SD	t-stat	p-value	
Good	3,47	1,06	3,63	1,03	1,06	0,290	no
Tasteful	3,15	1,13	3,19	1,06	0,30	0,766	no
Imaginative	2,89	1,25	2,87	1,35	-0,11	0,913	no
Exciting	3,33	1,33	3,44	1,22	0,60	0,547	no
Memorable	3,71	1,32	3,86	1,20	0,82	0,411	no
Interesting	3,65	1,20	3,59	1,27	-0,34	0,734	no
Appropriate	2,68	1,06	2,87	1,18	1,19	0,237	no
Right	2,69	1,13	2,85	1,15	0,99	0,325	no
Accurate	3,56	1,27	3,76	1,05	1,19	0,235	no
Effective	3,69	1,27	3,84	1,15	0,87	0,386	no
Convincing	3,56	1,29	3,67	1,31	0,60	0,548	no
Informative	3,41	1,33	3,61	1,23	1,10	0,275	no
Offensive	3,23	1,33	3,21	1,45	-0,09	0,929	no

Table 11 - comparison of perception of Pepsi campaign between female and male (Source: Author)

Welch's t-test: comparison of perception of Air Bank campaign between female and male							
Item	female		male		Welch's t-test		Significant difference
	mean	SD	mean	SD	t-stat	p-value	
Good	3,89	0,93	3,79	0,90	-0,75	0,455	no
Tasteful	3,40	1,08	3,36	1,02	-0,27	0,788	no
Imaginative	3,22	1,02	3,22	1,15	0,02	0,987	no
Exciting	3,19	1,07	3,27	1,04	0,55	0,586	no
Memorable	3,74	1,14	3,56	1,25	-1,08	0,283	no
Interesting	3,73	1,05	3,84	1,05	0,72	0,472	no
Appropriate	3,85	1,06	3,92	1,02	0,47	0,640	no
Right	3,78	1,04	3,82	1,04	0,25	0,807	no
Accurate	3,30	1,06	3,37	1,12	0,41	0,681	no
Effective	3,85	1,01	3,82	1,10	-0,25	0,804	no

Convincing	3,81	1,00	3,64	1,08	-1,15	0,253	no
Informative	4,20	0,94	4,14	0,99	-0,39	0,694	no
Offensive	2,02	1,26	1,88	1,19	-0,78	0,435	no

Table 12 - comparison of perception of Air Bank campaign between female and male (Source: Author)

Welch's t-test: comparison of Pepsi persuasion effect between female and male							
Assumption	female		male		Welch's t-test		Significant difference
	mean	SD	mean	SD	t-stat	p-value	
If I were ...	3,14	1,23	3,33	1,19	1,12	0,266	no
My general ...	3,43	1,14	3,60	1,21	1,02	0,310	no
Regardless ...	3,61	1,14	3,73	1,11	0,73	0,466	no
After ...	3,02	1,11	3,16	1,14	0,89	0,373	no
This ad ...	3,39	1,21	3,62	1,13	1,39	0,166	no

Table 13 - comparison of Pepsi persuasion effect between female and male

Welch's t-test: comparison of Air Bank persuasion effect between female and male							
Assumption	female		male		Welch's t-test		Significant difference
	mean	SD	mean	SD	t-stat	p-value	
If I were ...	3,60	0,92	3,37	1,01	-1,75	0,081	no
My general ...	3,83	0,93	3,72	1,00	-0,82	0,411	no
Regardless ...	4,02	0,81	3,75	1,06	-2,04	0,042	yes
After ...	3,53	0,86	3,27	0,93	-2,08	0,039	yes
This ad ...	3,70	0,87	3,60	1,00	-0,77	0,443	no

Table 14 - comparison of Air Bank persuasion effect between female and male (Source: Author)

Welch's t-test: comparison of opinion of female and male on direct, indirect, Pepsi and Air Bank campaigns							
Comparison of	female		male		Welch's t-test		Significant difference
	mean	SD	mean	SD	t-stat	p-value	
Direct	2,99	1,32	2,94	1,35	-0,25	0,802	no
Indirect	2,13	1,23	2,14	1,30	0,11	0,914	no
Pepsi appealing	3,25	1,25	3,38	1,29	0,75	0,454	no
Air Bank appealing	3,67	1,07	3,60	1,02	-0,48	0,635	no

Table 15 - comparison of opinion of female and male on direct, indirect, Pepsi and Air Bank campaigns (Source: Author)