Comparative Advertising as an effective tool for Brand Wars

Shikha Manchanda
Research Scholar
Centre for Management Studies
Jamia Millia Islamia
Shikhamanchanda23@gmail.com

Dr. Saiyed Wajid Ali
Asst. Professor
Centre for Management Studies
Jamia Millia Islamia
saiyed.wajid@gmail.com

Abstract

It started with the notorious cola and detergent wars, and then led to corporate biggies in the consumer product space washing their dirty linen in public Comparative advertising is not a new phenomenon in corporate India; it has ruffled many a feather in the past. Though there is no compelling evidence in support of such advertising—where one brand makes random attacks or disparaging comments about its rivals—helps brands in any way, leading companies continue to indulge in such tactics. This paper tries to tackle the advent of this marketing strategy through the study of previous researches to this effect.

Keywords- Comparative advertising, Combative advertisements, Direct Comparative, Disparagement, Imagery processing.

Introduction

Advertising and promotion are an integral part of our social and economic systems. In our complex society, advertising has evolved into a vital communications system for both consumers and businesses. The ability of advertising and other promotional methods to deliver carefully prepared messages to target audiences has given them a major role in the marketing programs of most organizations. Companies ranging from large multinational corporations to small retailers increasingly rely on advertising and promotion to help them market products and services. In market based economies, consumers have learnt to rely on advertising and other forms of promotion for information they can use in making purchase decisions.
Advertising is a pervasive feature of economic life. It is the promotion of a company’s products and services carried out primarily to drive sales of the products and services but also to build a brand identity and communicate changes. There is nothing intrinsically good or evil about advertising. It is a tool, an instrument: it can be used well, and it can be used badly. Evidence of the increasing importance of advertising and promotion comes from the growth in expenditures in these areas. Advertising expenditures in India have increased at much faster rate with total expenditure rising to approximately Rs. 177 billion in 2007 from Rs. 93 billion in 2003.

Comparative Advertising: Concept
Comparative advertising can be defined as a form of advertising that compares directly or indirectly one product or service with another, implying that the advertised product is comparable or superior to the competitor product. This comparison is made with a view to increase sales of the advertiser, either by suggesting that the advertiser’s product is of the same or a better quality to that of the compared product. The aim of such advertisement is to allow comparison of one’s products with those of competitors and making it known to consumers. It not only promotes market transparency, but also helps in keeping prices down and improving products by stimulating competition. The aim is to trigger off a shift in the customer’s mindset, thereby converting them into customers, increasing sales and building loyalty.

The concept has advantages as well as disadvantages. Different people share different views when it comes to discussing the usefulness and underlying ethics concerning this form of advertising. However, if used properly, it can be a source of healthy competition. The comparison war between Pepsi & Coke is definitely one of the best examples of combative advertising. Other brands that have indulged in such blatant and often questioned advertising strategy include Horlicks & Complan. The Horlicks-Complan advertisement launched during the last quarter of the year 2008 had once again brought comparative advertising into the limelight. In this advertisement Horlicks, Glaxo Smithkline’s health drink, has directly compared the nutritional value with that of the Heinz India’s Health drink Complan. Horlicks directly claimed that its drink was more nutritional and priced low than its rival Complan. To which Complan responded and proved the superiority of its pricing. Complan in December 2008 launched an aggressive direct comparative advertisement targeting Horlicks. In its ad, Complan compared its attributes with Horlicks and demanded an action from the customers to choose among the “low-cost health drink” and “complete growth”.

Types of Comparative Advertising
Comparative Advertising can be classified as direct comparative (DC) advertisements, non comparative (NC) advertising and indirect comparative (IC) advertising. **Direct comparative** (DC) advertisements are those that name specific competitors as a point of comparison. In case of **non comparative** (NC) advertising, brand's performance along salient attributes is discussed without reference to the competition. In this case, advertising focuses solely on the merits of the advertised brand with no explicit attempt to position the brand relative to its competitors. By contrast, **indirect comparative** (IC) advertising does not identify particular competitive brands, but instead refers to unnamed competitors, such as "the leading brand," "other brands," or "all other brands.

**Global Practices**

**US:** In the 1970s, only few advertisers were permitted in the U.S. to explicitly name competing brands in advertisements (James, Fraedrich, and Hensel 1995). This was done to ensure that consumers were informed of the various choices available in the market place (Wilkie and Farris 1975). Some well-known examples of comparative advertising campaigns are Avis versus Hertz, Burger King versus McDonald’s, Miller Light versus Budweiser Light, Oracle versus IBM, Pringles versus Frito-Lays (Lawrence 1993), Campbell soups versus Progresso, and Domino’s versus Subway.

**Malaysia:** While comparative advertising in the U.S. has a long history in practice and research (Barry 1993), it has no place in an advertiser’s arsenal in some emerging markets. For instance, comparative advertising is permitted in Malaysia but without naming the competitor’s product.

**China:** Similarly in China, rule book says comparative advertising should not involve any direct comparisons.

**Comparative Advertising in India: In practice and Legislation**

In select emerging markets like India, comparative advertising has begun to take off in a big way (Irani 2009). Since the liberalization of the Indian economy in the 1990s, almost every product category has seen an explosion in the number of brands. This has led to the aggressive use of comparative advertising in the Indian markets. The Advertising Standards Council of India (ASCI) sanctioned the use of comparative advertisements in India in the late 1990s. Though the ASCI permitted the use of explicit and direct comparisons in advertisements, advertisers initially preferred using indirect comparative advertisements, wherein they made references and superiority claims over competitor(s) without actually
naming them (McDougall 1976). For years, the norm was to make references like “compared to Brand X” or “compared to the leading brand” or to use surrogate indicators like the packaging silhouette of competitors’ products. This was probably because, until recently, India was considered as a high-context culture (Ulijn and Kumar 1999), and high-context cultures like those in Asia or Latin America prefer indirect and ambiguous messages (Miracle, Chang, and Taylor 1992) that include other communicative cues such as body language and the use of silence vis-à-vis explicitly spoken cues (Wurtz 2005). Thus, until the late 1990s the perception of India as a high-context culture possibly inhibited advertisers from using direct comparative advertisements. Hence, they made only subtle references to their competitor(s).

Of the 57,000 advertisements in the Millward Brown (2009) LinkTM copy-testing database, globally about 4% of the advertisements were classified as comparative in nature. The United States, India, and Philippines have a high proportion of comparative advertisements (7%), followed by Taiwan, Australia, and Brazil (4%). Further, according to AdEx India (a division of TAM Media Research), the number of comparative commercials in India has increased by 43% during the period 2004 to 2006. Also, a casual scan of the print and TV channels reveals that comparative advertising is used in a variety of product categories ranging from Net portals to cars to fairness creams.

Legislation

Comparative advertising is defined in EU Directive 97/55/EC2 as “any advertising which explicitly or by implication identifies a competitor or goods or services offered by a competitor.” No Indian statute defines the term “Comparative Advertising” though the Delhi High Court has given the following characteristics of comparative advertisement in Reckitt & Colman v. Kiwi TTK3 as:

- A tradesman is entitled to declare his goods to be the best in the world, even though the declaration is untrue.
- He can also say that his goods are better than his competitor’s, even though such statement is untrue.
- For the purpose of saying that his goods are the best in the world or his goods are better than his competitor’s he can even compare the advantages of his goods over the goods of others.
- He, however, cannot while saying his goods is better than his competitors', say that his competitors' goods are bad. If he says so, he really slanders the goods of his competitors. In other words he defames his competitors and their goods, which is not permissible.
• If there is no defamation to the goods or to the manufacturer of such goods then no action lies, but if there is such defamation, an action lies and if an action lies for recovery of damages for defamation, then the Court is also competent to grant an order of injunction restraining repetition of such defamation.

In India, this form of advertising is legal, as long as it complies with the following conditions (as per the judgement delivered Delhi High Court in Reckitt & Colman v. Kiwi TTK3):

• It should not be misleading;

• It should compare goods or services meeting the same needs or intended for the same purpose;

• It should objectively compares one or more material, relevant, verifiable and representative features of those goods or services, which may include price;

• It should not create confusion in the market place between the advertiser and a competitor;

• It should not discredit or denigrate the trademarks, trade names or other distinguishing signs of a competitor;

• For products with designation of origin, it should relate to products with the same designation;

• It should not take unfair advantage of the trade mark or other distinguishing sign of a competitor;

• It should not present goods or services as imitations or replicas of goods or services bearing a protected trade mark or trade name.

Effectiveness

The literature on comparative advertising is vast and varied. It can be categorized into two types, based on the following issues: (1) studies that have looked at the effectiveness of comparative advertising over non comparative advertising (also known as self-promoting advertising that presents information about the advertising brand only) using experimentation and surveys, and (2) studies using content analysis to understand the intrinsic nature of comparative advertising in various cultures. In this paper, focus is on the former and result of these studies has been summarized in the following paragraphs.

In the past studies, effectiveness of comparative advertising has been measured either using the hierarchy of effects model proposed by (Lavidge and Steiner 1961) or the situational effects model given by (Ash
and Wee 1983). Using the hierarchy of effects model, researchers found no consensus on the effectiveness of comparative advertising over non comparative advertising; thus, the academic literature on comparative advertising effectiveness is divided into two schools of thought. On the one hand, researchers (Dr¨oge 1989; Gorn and Weinberg 1984; Grewal et al. 1997) found that comparative advertisements are more effective than non comparative advertisements, and the other school reported that comparative advertising produces undesirable consequences and that they are generally perceived as offensive (Goodwin and Etgar 1980; Levine 1976; Shimp and Dyer 1978). Due to the inconsistent findings using the hierarchy of effects’ components of advertising effectiveness of comparative advertisements over non comparative advertisements, subsequent studies included situational variables related to the audience, media, message, and product characteristics, as moderators.

Donthu (1998) demonstrated that the attitude toward comparative ads was especially negative for respondents in countries where comparative ads are not widely used or are rarely used. Stutts (1982) found that counterargument plays a big role. Continued use of comparative advertising may have damaging effects on the message acceptance. It was also found that positioning a less popular brand near a more popular brand to induce brand switching may prove to be counterproductive. Thus a firm must resort to non comparative advertising if such brand loyal customers happen to be the target group for the business. Nye et al (2008) suggested market novelty must also be considered when targeting consumers who are loyal to the brand against which the sponsor brand is compared.

In other words, the answer to the question “Is comparative advertising better than non comparative advertising?” is not a clear-cut “yes” or “no” but “It depends.”

Following studies reflect different aspects of comparative advertising. As per Thompson and Hamilton (2006) comparative advertising (non comparative advertisements) is better when consumers use analytical information processing mode: imagery information processing mode. Conversely, noncomparative ads are more effective than comparative ads when consumers use imagery processing. Polyorat and Alden (2005) proposed that comparative advertising will produce more positive brand attitudes and stronger purchase intentions than non comparative advertisements for high need for cognition consumers. Liaukonyte (2008) found that comparative advertising increases the perceived quality of a product and is found to be effective in denigrating the perceived quality of a targeted brand. Researchers like Anderson and colleagues (2009) extended the work of Liaukonyte and showed that comparative advertising is less effective at “pushing up” the advertising brand vis-à-vis non comparative advertising, but comparative advertising has a substantial “pulling down” effect by reducing the market share of the rival brand(s).
Miniard et al (2006) reflected that the indirect comparative advertising claiming superiority over all competitors to be more effective than other two formats in positioning a brand against the entire market along with featured attributes

Muthukrishnan et al (2001) demonstrated the effectiveness and parameters of influence of piecemeal ads which is a variant of comparative advertising; entailing comparison of advertised brand with a competitor on one attribute, a different competitor on a second attribute, another competitor on a third attribute, and so on. They found that the consumers tend to believe that the sponsor is superior in an overall sense, as compared to competitors; sponsor brand excels on each dimension. There lies the danger and thus this format is being termed as “Deceptive”. It showed that a piecemeal message is more persuasive than either a noncomparative message or a comparison message involving only one comparison brand. Thus, piecemeal ads are believed to be effective in situations that do not provoke deep skepticism. Consumer skepticism appears to arise only when conditions for scrutiny are very favorable.

Pathak (2005) compiled the various regulatory cases of comparative advertising in India and identified a need for strengthening regulations, introducing appropriate laws and adequately enforcing the same. The author also suggested that there is a dire need for a quick dispute settlement mechanism to sustain competition. Zhang (2006) presented an overview of many comparative advertising cases and shows that a combative form of comparative advertising shifts consumer preferences toward the advertising firm but does not expand the category demand.

**Conclusion**

Regardless of our personal preference, comparative advertisements continue to echo through popular culture. According to estimates published by the American Marketing Association, comparative advertising formats account for approximately 30 percent of all advertisements and approximately 80 percent of all TV commercials. These significant statistics would seem to be a clear justification of comparative advertising as a viable marketing tool for brands hoping to gain an edge over their closest competition. However, popular opinion regarding comparative advertising appears divided. While many believe it is a powerful, appropriate strategy essential to differentiating one product from another in a potent surge of decision-shaping information, others view it as a foul game of mockery incapable of swaying the informed consumer. You be the judge… While the verdict is yet to be out, one thing is clear: Comparative advertising is here to stay.
References


