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Measuring the Relationship between Advertising Creativity and its Effectiveness

An Applied Study on TV Advertising

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A Thesis Submitted for the Master Degree in Business Administration
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صدق الله العظيم

سورة البقرة — آية 32

Abstract

The importance of creativity in advertising as one of the primary factor for advertising effectiveness has been much advocated by advertising professionals and academicians particularly in a cluttered media. Industry experts argue that advertisements have to be more creative to break through the greater media clutter and develop an impression for the brand. However, researchers have neither agreed on a model of advertising creativity nor conclusively linked ad creativity to key measures of effectiveness. This study examines the potential effectiveness of award winning television advertisements in Egypt. Both creative and control advertisements were embedded in a television program which were shown to research subjects. After watching the advertisements, Subjects' reassessed the advertisements' creativity and tapped their responses about brand and advertisement attitude and lastly purchase intent. The findings of the study show that the creative advertisement developed significantly more favorable brand and advertisement attitude than the control advertisement. The Creative advertisement also developed greater purchase intent for the advertised brand than the control advertisement. Finally, the study shows that creativity award-winning ads are considered more effective among consumers than other ads.

Key Words: Advertising Creativity, Divergence, Relevance, Advertising Effectiveness, Ad Attitude, Brand Attitude, Purchase Intentions.

إهداء.....

إلى من هدانى به ربى ليعوضنى بحبه وعطفه وحنانه
إلى من هو دائما سندا لى بعلمه و جهده و عطاؤه
إلى اغلى و اعظم اب

بابا / حلمى البشبيشى

Acknowledgments

First and Foremost I thank Allah for granting me the persistence to accomplish this research.

I invariably fall short of words to express my heartfelt appreciation and gratitude to my great professor **Prof. Dr. Gihaan Ragab**-Professor of Marketing-Faculty of Commerce-Ain Shams University for her endless support, guidance, patience and motivation all through the way. I never felt that I am her student; she has always treated me like a daughter. I really couldn't have wished for a better advisor or mentor. THANK YOU

It has been a privilege to work under the dynamic leadership and guidance of **Dr. Reem El Alfy**-Lecturer in Business Administration-Faculty of Commerce-Ain Shams University. I'd like to thank her for her invaluable remarks and guidance and devotion of time and energy among the stages of the entire thesis. She helped me a lot as a researcher and has always been a source of encouragement and support.

With a lot of gratitude and heartily appreciation I thank **Prof Dr Aisha Moustafa El-Meniawy** Professor of Marketing in Faculty of Commerce - Ain Shams University, for agreeing to be a member of this viva committee and for her never lasting guidance and direction since I was a fresh student and up till now. I'm really honored to be her student.

I'd like to express my deepest thanks to **Prof. Dr. Wael Abd El Razek Kortam** - professor of marketing in Faculty of Commerce - Cairo University, for his generous time, effort and professionalism. It's really a great honor to have him as an external examiner in this viva committee.

My deepest thanks are also extended to all my colleagues and friends for their support. I'm particularly very grateful to my colleague **Ahmed Moustafa Maree** for his unconditional help and endless support throughout the entire thesis.

At last but not least, I'd like to thank my family and husband who have supported me and celebrated with me every step along the way



Thank You

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Chapter One

Introduction to the Study

1.1 Introduction

This study aims at investigating the relationship between creative advertising and advertising effectiveness in Egypt. In this chapter, the background of the study stating the growing importance of creative advertising and an overview on the previous work on its effectiveness is discussed. Therefore this chapter aims to present an overview on the thesis by introducing the following areas of the research:

- Research Background
- Previous studies on the effectiveness of Advertising Creativity
- Exploratory research
- Research Problem
- Research Questions
- Research Objectives
- Research Hypotheses
- Significance of the Study
- Research Limitations
- Thesis Structure

1.2 Research Background

Each year, companies spend a substantial amount of its income on advertising to promote their products and services. In 2013, total spending on advertising surpassed USD 545 billion and is expected to reach USD 575 billion by the end of 2014 (eMarketer.com). However, despite this, the effectiveness of advertisements has always remained a debatable issue in the advertising world (Dixit 2005). Numerous studies have resulted in questionable and conflicting results regarding the effects of advertising (Leone 1995).

The issue of advertising effectiveness has become of much greater concern today than ever as competitive clutter is on the rise and industry experts argue that “the power of

marketing is eroding due to lack of attention” (Sacharin 2001, p.56). Research shows that advertising effectiveness estimated by advertising elasticity (the effect of an increase or decrease in advertising spending on market share or sales) is as low as zero to 0.2, which means that not all advertising is beneficial for the firm (Vakratsas and Ambler 1999, Tellis 2009). One reason might be that the discretionary power of television viewers to avoid watching TV commercials and viewer surfing over the channels has increased (Hussain *et al* 2008). This has reduced the likelihood of viewers’ attention to TV commercials. Even if they occasionally find an advertisement, it may not grab their attention due to lack of novelty in the advertisement (Mulligan, 1998).

Due to such greater media clutter, increased competition, and greater consumers’ awareness, marketers are now turning towards demanding more novel and creative advertisements for their campaigns. They face the challenge of securing advertising effectiveness by producing advertisements that get the consumers' attention and shape their attitudes and behaviors.

In today's advertising industry, advertising agency professionals consider creativity as the best tool for achieving advertising success and believe that creativity is what really works in advertising (Nyilasy and Reid 2009). Academic research also indicates that a higher level of creativity has a positive impact on advertising effectiveness (e.g. Smith *et al* 2008, Dahlen *et al* 2008). To summarize, creativity is one important tool to achieve advertising effectiveness.

To recognize excellence in the creativity of advertisements, advertising agencies are rewarded with advertising creativity awards. Hundreds of creativity excellence awards are given each year to the most creative and outstanding advertisements (Till & Baack, 2005).

However, the question remains: Are creative advertisements effective enough to persuade its viewers? (Ange *et al* 2007). Questions like "whether advertisements recognized by industry peers as creative provide any added advantage to the brand" and "whether creative advertising as defined by academicians has a positive psychological influence on viewers' purchase behavior" are most commonly found in