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CRISTIANO DO AMARAL BRITTO DE CASTRO

The Effect of Using Claim Confirming Product Cues on the Product Claim Credibility: is Seeing Believing?

> SÃO PAULO 2013

## CRISTIANO DO AMARAL BRITTO DE CASTRO

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Thesis presented to Escola de Administração de Empresas de São Paulo, Fundação Getúlio Vargas, for granting the title of Master in Business Administration.

Research Area: Marketing Strategy

Thesis Advisor: Prof. Dr. Delane Botelho

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To my parents, Paulo and Cecília, and to my wife and daughter, who have showed great understanding throughout the process.

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## ABSTRACT

The Cue Utilization Theory establishes that all products are made of multiples cues that may be seen as surrogates for the intangible attributes that make up any given product. However, the results of many years of research have yet yielded little consensus as to the impact generated by the use of such cues. This research aims to contribute to the discussion about the importance of intrinsic cues by investigating the effects that the use of product cues that confirm the product claim may have on Claim Credibility (measured through Ad Credibility), and also on consumers' Purchase Intention and Perceived Risk toward the product. An experiment was designed to test such effects and the results suggest the effects of the use of Claim Confirming Product Cues depend on consumer's level of awareness about such cue, and that when consumers are aware of it, Ad Credibility and Purchase Intention increase, as Perceived Risk decreases. Such results may have implications to academicians and practitioners, as well as may provide insights for future research.

Keywords: product claim, ad credibility, purchase intention, perceived risk, skepticism toward advertising, cue utilization theory, economics of information theory

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## **1. INTRODUCTION**

#### 1.1 Theme

Developing and launching successful products has always been a challenge for companies. The large amount of information available nowadays, generated by different offerings and advertising messages, has made that challenge even greater.

Consumers may feel more skeptical, since the operation of a free market demands sellers to display their products from the best angle according to their interests, which combined with the somewhat loose legislation, allows for a certain degree of exaggeration on the persuasive communication sellers do. Thus, market itself sponsors skepticism (Obermiller & Spangenberg, 1998; Moore-Shay & Lutz, 1988). In addition, events such as the 2008-2009 recession increase consumers' mistrust of corporations, making this phenomenon even more relevant (Kotler, Kartajaya, & Setiawan, 2010).

The search for possibilities to diminish the negative effects of such skepticism has mostly explored aspects related to the communication mix companies may use (Cummins, 1995; Ditto & Lopez, 1992; Ford, Smith, & Swasy, 1990; Prendergast, Liu, & Poon, 2009) or intended to deeply understand the causes of skepticism in an attempt to find alternatives to reduce it (Calfee & Ringold, 1994; Obermiller & Spangenberg, 1998; Obermiller & Spangenberg, 2000; Obermiller, Spangenberg, & MacLachlan, 2005; Bousch, Friestad, & Rose, 1994; Hawkins & Hoch, 1992).

Few attempts have been made to identify different tools in the marketing mix, namely product, price and distribution strategies, that may offer alternative ways to deal with such skepticism, and most of them look at this issue through the perspective of the Economics of Information Theory (Calfee & Ford, 1988; Nelson, 1970; 1974; Stigler, 1961; Darby & Karni, 1973), which states that products may bear Search Attributes, that can be verified prior to the purchase (i.e.: product price), Experience Attributes, verifiable only after the purchase has occurred (i.e.: product's performance or quality), and Credence attributes, which are not at all verifiable (the results of a preventive muffler change in your car).

However, the Cue Utilization Theory  $(Cox^1, 1967; Olson^2, 1972;$  apud Sullivan & Burger, 1987), which establishes that all products are made of multiples cues that may be seen as surrogates for the intangible attributes that make up any given product, may offer a different perspective on the matter. Throughout the years, companies have been using cues that confirm whatever claim is being made about the product. For example, the different color particle in the powder detergent that insinuates a higher performance (figure 1). The research herein combines the Economics of Information and the Cue Utilization theories to investigate a new possibility to belittle skepticism's negative impact: the use of Claim Confirming Product Cues.



Figure 1: Omo Multiação package claiming to have Extra Clean particles

### 1.2 Problem

Skepticism may create a serious condition for companies, especially when analyzed at a behavioral level: for example, highly skeptical consumers show higher propensity to avoid advertising (Obermiller, Spangenberg, & MacLachlan, 2005). Thus, skepticism may turn large advertising investments into useless efforts to persuade consumers, and the same may be true for the investments made in new product development and launching.

<sup>&</sup>lt;sup>1</sup> Cox, D. F. (1967) The Sorting Rule Model of the Consumer Product Evaluation Process. In *Risk Taking and Information Handling in Consumer Behavior. Boston: Harvard University, Graduate School of Business Administration.* 

<sup>&</sup>lt;sup>2</sup> Olson, J. C. (1972). Product Quality Perception: A Model of Quality Cue Utilization and an Empirical Test. Unpublished doctoral dissertation, Purdue University.

However, skeptics are not immune to advertising (Obermiller, Spangenberg, & MacLachlan, 2005). Calfee and Ford (1988) proposed that the effects of advertising can best be understood if we assume that consumers do not trust product claims unless they have specific reasons to do so.

Based on the Economics of Information Theory, one may assume that product claims can potentially be made based on search (i.e.: the cheapest TV set in the market) and experience attributes (i.e.: the higher quality TV set in the market). By definition, the latter suffers the most with the issue of skepticism, since the consumers may feel like they are purchasing nothing but a promise, but it is also the most commonly found in the market (Nelson, 1974).

It is hypothesized that claims based on experience attributes may benefit from lending such attribute a more tangible dimension, which can in turn transform it into a search attribute, a form of attribute that presents lower levels of skepticism. Thus, tangibility would work as a facilitator of truthfulness verification. However, for these expected results to be reached, claims need to be supported by a search cue that must be perceived by the consumer, no matter whether on the product itself or on the package.

Similar propositions have been made in the services marketing literature, and empirical evidence has been found supporting the positive effects of the tangibility of intangible aspects of offerings (Shostack, 1977; Rushton & Carson, 1989), being the most prominent one the reduction of uncertainty on consumer's part. Reducing the uncertainty does, indeed, provide the service with better acceptability by the consumer, who in turn consumes more of it. So, the proposed research question is:

# What is the effect of using Claim Confirming Product Cues on the product claim's credibility?

Besides the higher credibility of the ad, I also hypothesize that the use of Claim Confirming Product Cues may impact other perceptions and processes undergone by the consumer, such as Purchase Intention and risk perception.

Therefore, the objectives of this research may be described as:

Primary: Verify whether the use of claim confirming product cues has an effect on the product claim's credibility.

Secondary: Verify other effects resulting of the use of Claim Confirming Product Cues, such as its impacts on consumer's Purchase Intention and risk perception.

Verify the level of skepticism's impact on the use of Claim Confirming Product Cues' effects.

Establish a link between the theories: Economics of Information and Cue Utilization theories to better understand consumer behavior and skepticism.

## 1.3 Relevance

The discussion raised in this research may present benefits to a multitude of fields of investigation.

The results of many years of research have yet yielded little consensus as to the impact generated by the use product cues. Therefore, from the academic point of view, this research offers a new perspective on the topic, combining the Cue Utilization Theory to the Economics of Information Theory aiming to investigate an unexplored aspect of the cue utilization.

Also, a contribution is given to the literature of skepticism. As mentioned before, most studies focus on communication strategies that can be used to reduce the negative impact of skepticism, and little efforts have been done as to what other tools pertaining to the marketing mix can be used with that same goal, and the research herein investigates the use of product characteristics as a possible alternative. As for ad effectiveness, this research indicates that mixing two elements of the marketing mix may present positive effects for the marketer.

Feature fatigue has been one theme covered in the literature related to product development (Thompson, Hamilton, & Rust, 2005), with the conclusion that offering multiple features is a good strategy in the pre-purchase stage, since it may lend better value perception to the product, but may generate confusion in consumer's mind during product use, decreasing product value and also re-Purchase Intentions. The discussion herein offers an alternative perspective on the matter in the sense that it may indicate a possibility of offering fewer features in a product and still maintain competitiveness during pre-purchase stage, which would combine with less confusion during product use to increase product value as a whole.

From the managerial perspective, this thesis may contribute in answering an overall managerial question of how marketers can decrease consumers' levels of skepticism by

providing them with reasons to believe product claims. Many new products are launched every year, making standing out in a high profusion of existing products a very difficult task. Also, new media, millionaire communication budgets, a vast array of brands and publicity messages, ease of information finding and trading, all make communicating assertively and productively with consumer a challenging task. The hypotheses tested may generate insights for rethinking product specification and communication planning for a higher value proposition.

## 2. CONCEPTUAL BACKGROUND AND HYPOTHESIS

This chapter reviews the literature on cues usage and its relation to product claims, its impact on claims credibility and consumers' product Purchase Intention and Perceived Risk, as well as its interaction with consumer's skepticism.

## 2.1 Tangibility

In "Breaking Free from Product Marketing" (1977), Shostack suggests a *continuum* along which all offerings found in the market may be placed. The position of the offering on the *continuum* is determined by its level of tangibility, being such *continuum* anchored by intangible offerings to the left and tangible ones to the right. What is meant by intangible is something that is not physical and cannot be sensed in any way (Kotler & Keller, 2006), which then causes intangible aspects to be only known or understood (Miller & Foust, 2003). Thus, the opposite may be said of tangibility, that is, something tangible is physical and can be sensed. Shostack (1977), therefore, suggests that whatever offer found in market presents both tangible and intangible qualities. Those offers that are predominantly tangible are known as goods, or products, whilst those predominantly intangible are called services. Although tangibility is a term usually used in the literature of service marketing, for the purposes of this research only physical goods will be discussed.

Intangibility carries along a great deal of risk, since "it makes products difficult, sometimes impossible, to evaluate before the purchase" (Rushton & Carson, 1989, p. 30). Besides, "consumers like to be able to answer, or feel they can answer, albeit subconsciously, questions about a product such as: what is it that is being offered? What is it about the product that means it can yield the promised benefits?" (Rushton & Carson, 1989, p. 30). In the case of offers displaying some level of intangibility, the answer to those questions may be as vague as the offering itself, which can lead consumers to a negative attitude towards the offering.

To allow a better understanding of intangibility's risk, an important concept to be explored is that of *value*, central in marketing theories. Value is the perceived result of an evaluation made by the consumer of the benefits and costs embedded in a particular offering, considering that benefits may be of functional, social, personal and experimental nature, whilst costs may be determined by monetary, temporal, psychological and behavioral causes (Churchill & Peter, 2000). It is amongst the different causes of cost that the risk generated by intangibility

becomes largely important, because it represents an antecedent of psychological costs, which then allows it to diminish perceived value for the offering as a whole.

Based on that, it is clear the importance of reducing Perceived Risk when it comes to offer's intangible attributes. Levitt (1981) says "when prospective customers can't experience the product in advance, they are asked to buy what are essentially promises – promises of satisfaction" (p. 96). Therefore, just like in services, the tangibility of an intangible factor allows a product promise to be more real, providing the buyer with higher reliability. Even an offer with prevailing tangible attributes may benefit from making its intangible aspects more believable.

The Cue Utilization Theory ( $\cos^3$ , 1967;  $Olson^4$ , 1972; apud Sullivan & Burger, 1987) establishes that all products are made of multiples cues that may be seen as surrogates for the intangible attributes that make up, in higher or lower degree, an offer. So, these cues end up allowing for a higher tangibility of those intangible attributes in any given offer, which is highly relevant to not only those dedicated to the marketing of services (Rushton & Carson, 1989), but also to those involved with the marketing of physical goods (Levitt, 1981).

Companies (sellers) are not the only ones who benefit from the cue utilization; consumers themselves, whether it is conscious or not, make systematic use of them too (Jacoby, Olson, & Haddock, 1971), through a decoding behavior that is both learned and refined throughout life by every person (Sullivan & Burger, 1987). Thus, cue utilization allows the seller to decrease perceived psychological cost of the products being sold, improving its value equation.

Depending on the product category, different cues may be used by the buyer to generate some sort of perception about an intangible attribute. To come up with at least some sort of cues generalizability, Olson and Jacoby (1972) classified such cues according to their relation with the product. Thus, just as there are intrinsic or extrinsic attributes, the cues available in any given product, since they are based on product's attributes, can also be classified as intrinsic or extrinsic. Intrinsic cues, are those that, once altered, will alter product characteristics as well, which means that they are physical attributes of the product. The extrinsic cues are those

<sup>&</sup>lt;sup>3</sup> Cox, D. F. (1967) The Sorting Rule Model of the Consumer Product Evaluation Process. In *Risk Taking and Information Handling in Consumer Behavior. Boston: Harvard University, Graduate School of Business Administration.* 

<sup>&</sup>lt;sup>4</sup> Olson, J. C. (1972). Product Quality Perception: A Model of Quality Cue Utilization and an Empirical Test. Unpublished doctoral dissertation, Purdue University.

that are associated with the product, but are not part of the product itself, such as brand, price, and store image (Jacoby, Olson, & Haddock, 1971; Dodds, Monroe, & Dhruv, 1991; Olson & Jacoby, 1972; Rao & Monroe, 1989). Thus, extrinsic cues carry a great degree of intangibility, which explains why the focus of this research is on the use of intrinsic cues (figure 2).



Figure 2: Nike Air shoe with a see-through heel used to confirm its 'air' claim

To better elucidate the intrinsic and extrinsic cues argumentation, the concept of quality will serve as an example. According to Yoon and Kijewski (1997), quality may be seen from two distinct perspectives: that of the seller and that of the buyer. Under the seller's perspective, quality is associated with the product's specification, that is, its features and performance. Under the buyer's perspective, quality is associated with the satisfaction of their needs and desires, which is related to expectation and perception. Therefore, perceived quality has been defined as the result of consumer's judgment about the excellency and superiority of a particular product, and is different from objective quality, since it bears high levels of abstraction (Zeithaml, 1988).

Perceived quality is an intangible aspect of products, holding great importance both to buyers and sellers, since it is positively related to consumers' Purchase Intentions (Tsiotsou, 2006), which explains why it is a recurrent theme in product marketing literature. The greater importance of one kind of cue compared to the other on consumer perception of quality has been largely discussed in the literature, presenting contradictory results. There is empirical support to the thesis that, when forming a quality perception of any product, consumers lean mainly on price and brand (Leavitt, 1954; Jacoby, Olson, & Haddock, 1971; Dodds, Monroe, & Dhruv, 1991; Rao & Monroe, 1989; Richardson, Dick, & Jain, 1994), which are extrinsic cues.

On the other hand, Szybillo and Jacoby (1974) found that intrinsic cues, *ceteris paribus*, possess greater impact in consumers' minds. Olson and Jacoby (1972) observe that, amongst

those cues that are taken into consideration by consumers during the formation of quality perception, the intrinsic ones are far more relevant. Price, for instance, is not even ranked within the top four cues. Similar results were obtained by Jacoby, Olson and Haddock (1971), which then confirms the importance of intrinsic cues. Miyazaki, Grewal and Goodstein (2005) explain this phenomenon by stating that intrinsic cues will be more dominant under two circumstances, namely (1) the existence of intrinsic cues in abundance, and (2) time availability on the buyer's side along with the will to process all cues.

The difference in results described above may be explained taking into consideration the existence of moments when intrinsic cues are more important, and moments when extrinsic cues have that prerogative (Zeithaml, 1988). Consumers depend and rely more on intrinsic cues when they either (1) are at the moment of purchase, (2) or in a pre-purchase situation, when intrinsic attributes are search attributes, and not experience ones, or (3) when the intrinsic attribute bears a high predictive value. On the other hand, extrinsic cues become more relevant when consumers (1) are in the initial stages of purchase process, when intrinsic attributes are not yet available, (2) perceive the time and energy necessary to evaluate all intrinsic cues greater than that which is seen as valid, and (3) when quality is too difficult to evaluate.

Relying on one, or two, even three or more cues have also got important outcomes on the analysis of how important cues are. To illustrate this statement, consider price, which is one of the most commonly studied of the extrinsic cues (Dawar & Parker, 1994). When a consumer is shopping any given product and quality is considered the most important attribute, most consumers choose the most expensive product (Leavitt, 1954). So, when price is the only utilized extrinsic cue, it is positively associated with perceived quality (Dodds, Monroe, & Dhruv, 1991). However, when the consumers use more cues, price has its importance diminished (Jacoby, Olson, & Haddock, 1971; Rao & Monroe, 1989; Dodds, Monroe, & Dhruv, 1991), which may be considered natural, since the inclusion of different cues on the list automatically indicates that more factors have to be considered and weighed in by the consumer. The primordial conclusion is that any particular cue will have its importance diminished in the presence of other cues, since there are evidences proving that consumers use multiple cues when forming a quality perception, and not only one or two (Olson & Jacoby, 1972).

There is one last factor to be considered in the discussion on the importance of cues: the use of cues that are consistent to each other increases their impact on consumer's perception of product quality (Myiazaki, Grewal & Goodstein, 2005). If this is true, then it is correct to say that when inconsistencies between cues are present, consumer's quality perception is the same as if the cues were all weak. Differently of what one may think, in a situation like this, quality perception does not follow the direction pointed by the stronger cue. For instance, if a pen is premium priced but is very light when picked up, consumers will not perceive it as a premium product, but instead as a low quality pen.

In the Cue Utilization Theory, a suggestion of an alternative and perhaps more enlightening, yet complex, explanation about consumer's relationship with cues may be found. It proposes that all cues may be described as possessing a predictive value (PV) and also a confidence value (CV). Predictive value is defined as "a measure of a consumer's perception that a cue is a valid indicator of one or more subjective attributes" (Sullivan & Burger, 1987, p. 64). For instance, the size of the speakers in a stereo system may be a good indicator of how powerful that system really is. Conversely, whether the speakers are black or white have very little to do with measuring the power level of the stereo system as a whole. Thus, speaker size presents a high PV, whilst speaker color have a low PV for the subjective attribute power.

Confidence value relates to "the degree of confidence that consumers have in their ability to distinguish differences in a cue and correctly evaluate those differences" (Sullivan & Burger, 1987, p. 65). Building on the previous example, both an electric engineer and a housewife buying her first stereo system might believe that speaker size is a good indicator of the system's power. However, the engineer would probably present higher confidence in judging differences in speaker size among various systems. Therefore, speaker size would present greater CV level for the engineer than for the inexperienced buyer's in this situation, even though both would likely assign a high PV level to speaker size as a cue.

Predictive and confidence values constitute distinct and independent entities, each one made of a set of information that, taken together allow the cue to have higher or lower value. However, although independent from each other, PV and CV influence both the use and the impact of the cue in a specific and interactive way, which means that the results obtained from a cue with high PV and CV are better than the results obtained from cues that have any of the other three possible combinations (Sullivan & Burger, 1987). The idea of Predictive and Confidence Value borne in the Cue Utilization Theory is of great importance to the understanding of the tangibility concept, since marketing environment allows a vast array of PV and CV manipulation possibilities with the objective of improving product and brand's image. There are three different ways to operate such manipulation: (1) seller may manipulate product's intrinsic attributes, that is, alter the product's characteristics or develop new intrinsic qualities to create new cues or reinforce existing ones; (2) seller may use communication tools to change the perception about the cues, which ends up transferring more confidence to the consumer due to their familiarity with the media; and (3) seller may also combine both previous strategies, reinforcing a cue obtained through altered/new intrinsic attributes via communication tools (Sullivan & Burger, 1987).

Now that the concept of tangibility has been discussed, the relation of product cues and the economic theory of information will be presented next.

## 2.2 Economics of Information Theory

The Economics of information Theory provides a different angle on the matter of cue utilization. To better understand it, its concept will be briefly described, and its relationship with the cue utilization theory will be discussed.

#### **2.2.1** What the Economics of Information Theory is

Information may be considered a valuable resource, however it was not until 1961 that the first economist wrote about the value of information. George Stigler (1961) discussed the issue of advertising, one the information-producing industries, and its role on the process of screening various sellers (or buyers) that a buyer (or seller) goes through when they wish to ascertain the most favorable price. The economics of information evolved from there, having as a basic principle the fact that consumers will gather product information up to the point where the cost of doing so exceeds the value of further information (Calfee & Ford, 1988).

It is possible to establish different types of product attributes from the perspective of attainment of information by the buyer (Nelson, 1970; Darby & Karni, 1973). The first type is the Search attribute, described as the kind of attribute that can be fully verified prior to the purchase, such as price. The second type of product attribute is that which can only be assessed after the purchase, as the buyer experiences it, so it is called Experience attributes. An illustrative example would be products' quality or performance (Nelson, 1970). For the

seller, experience attributes are key, because "the greater the discrepancy between promised and actual experience qualities, the less likely the customer is to do further business with the same firm" (Darby & Karni, 1973, p. 72).

A third kind of product attribute is that which cannot be verified neither prior nor after the purchase, because consumers don't have the specific knowledge to evaluate the product or service. It is more than just an attribute; it is the product or service itself (Darby & Karni, 1973), so it is called Credence Products. Typically, credence products have a high technical appeal to it, such as automobile mechanics service, or even an appendix removal surgery. The rationale behind is that, when performed in a preventive manner, consumers are not able to tell whether the service was well executed or really necessary, because they cannot sense anything different after the surgery or car repair.

For the purpose of this research, credence attributes and goods will not be a part of the investigation, since "the assessment of their value requires additional costly information" (Darby & Karni, 1973, p. 68), whilst the focus of this study is to evaluate alternative forms of offering low cost information to the consumer.

Advertising for search and experience/credence product qualities present different objectives. In the case of products based on experience/credence attributes, advertising aims to "increase sales through increasing the reputability of the seller" (Nelson, 1974, p. 740), whereas in the case of search attributes it intends to "increase sales by providing the consumer with 'hard' information about the seller's products" (Nelson, 1974, p. 740). However, the 'hard' information can be ascertained personally, which then makes advertising less necessary, which means that there is higher incidence of experience goods advertising than of search goods (Nelson, 1974).

In line with that concept, and helping to understand how the Economic Theory of Information (Stigler, 1961; Nelson, 1970; 1974) relates with cues utilization, I take the example of toothpaste. As mentioned before, performance is an experience attribute, and when claiming to have a triple action effect, the seller is claiming to have a high performance product. To make it clearer to the consumer, the toothpaste seller developed its product bearing three different colors in its composition, and made it very apparent on package (figure 3). Consumers can, therefore, verify the validity of the triple action claim before purchasing the product.



Figure 3: toothpaste with search cue represented by three different colors

A second example may be that of Listerine, a mouthwash that for years made its cleansing power evident to the consumer through its bursting taste, which was also emphasized in its advertising. More examples may be seen in table 1.

Product	Category	Claim	Cue
Colgate Tripla Ação	Toothpaste	Triple action	Product displaying three different colors, and package showing product
Listerine	Mouthwash	Greater cleansing power	Bursting taste
Gol	Car	Turbo Power	Lump on car's hood
Omo Multiação	Powder detergent	Faster and greater cleansing power	Extra-clean particles in the product, and also shown on package
Laranja Caseira	Orange Juice	Being natural	Orange buds present in the juice

Table 1: examples of cues being used as search attributes

All of these cues are product intrinsic attributes that were embedded in the product aligned with the product's main and differentiating promise. The relative importance of cues generally follows its specificity, or the extent to which a particular cue is not shared in the market. "The more specific a cue, all else being equal, the more likely it will provide information that is useful in an assessment of product quality" (Dawar & Parker, 1994, p. 84). Therefore, developing a product that has a differential versus its competitors, and embedding a cue in the product to confirm such differential may provide useful information to the consumer.

## 2.2.2 Economics of Information and Cue Utilization

Whether the product presents search or experience attributes, buyers still go through a process of information gathering before they feel like it is enough for them to make a purchase decision. During this process, information may be obtained from a number of different sources, namely stores, friends, family, media (Nelson, 1970). Advertisement is also considered to be a source of useful information about the product for 70% of consumers (Calfee & Ringold, 1994), which then illustrates the importance of providing truthful claims about products.

"If the advertised properties of the product differ from the actual properties, the consumer will know about that difference prior to the purchase in the case of search qualities" (Nelson, 1974, p. 730). Therefore, claims based on search attributes are more easily believed in, because market auto-regulation mechanisms will not allow a seller to be dishonest about something that can be easily verified prior to the purchase.

However, claims based on Experience attributes face a somewhat different situation. Since it is not verifiable before the purchase, claim's authenticity falls much shorter than is the case for search attribute claims. "In the case of experience qualities, consumer's power over the advertising is much less potent than his power over search qualities" (Nelson, 1974, p. 730).

One possibility for claims based on experience attributes to increase its credibility is by using signals, which can be described as information perceived as being connected to another information (Calfee & Ford, 1988). Therefore, the use signals may lend higher certainty to a claim based on experience attributes. The similarities between signals and cues are very clear, so from now on this type of strategy will be referred to as "use of a Claim Confirming Product Cue".

To further substantiate the proposition above, a look at the concept of objective and subjective claim will be useful. A subjective claim will likely be made of some intangible attribute of the product, whereas an objective claim will be likely about tangible attributes, which can be seen and measured in some way. Therefore, objective claims are more easily believed in, which then elicits lower levels of skepticism (Ford, Smith, & Swasy, 1990). Thus, allowing an intangible attribute to gain more tangible dimension will allow for the claim based on this attribute to move from subjective to objective, decreasing skepticism towards such claim.

Considering that product advertising is always based on a product claim, increasing claim's credibility will also increase ad's credibility, defined as the representation of "the net effect of advertising upon the mind of the reader, listener, or viewer" (Maloney, 1963, p. 1), which means that an ad is more credible "when it leaves the consumer with that attitude, belief, or intention toward the product which the advertiser intended that he or she should have after exposure to the advertisement" (Maloney, 1963, p. 1). So, the first hypothesis is:

H<sub>1</sub>: the use of a Claim Confirming Product Cue will increase ads' perceived credibility.

#### 2.3 Purchase Intention

The acceptance or adoption of a product by the consumers is influenced by their Purchase Intentions – defined as a behavior "formed under the assumption of a pending transaction and, consequently, often considered an important indicator of actual purchase" (Chang & Wildt, 1994, p. 20) – which in turn is impacted by such product's characteristics (Holak & Lehman, 1990). In the case of a new product, perceived innovation attributes are stronger predictors of such acceptance and adoption than personal characteristics (Ostlund, 1974). What is meant by perceived innovation attributes are the five dimensions described by Rogers (1962<sup>5</sup>, apud Ostlund, 1974), which are relative advantage, compatibility, complexity, divisibility and communicability (table 2). Along with Perceived Risk, such dimensions have been used to assess consumers' Purchase Intention for new products (Holak & Lehman, 1990).

Attribute	Definition		
Relative Advantage	Degree to which a new product is perceived		
	to be superior to those that preceded it		
Compatibility	Degree to which a new product is perceived		
	to be compatible to its target lifestyles and		
	needs		
Complexity	Degree to which a new product is perceived		
	as being difficult to comprehend and use		
Divisibility	Degree to which a new product may be tried		
	without large initial commitment		
Communicability	Degree to which a new product is easily		
	diffused and adopted		

#### Table 2: Five dimensions of product innovativeness (Ostlund, 1974)

Communicability is one of three most important dimensions in consumers' assessment of the product (Holak & Lehman, 1990). Relative advantage and compatibility are the other two, and may be determinant in the adoption of the product. The topic under discussion here is related to all three of the above dimensions, since, ideally, any product needs to bear a unique feature that fits perfectly with its target audience's needs, and that provides a good basis for communicating it. When done properly, Relative Advantage and Compatibility allow greater communicability, and the rationale for that is, "if product results or benefits are perceived easily and expressed readily, information about the item will be disseminated across a population more quickly" (Holak &Lehman, 1990, p. 61).

<sup>&</sup>lt;sup>5</sup> Rogers, Everett M. Diffusion of Innovations. New York: The Free Press of Glencoe, 1962

By increasing Relative Advantage, Compatibility and Communicability about a product, the end result is an increase in the confidence consumer feels toward a particular product, which is also related to the consumer's Purchase Intention (Bennet & Harrel, 1975). The confidence construct can be dismembered in two separate factors, which are Knowledge Confidence and Choice Confidence (Laroche, Kim & Zhou, 1994). Such factors have also been referred to as Knowledge and Choice Uncertainty (Urbany, Dickson & Wilkie, 1989), and refer to, respectively, the uncertainty consumer feels about how much he/she knows about the brand/product (available features, the importance of such features, and the performance of the alternatives on such dimensions), and the uncertainty of making the right choice amongst all possible options.

Purchase Intention is highly affected by Knowledge Confidence (Laroche, Kim & Zhou, 1994), which means that it may be considered normal for consumers to demand information that will enable them to make informed choices. In this context, providing easier to understand and more believable information about the product's relative advantage may predict higher Purchase Intention rates from the consumer.

Forsythe, Kim and Petee (1999) had similar findings when conducting a research to verify what kinds of cues were the most commonly used by consumers to assess product's perceived quality. They found that physical quality and design are the most important cues, and that such cues have direct impact, along with price perceptions, on Purchase Intention in different countries.

Chang and Wildt (1994) verified the same phenomenon. Their model relates intrinsic product attributes and objective and perceived price to Purchase Intention. They suggest that intrinsic attributes are directly responsible for perceived quality, which in turn is directly responsible for perceived value, which then determines Purchase Intention (Figure 4).



Figure 4 Extended relationship between price, product attribute information and Purchase Intention (Chang & Wildt, 1994)

Therefore, the use of Claim Confirming Product Cues will enable a better understanding of the product's Relative Advantage, as well as its Compatibility, which will then increase consumers' Knowledge Confidence, allowing a higher perceived quality through deeper comprehension of the products intrinsic attributes. The end result of such a process is heightened Purchase Intention. So, the second hypothesis is:

## H<sub>2</sub>: the use of a Claim Confirming Product Cue will increase consumer's Purchase Intention.

#### 2.4 Perceived Risk

Perceived Risk implies that consumers may experience pre-purchase uncertainty as to type and degree of expected loss resulting from the purchase and use of any given good or service (Murray & Schlacter, 1990). Risk is, therefore, defined as a subjectively determined expectation of loss: the greater the probability of this loss, the greater the risk thought to exist for an individual" (Mitchell, 1999, p. 168). As a construct, Perceived Risk has been described as being a multi-dimensional one (Jacoby & Kaplan, 1972; Kaplan, Szybillo & Jacoby, 1974; Roselius, 1971), comprising six different dimensions: financial, performance, social, physical, psychological, and convenience (table 3).

Jacoby and Kaplan (1972) studied more profoundly five of these dimensions – Convenience Risk was first described by Roselius (1971), but was not incorporated to the study since data had been collected prior to the publishing of Roselius' paper – and their findings indicate that Financial, Performance, Physical, Psychological and Social dimensions explained 76% of the variance in Perceived Risk measures taken across 12 product categories. Kaplan, Szybilo and Jacoby (1974), when validating previous studies, found that these five dimensions actually explained 86% of the variance in Perceived Risk measures. Later, Stone and Grønhaug (1993) confirmed that all six dimensions, including Convenience Risk, explain almost 90% of the Perceived Risk construct, validating the findings of the research up to that date.

Dimension	Definition		
Financial	What are the chances that consumer stands to lose money if		
	he/she tries the product?		
Performance	What is the likelihood that there will be something wrong with		
	the product, or that it will not work properly?		
Physical	What are the chances that the product may not be safe, may be		
	or become harmful or injurious to your health?		
Psychological	What are the chances that the product will not fit well with		
	consumer's self image or self-concept?		
Social	What are the chances that the product will affect the way others		
	think of the consumer?		
Convenience	What are the chances consumers feel like time was lost on the		
	purchase or use of the product?		

 Table 3: dimensions of the Perceived Risk construct, as per Jacoby and Kaplan (1972)

 and Roselius (1971)

Although there is a tendency of overall Perceived Risk correlate with product price, it has been found that performance risk correlates with overall Perceived Risk, meaning that employing performance risk as an approximation of overall Perceived Risk is a supported practice (Kaplan, Szybillo & Jacoby, 1974; Jacoby & Kaplan, 1972; Lutz & Reilly, 1974). Even though Stone and Grønhaug (1993) found low correlation between performance risk and the overall risk perception, that may be explained by the fact that the sample used in their research is highly familiar with computers, which was the product used as example in the questionnaire, which then does not invalidate the findings of their predecessors.

Although comprised of six dimensions, the Perceived Risk construct can be divided in two slightly different constructs (Bettman, 1973). The first one represents the Inherent Risk carried by any given product category, and may be explained by (1) the importance to the consumer of making a good decision within that product category, and (2) the number of brands considered to be of good quality in that category. As for the second construct, it

explains the Handled risk, which is the result of information gathering and risk reduction processes on inherent risk.

Therefore, to reduce Perceived Risk, consumers engage in strategies of risk resolution, seeking risk relievers, which can be defined as a device or action, initiated by the buyer or seller, which is used to decrease the chances of the purchase to fail or reduce the severity of the real or imagined loss, or even to shift from one type of Perceived Risk to a more tolerable one (Roselius, 1971). Thus, offering information to the consumer, as well as emphasizing the quality of the brand/product, allows the seller to reduce risk related to its product, since "the result of the integration of this information into the consumer's cognitive structure should be the reduction of uncertainty surrounding the decision, which in turn should lead to a reduction in Perceived Risk." (Lutz & Reilly, 1974, p. 393)

"Buyers have a set of many risk-relieving devices and actions ranging from the most preferred to least preferred which they call upon when needed. Perception of risk causes the buyer to select whichever device appears to be best suited for the type of risk involved" (Roselius, 1971, p. 57). To further investigate the use of risk-relievers, Lutz and Reilly (1974) used Andreasen's (1968<sup>6</sup>, apud Lutz & Reilly, 1974) information source typology (table 4) as a starting point, since it provides five information source types that consumer may call upon depending on his/her specific need, according to each category characteristics.

For products laden on performance risk, consumers tend to look for independent personal sources of information, contrary to common sense. Even for those high on performance risk, impersonal information is only looked upon when it is independent. Mass media advertising tends to be not heavily utilized (Lutz & Reilly, 1974).

Category	Example
Impersonal advocate	Mass media advertising
Impersonal independent	Consumer reports
Personal advocate	Sales clerks
Personal independent	Friend's opinions
Direct observation	Experience

#### Table 4: Andreasen's information source typology (Lutz & Reilly, 1974)

Shimp and Bearden (1982) also found that some extrinsic cues do not significantly reduce consumers' performance risk perceptions. In new products, extrinsic cues such as advertising

<sup>&</sup>lt;sup>6</sup> Andreasen, A. R. Attitudes and Customer Behavior: a Decision Model. In H. E. Kassargian and T. S.

Robertson (Eds.), Perspectives in Consumer Behavior. Glenview, Ill.: Scott, Foresman and Company, 1968, 498-510.

seem to be incapable of decreasing the uncertainty associated with whether the product will appropriately perform its function.

In line with those findings, Roselius (1971), the first to investigate the use of risk-relievers, found that brand loyalty and brand image are the top ranked risk reliever for all customers, in all sorts of risk situations. Store image, shopping around, free sample, word of mouth and government testing show up as neutral or slightly favorable devices used by consumers. Endorsements, money back guarantees, and private testing generally evoke a slightly unfavorable response from consumers, as buying the most expensive model proves to be the least favored strategy.

Therefore, when reducing risk perception consumers may not rely on information provided by the seller to assess the product and diminish their uncertainty. Thus, contrary to what may seem logical:

## H<sub>3</sub>: the use of a Claim Confirming Product Cue will not decrease consumer's Perceived Risk toward the advertised product.

## 2.5 Skepticism

Skepticism may create a serious condition for companies, especially when analyzed at a behavioral level: highly skeptical consumers show higher propensity to avoid advertising, since "higher skepticism is associated with zipping, zapping, and ignoring ads" (Obermiller, Spangenberg, & MacLachlan, 2005, p. 11), so that skepticism may turn large advertising investments into useless efforts to persuade consumers.

However, skeptics are not immune to advertising (Obermiller, Spangenberg, & MacLachlan, 2005). Calfee and Ford (1988) proposed that the effects of advertising can best be understood if we assume that consumers do not trust ad claims unless they have specific reasons to do so. Therefore, in the next chapters skepticism and its interaction with the use of Claim Confirming Product Cues will be discussed.

#### 2.5.1 What Skepticism is

Authors from fields as diverse as accounting and philosophy, religion and marketing have been scrutinizing skepticism for many decades (table 5). But it is the field of consumer psychology that has its most devoted researchers, who have been exploring its origins and its impacts on consumer behavior. One of the areas that have been drawing substantial attention from consumer psychologists refers to skepticism toward advertising.

Construct	Author	Definition	Field
Skepticism	Merriam Webster Dictionary (2012)	An attitude of doubt or a disposition of incredulity in general or towards a specific object.	Linguistics
Skepticism	(Mohr, Eroglu, & Ellen, 1998)	A cognitive response that varies depending on the context and content of communication.	Marketing
Skepticism toward advertising	(Obermiller & Spangenberg, 1998)	Tendency toward disbelief of advertising claims.	Psychology
Skepticism toward advertising	(Bousch, Friestad, & Rose, 1994)	A combination of disbelief in advertising claims and mistrust of advertisement motives.	Marketing
Motivated skepticism	(Ditto & Lopez, 1992)	Tendency to believe more easily in desirable than undesirable information.	Psychology
Skepticism	(Forehand & Grier, 2003)	Consumer distrust or disbelief of marketer actions, which can be induced independently of evaluator traits.	Consumer psychology
Humean skepticism	(Hunt, 2003)	Since all of our knowledge of the external world comes from "sense impressions", there is no way to establish the necessary connections between the phenomena.	Philosophy of Science
Skepticism	(Bostad, 2011)	Unbiased form of investigation.	Philosophy
Professional Skepticism	(Hurtt, 2010)	A multi-dimensional construct that characterizes the propensity of an individual to defer concluding until the evidence provides sufficient support for one alternative over others.	Accounting
Skepticism	(Priest, 1968)	An intellectually articulated challenge to the ultimate legitimations of society.	Religion

Table 5: definitions of skepticism in different fields.

Obermiller and Spangenberg (1998) offer a well-established definition of skepticism toward advertising, also known as ad skepticism, which states that it is a "tendency toward disbelief of advertising claims" (p. 160). As such, ad skepticism "is a stable characteristic of consumers that play a role in responses to advertising" (Obermiller & Spangenberg, 2000, p. 312). An important observation that stems from this definition is that, although advertising claims may be found in different media, skepticism may be generalizable across media within a person, even though a specific medium may provoke higher skepticism than others. That means that a person may be more skeptical of an ad placed on the Internet when compared to an ad placed on TV, for instance, but a skeptical person will always display higher levels of skepticism than those who are less skeptical, regardless of the medium.

Although agreeing with the broad definition of skepticism, Bousch, Friestad and Rose (1994) indicate that ad skepticism concept goes beyond disbelief toward advertising claims. Considering that consumers may evaluate firms more negatively if they perceive its practices

serving only its own interests, and not the general public's good (Forehand & Grier, 2003), skepticism is also driven by an individual's mistrust of marketer's motives (Bousch, Friestad, & Rose, 1994). The majority of consumers consistently assume that advertising seeks to persuade for the benefit of sellers rather than consumers (Calfee & Ringold, 1994), which then explains why consumers tend to be more skeptical of information provided by marketers than of information provided by other people, regardless of how close they are (Obermiller & Spangenberg, 2000), indicating that the source of information influences the degree of skepticism displayed by consumer. For instance, Fiat claiming that Uno is a very fuel-efficient car may be less credible than a friend telling the same thing to the consumer.

Skepticism may be viewed as a market place belief in the sense that consumers perceive it as being part of how market operates (Moore-Shay & Lutz, 1988; Obermiller & Spangenberg, 1998). To overcome competition, marketers are demanded to display their offerings always from the best possible angle and, considering the somewhat loose regulation governing the advertising market, marketers may stimulate consumer's skepticism.

Skepticism may take two distinct forms: dispositional skepticism, which is an individual's tendency to be suspicious of other people's motives, and situational skepticism, which is only a momentary state of distrust (Forehand & Grier, 2003). For each of these types of skepticism, different sets of antecedents have been identified (table 6). For dispositional skepticism, antecedents are socialization in the family (Obermiller & Spangenberg, 2000), age (Bousch, Friestad, & Rose, 1994), education, and personality traits such as self-esteem (Obermiller & Spangenberg, 1998; Obermiller, Spangenberg, & MacLachlan, 2005). As for situational skepticism, antecedents are level of involvement with the product category (Obermiller, Spangenberg, & MacLachlan, 2005; Hawkins & Hoch, 1992), product and medium type (Stigler, 1961; Nelson, 1974; Nelson, 1970; Darby & Karni, 1973; Ford, Smith, & Swasy, 1990; Prendergast, Liu, & Poon, 2009; Calfee & Ford, 1988), the consistency of the information with the expected conclusion (Ditto & Lopez, 1992), and the product claim itself (Ford, Smith, & Swasy, 1990; Cummins, 1995).

Socialization in the family, mainly across generations, influences dispositional skepticism. Parents influence their children in many ways, and it also happens for marketplace beliefs, including the usefulness and value of advertising (Moore-Shay & Lutz, 1988). Thus, more skeptical parents have more skeptical children (Obermiller & Spangenberg, 2000). The associations between parents and children diminished with age, which was considered a

surrogate for time away from home, confirming that family is an important antecedent of skepticism (Obermiller & Spangenberg, 2000).

Situat	ional factors	Dispositional Factors		
Consumer involvement with category	(Obermiller, Spangenberg, & MacLachlan, 2005) (Hawkins & Hoch, 1992)	Socialization in the family	(Moore-Shay & Lutz, 1988) (Obermiller & Spangenberg, 2000)	
Product Type	(Stigler, 1961) (Nelson, Information and Consumer Behavior, 1970) (Nelson, 1974) (Darby & Karni, 1973) (Calfee & Ford, 1988)	Age	(Bousch, Friestad, & Rose, 1994)	
Medium Type	(Prendergast, Liu, & Poon, 2009) (Marshall & Na, 2003) (Atkin & Beltramini, 2007)	Education	(Obermiller & Spangenberg, 1998) (Obermiller, Spangenberg, & MacLachlan, 2005)	
Prior Beliefs	(Maloney, 1963)	Self-esteem	(Obermiller & Spangenberg, 1998) (Obermiller, Spangenberg, & MacLachlan, 2005)	
Consistency of the information with the expected conclusion	(Ditto & Lopez, 1992)			
Claim's degree of objectivity and alternative explanations	(Ford, Smith, & Swasy, 1990) (Cummins, 1995)			

#### Table 6: antecedents of skepticism

So, age is also an important factor influencing how skeptical a person is. The basic explanation is that knowledge about advertiser tactics will develop during early adolescence, which then impacts skepticism as age increases (Bousch, Friestad, & Rose, 1994). Although the levels of mistrust in advertiser motives do not change throughout adolescence, the levels of disbelief on advertisers' claims do.

Along with age, education and self-esteem represent major influence factors on skepticism (Obermiller & Spangenberg, 1998; Obermiller, Spangenberg, & MacLachlan, 2005). The more educated a person, the more comfortable s/he will feel when questioning and criticizing an advertising claim, since s/he will have more information to back up the argument. The same goes for self-esteem: the more confident a person, the more inclined to argue against something s/he do not agree or believe (Bousch, Friestad, & Rose, 1994).

For situational skepticism, consumer involvement with product category is an important antecedent. Lower involvement with the product generates a higher skepticism level on consumers (Obermiller, Spangenberg, & MacLachlan, 2005; Hawkins & Hoch, 1992), since

consumers cannot tell what that product is capable of doing. Once consumer learns about the product, the uncertainty around it decreases, and so does skepticism.

The dyad product and medium type comes in as a second factor. For product type, the taxonomy established by the Economics of Information Theory (Stigler, 1961; Nelson, 1974; Nelson, 1970; Darby & Karni, 1973), provides a good explanation. As discussed previoulsy, market offerings may be grouped into *search, experience* and *credence* goods. Search goods are those with characteristics that can be investigated prior to purchase or use, which then ensures a lower level of skepticism (Calfee & Ford, 1988); experience goods, on the other hand, present characteristics that cannot be determined by search, demanding therefore use experience; and credence goods are complex products, featuring characteristics that cannot be searched nor experienced, which then elicits higher levels of skepticism.

Also related to product type, consumers might consider the price of goods when judging the veracity of a claim. Therefore, low-cost and high-cost products may display differences as to the level of skepticism they exert (Calfee & Ford, 1988). Consumers perceive claims for low-cost goods as more truthful, due to the low cost of sampling, which then causes the market to regulate itself on this matter.

But, "advertising credibility refers not only to the product being advertised, but also to the medium through which the message is being delivered" (Prendergast, Liu, & Poon, 2009, p. 321). Each medium presents its own image and personality, so it is logical that different media hold different levels of credibility. Marshal and Na (2003) and Atkin and Beltramini (2007) found that Internet is a less credible medium than print media, which means that the same message will evoke higher levels of skepticism when presented online than in print.

Another situational factor that may affect skepticism refers to the sort of prior beliefs the person has about that specific brand, product or category (Maloney, 1963). Therefore, skepticism tends to be greater when consumers have an opposing attitude or belief to that which is being advertised. For instance, if a person believes that smoking is not bad for their health, claiming the opposite will raise higher skepticism.

That goes along with the concept of motivated skepticism, which explains "the notion that people are less skeptical consumers of desirable than undesirable information" (Ditto & Lopez, 1992, p. 568). This means that information that is consistent with the preferred conclusion (i.e.: favorable results in a medical test) is less likely to initiate an intense

cognitive process on the person's mind than an inconsistent one. The result is that the person will be less critic on the first situation, and will be more skeptical on the second. However, it does not mean that people will not ever be able to accept inconsistent information's validity, only that they will require more, or better quality, information to overcome skepticism and accept the nonpreferred conclusion.

One last situational factor relates to the product claim itself. As mentioned previously, an objective claim is "one that describes some feature of the product that is measured in a standard way" (Ford, Smith, & Swasy, 1990, p. 436), such as weight or height. Therefore, subjective claims may be described as those that describe some features of the product that are not measured in a standard way. By definition, objective claims are more easily believed in, since it possibly generates more support arguments and fewer counterarguments than subjective claims.

No matter what the claim is, consumers' degree of skepticism may also be impacted by two factors found in such claim: (1) alternative causes, which refers to the consumers' ability of finding different explanations for that claim to be true, and (2) disabling conditions, refereeing to the ability consumers have to think of situations that deny what is being claimed (Cummins, 1995). Take the example of one of Whirlpool's Microwave Oven launches in Brazil, which claimed to allow consumers to "cook with only three touches", positioning the product as very easy to use. For alternative causes, consumer may believe that frozen food companies bear the responsibility of making it easy for the consumer to defrost and eat it. As for a disabling condition, consumer may know other consumers who have purchased the product and not found it simple to use. Thus, consumer's skepticism level influences and is influenced by how much consumers will search for alternative explanations for any given claim.

#### 2.5.2 Consequences of skepticism

Skepticism may present several different responses to advertising claims. In a broad sense, not only more skeptical consumers believe advertising less, but they also like it less. And more: highly skeptical consumers expect less informational value from any sort of advertisement. As a result of less perceived informational value of advertisement, consumers attend to it less and rely on it less, which then generates a low response in purchasing the
advertised products as a consequence of the ad (Obermiller, Spangenberg & MacLachlan, 2005).

The importance of ad skepticism becomes clear when it is analyzed at a behavioral level. Highly skeptical consumers show higher propensity to avoid advertising, since "higher skepticism was associated with zipping, zapping, and ignoring ads" (Obermiller, Spangenberg, & MacLachlan, 2005, p. 11), which implicates that skepticism may turn large advertising investments into useless efforts to persuade consumers.

However, "skeptics are not immune to advertising" (Obermiller, Spangenberg, & MacLachlan, 2005, p. 15). Despite higher or lower levels of skepticism, around 70% of consumers declare believing that advertisements provide useful information on the products being announced (Calfee & Ringold, 1994). This means that sellers can overcome the barriers generated by skepticism to improve their performances in the market.

Considering that skepticism may differ from person to person according to a number of variables, it is fair to assume that the use of Claim Confirming Product Cues will have different impact on people. Those who present lower levels of skepticism should present a lesser response to the use of such strategy, since they already see advertising as credible and will not look for signals that allow them to believe what is being said. However, the opposite situation may be predicted for those who present high levels of skepticism, since they are prone to search and process more information so that they may see advertising as more believable. In doing so, skeptics will increase the Knowledge Confidence, improving the product attribute information – perceived quality – perceived value relationship (Chang & Wildt, 1994), which will then have a bigger impact on highly skeptical consumers' Purchase Intention. However, since advertising is not a source of information used by consumers to the decrease their perception of risk, no differences should be found between high and low skeptical respondents. Thus:

# H<sub>4a</sub>: the use of Claim Confirming Product Cue will have greater impact on ads' perceived credibility for those who present higher levels of skepticism.

H<sub>4b</sub>: the use of Claim Confirming Product Cue will have greater impact on consumers' Purchase Intention for those who present higher levels of skepticism.

H<sub>4c</sub>: the use of Claim Confirming Product Cue will have no greater impact on consumers' Perceived Risk for those who present higher levels of skepticism.

Therefore, it is predicted that the use of Claim Confirming Product Cues may pose as an alternative way of overcoming consumer's skepticism toward advertising, as well as offer different benefits to the seller.

Next, the method will be discussed.

# 3. METHOD

To test the hypothesis herein, an experiment was undertaken. In the following sections, sampling, data gathering and data analysis will be discussed.

### 3.1 Sampling

Two groups of people were used as subjects for the experiment. Since age is an important antecedent of skepticism (Bousch, Friestad, & Rose, 1994), that was the criterion to divide both groups. In Group 1, college students from two important high tuition private business schools in the city of São Paulo were asked to participate. In this first group, the *a priori* information about the population is that it is characterized by young undergraduate students (18-24 years old), male and female, whose families have high discretional income. Sample size is 123 and data was collected between Nov. 8<sup>th</sup>-22<sup>nd</sup>, 2012.

Group 2 is composed by the virtual social network's followers of a famous craftsman, living in different regions of Brazil. In this group, the *a priori* information about the population is that it is characterized by mid aged (30-50 years old) females, mostly housewives, whose discretional incomes is lower than the first group. A call for respondents was posted on his virtual social network page on Dec. 3<sup>rd</sup>, 2012, offering a reward for some respondents as stimulus for participation. Sample size is 167.

In both groups respondents received a web link that took them directly to the questionnaire, developed in the software Qualtrics, that took 10-15 minutes to be answered. It was pre-tested with 31 respondents from the population of the first group and two respondents from the population of the second group. At the end of the questionnaire, respondents were given a code that should be sent to the indicated e-mail address in case they wanted additional details about the research. Sample description will be provided on the Data Analysis section.

### **3.2 Data Collection**

A 2 (Claim Confirming Product Cue: yes, no) x 2 (skepticism: high, low) between subject experiment was designed (figure 5). "Claim Confirming Product Cue" was manipulated through the presentation of two ads: one containing a claim made tangible by an specific product attribute (cue) of the advertised product, and the other featuring a claim that is not made tangible by any attribute of the same advertised product. "Skepticism" was manipulated

by exposing respondents to different newspaper articles: one stating that ads are deceitful and the other stating they are trustworthy. Next, both manipulations is explained.



Figure 5: experiment design

# Claim Confirming Product Cue

Since product involvement is an antecedent of skepticism (Obermiller, Spangenberg, & MacLachlan, 2005; Hawkins & Hoch, 1992), to be sure that all respondents present the same level of product involvement, a pretest was run with subjects from the population of the first group. A questionnaire containing a product involvement scale (table 7) made of four items with five-point Likert scales (Beatty & Talpade, 1994) was filled out by 11 respondents, both men and women, to control for differences in involvement according to gender (Putrevu, 2001), to find a product that has similar involvement level for women and men.

Scale	Items (English)	Items (Portuguese)	Source
Product Involvement	1. In general, I have a strong interest in this product category.	1. De forma geral, eu tenho um grande interesse nesta categoria de produto.	Beatty & Talpade (1994)
	2. This product category is very important to me.	2. Esta categoria de produto é muito importante pra mim.	
	3. This product category matters a lot to me.	3. Esta categoria de produto significa muito pra mim.	
	4. I get bored when other people talk to me about this product category	4. Fico entediado quando as pessoas conversam comigo sobre esta categoria de produto.	

Table 7: scale for Product Involvement used in the pre-test

The product chosen to be featured in the ads was toothpaste for three reasons: (1) brands in that market have been using Claim Confirming Product Cues for years; (2) consumers show intermediate level of product involvement (appendix A), which is ideal since people will not feel unmotivated to search for information as they would be in a low involvement situation (Urbany, Dickson, & Wilkie, 1989) or in a high involvement situation (Stone & Grønhaug, 1993); (3) all respondents (in the two groups) use the product on a daily basis, which is clear in the consistency of the answers obtained in the involvement scale.

To control for ad quality, an advertising agency was briefed and asked to develop the two ads. To prevent any biases of a known brand, a new brand (Skanti) was created using a random brand name generator (nomesparaempresas.gratuita.com.br). The two ads created may be seen in figures 6 and 7.



Figure 6: ad not featuring the Claim Confirming Product Cue.



Figure 7: ad featuring the Claim Confirming Product Cue.

Two verifying questions were used, one related to brand knowledge (only 7% of the participants, equally distributed in both Groups 1 and 2, declared having previous knowledge of the brand, which is an indicator that brand was not a bias factor) and one regarding whether the participant saw the Claim Confirming Product Cue in the ad.

### Skepticism

At first, an attempt was made to manipulate the participant's level of skepticism toward advertising. Originally, the manipulation used by Nielsen and Escalas (2010) (appendix B) was considered, and the ads were shown before respondents filled out the scale, but the pretest, which had a qualitative step, indicated that such manipulation was not working as intended. The manipulation method was then changed and, as stated before, two newspaper articles were used, one stating that ads are deceitful (figure 8) and the other stating they are trustworthy (figure 9) (for texts in Portuguese, see Appendix C). Such articles were actually a composite of different articles, and after the completion of the entire questionnaire subjects were debriefed about the possibility of some information seen during the test not being entirely accurate. Neutral information, an article on the growth of pet products market in Brazil, was presented afterwards for distraction purpose, and to make the setting more natural.

# False advertising as common practice

A survey conducted by IBM in the U.S. and UK shows a drop in consumer confidence towards consumer products manufacturers, and one of the main reasons for this are the constant problems related to false advertising. In Brazil, we also live this kind of situation. As examples, Nokia was recently spotted by consumers practicing false advertising in one of their commercials, and supermarkets often advertise in their newspaper inserts prices different from those recorded in the check-out.

(source: www.mundodomarketing.com.br, 2012)

#### Figure 8: Article stating that ads are deceitful

# The false advertising is more harmful to the advertiser than to the consumer.

In the past, false advertising might have even made sense for businesses. However, today, with a more informed society, higher competition between companies, a more evolved consumer protection law and the surveillance of governmental and non-governmental organizations, deceitful advertising makes no sense under the economic and market perspectives. The injured player in the case of false advertising is the advertiser itself, which over time loses credibility and, as a consequence, sales and profit.

(source: The Folha de São Paulo, 2011)

### Figure 9: article stating that ads are trustworthy

After being exposed to the articles, subjects then filled out a questionnaire presenting "skepticism toward advertising" scale (table 8), used as a manipulation check. Additionally, different from what was done in the original manipulation attempt, the ads were not shown before the completion of this task.

ale Items (English)	Items (Portuguese)	Source
<ul> <li>cism</li> <li>1.We can depend on getting the truth in most advertising.</li> <li>2. Advertising's aim in to inform the consumer.</li> <li>3. I believe advertising is informative.</li> <li>4. Advertising is generally truthful.</li> <li>5. Advertising is a reliable source of information about the quality and performance of products.</li> <li>6. Advertising is truth well told.</li> <li>7. In general, advertising presents a true picture of the product being advertised.</li> <li>8. I feel I've been accurately informed after viewing most advertisements.</li> <li>9. Most advertising provides consumers with essential information.</li> </ul>	<ol> <li>Podemos acreditar que conseguiremos a verdade na maioria das propagandas.</li> <li>O objetivo da propaganda é informar o consumidor.</li> <li>Eu acredito que propagandas sejam informativas.</li> <li>Propagandas geralmente são verdadeiras.</li> <li>Propaganda é uma fonte de informação confiável a respeito da qualidade e desempenho do produto.</li> <li>Propaganda é uma verdade bem dita.</li> <li>De forma geral, a propaganda apresenta uma imagem verdadeira do produto sendo anunciado.</li> <li>Depois de assistir a maioria das propagandas, sinto que fui precisamente informado sobre o produto anunciado.</li> <li>A maioria das propagandas traz informações essenciais ao consumidor.</li> </ol>	Obermiller & Spangenberg (1998)

However, the results obtained with the first group of respondents indicated that manipulation did not generate the intended results [t(121)=-0,376, p>0,05], as shown in Table 9.

<b>Group Statistics</b>	5			Std.	Std. Error
		Ν	Mean	Deviation	Mean
Ad Skepticism	Without cue	61	24,52	5,62	0,720
	With cue	62	24,89	5,067	0,644

Independent Samples Test		Leven	e's test	t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2 tailed)	Mean Dif.	Std. Error Dif.
Ad Skepticism	Equal variances assumed Equal variances not assumed	0,814	0,369	-0,376 -0,376	121 119,295	0,708 0,708	-0,363 -0,363	0,965 0,965

Table 9: t-test results for the Skepticism toward advertising variable

\*According to the Levene test, all variances (Skepticism toward advertising) may be considered equal in the answers obtained from the sample, given the non-significance of the result found.

Considering that skepticism toward advertising has a dispositional factor embedded in it, a scale intended to measure the respondents' level of dispositional level of skepticism was inserted in the first part of the questionnaire (table 10), and its results used as covariate in a second verification of whether the manipulation had worked as intended.

Scale	Items (English)	Items (Portuguese)	Source
Dispositional Skepticism	1. I often accept other people's explanations without further thought.	<ol> <li>Eu normalmente aceito as explicações de outras pessoas sem nem pensar muito.</li> </ol>	Hurtt (2010)
	<ol> <li>I feel good about myself.</li> <li>I feel good about myself.</li> <li>I wait to decide on issues until I can get more information.</li> <li>The prospect of learning excites me.</li> <li>I am interested in what causes people to behave the way they do.</li> <li>I am confident of my abilities</li> <li>I often reject statements unless I have proof that they are true.</li> <li>Discovering new information is fun</li> </ol>	<ol> <li>2. Eu me sinto bem comigo mesmo.</li> <li>3. Eu espero até ter mais informações para tomar decisões.</li> <li>4. A possibilidade de aprender me agrada.</li> <li>5. Tenho interesse pelas causas do comportamento das pessoas.</li> <li>6. Sou confiante em minhas habilidades.</li> <li>7. Eu normalmente rejeito afirmações caso não tenha provas de que são verdadeiras.</li> <li>8. A desceberte de poyas</li> </ol>	
	9. I take my time when	informações é algo que me	

making decisions.	agrada.	
10. I tend to immediately accept what other people tell me	9. Tenho tempo para tomar minhas decisões.	
11. Other people's behavior does not interest me.	<ol> <li>A tendência é que eu sempre aceite o que os outros me dizem.</li> </ol>	
12. I am self-assured.	11. O comportamento das	
13. My friends tell me that I usually question things that I	outras pessoas não me interessa.	
see or hear.	12. Eu sou seguro.	
14. I like to understand the reason for other people's behavior.	13. Meus amigos me dizem que normalmente eu questiono tudo que ouço ou vejo.	
15. I think that learning is exciting.	14. Eu gosto de entender o motivo do comportamento das	
16. I usually accept things I see, read or hear at face value.	pessoas. 15. Eu acredito que aprender	
17. I do not feel sure of myself.	coisas novas é muito empolgante.	
18. I usually notice inconsistencies in	16. Eu normalmente aceito aquilo que vejo.	
explanations.	17. Eu não me sinto muito	
19. Most often I agree with what the others in my group	18. Normalmente eu vejo	
think.	inconsistências em explicações que ouco.	
20. I dislike having to make decisions quickly.	19. Na maioria das vezes, eu	
21. I have confidence in myself.	concordo com o que os outros no meu grupo pensam.	
22. I do not like to decide until	20. Não me agrada ter que tomar decisões rapidamente.	
available information.	21. Sou autoconfiante.	
23. I like searching for knowledge.	22. Eu não gosto de tomar decisões sem antes avaliar	
24. I frequently question things that I see or hear.	todas as informações que tenho à mão.	
25. It is easy for other people to convince me.	23. A busca por conhecimento me agrada.	
26. I seldom consider why people behave in a certain way.	24. Eu frequentemente questiono as coisas que escuto ou vejo.	
27. I like to ensure that I've considered most available	25. É fácil as outras pessoas me convencerem.	
information before making a decision.	26. Eu raramente levo em consideração por que as	
28. I enjoy trying to determine if what I read or hear is true	pessoas se comportam de determinada maneira.	
29. I relish learning.	27. Eu gosto de garantir que considerei todas as	
 30. The actions people take	informações disponíveis na	

and the reasons for those actions are fascinating.	hora de tomar minha decisão. 28. Gosto de pensar a respeito de quanto aquilo que ouço ou leio é verdadeiro.
	29. Eu aprecio aprender coisas novas.
	30. As ações das pessoas e os motivos para tais ações são fascinantes.

Table 10: scale for dispositional skepticism used as a covariate

The results found in such analysis were no different. The covariate Level of Dispositional Skepticism is not significantly related to the Skepticism toward Advertising, F(1,120)=0,185, p>0,05 (table 11), as is the effect of the manipulation, F(1, 120)=0,182, p>0,05.

Test of Between- subjects Effects	Type III Sum of Squares	df	Mean Square	F	Sig.
Correct Model	9,364ª	2	4,682	0,163	0,850
Intercept	759,251	1	759,251	26,362	0,000
Skeptcism Level	5,324	1	5,324	0,185	0,668
Article type	5,254	1	5,254	0,182	0,670
Error	3456,099	120	28,801		
Total	78551,000	123			
Corrected Model	3465,463	122			

a. R Squared = 0,087 (Adjusted R Squared = 0,063)

Levene's test of equality of Error Variances	F	df1	df2
	0,531	1	121

### Table 11: ANCOVA results for the Skepticism toward advertising variable

\*The Levene Test results indicate that all variances (in the variable Skepticism toward advertising) are assumed to be equal, which then validates the results of the ANCOVA, F(1,121)=0,531,p>0,05.

Due to results of the Skepticism toward Advertising manipulation check, the results obtained from the Dispositional Skepticism scale were used for splitting groups 1 and 2 for data analysis. Scores found in both groups were used to divide each group in three parts, and then only the highest and lowest thirds were considered in the research. In Group 1, 37 respondents were cut out, and in group 2, 50. That reduced the total number of participants to 203 (85 in Group 1 and 118 in Group 2).

Sig. 0,468

For the second group of respondents, both the manipulation of the Skepticism toward Advertising and its manipulation check were removed from the questionnaire, which aided in the time reduction indicated as needed during the pre-test of the questionnaire with the target audience. Also, I removed questions related to the college and the semester attended in the college.

### **Dependent** Variables

Dependent variables and their scales are: Ad Credibility (Putrevu & Lord, 1994), Purchase Intention (Baker & Churchill Jr., 1977) and Perceived Risk (Shimp & Bearden, 1982), which is a perfomance risk scale. Table 12 presents all the scales for the experiment translated into Portuguese. These scales were then back translated into English by two translators (appendix C), both MSc. students from two important business schools in Brazil.

Scale	Items (English)	Items (Portuguese)	Source
Ad credibility	1. The claims in the ad are true.	1. As promessas do produto no anúncio são verdadeiras.	Putrevu & Lord (1994)
	2. I believe the claims in the ad.	2. Eu acredito nas promessas do produto no anúncio.	
	3. The ad is sincere.	3. O anúncio é sincero.	
	4. I think the ad is dishonest.	<ol> <li>Eu acho que o anúncio é desonesto.</li> </ol>	
Purchase Intention	<ol> <li>Would you like to try this product?</li> <li>Would you have this product.</li> </ol>	<ol> <li>Você gostaria de experimentar pasta de dente do anúncio?</li> </ol>	Baker & Churchill Jr. (1977)
	<ol> <li>Would you out this product if you happened to see it in a store?</li> <li>Would you actively seek out this product in a store in order to purchase it?</li> </ol>	2. Você compraria esta pasta de dente caso a visse em uma loia?	
		3. Você procuraria esta pasta de dente em uma loja com a intenção de comprá-lo?	
Perceived Risk	<ol> <li>How sure are you about the's ability to perform satisfactorily?</li> <li>Considering the possible problems associated with's performance, how much risk would you say would be involved with purchasing the new?</li> <li>In your opinion, do you feel that the new if introduced would perform as well as other now on</li> </ol>	<ol> <li>Qual seu nível de certeza sobre a capacidade da pasta de dente do anúncio ter um desempenho satisfatório?</li> <li>Levando em consideração os problemas associados com o desempenho das pastas de dente existentes no mercado, qual o nível de risco você diria estar associado com a compra do produto anunciado?</li> <li>Em sua opinião, você acredita que se a pasta de</li> </ol>	(Shimp & Bearden, 1982)

<ul> <li>market?</li> <li>4. How confident are you of the's ability to perform as expected?</li> </ul>	dente do anúncio fosse lançada ela teria um desempenho tão bom quanto o das pastas já existentes no mercado?
	4. Qual seu nível de confiança na capacidade da pasta de dente do anúncio ter um desempenho condizente com o esperado?

Table 12: scales for the dependent variables used in the experiment

# 3.3 Data Analysis

Data was extracted from Qualtrics and then transferred to SPSS Statistics 19 software, which was used to perform all statistical analysis, All reversed questions were reversed back, all scales were reduced down to factors through exploratory factorial analysis, and all necessary coding was made.

To test all hypotheses, two-way ANOVAs were performed for each dependent variable, which allowed for the verification of both the main effects of the factors (Ad Type and Skepticism Level) as well as the effect of the interaction between the factors.

# 4. **RESULTS**

#### 4.1 Descriptive Statistics

The respondents in Group 1 present an average age of 20 years whereas those in Group 2 present an average of 46 years of age (table 14). As expected, Group 2 features higher scores on the skepticism scale (M=141,0), than Group 1 (M=133,9), [t(235,732)=-5,107, p<0,001, r=0,30] (table 13), confirming that age is an antecedent of skepticism (Boush, Friestad & Rose, 1994).

Group Statistics			Std.	Std. Error
	Ν	Mean	Deviation	Mean
Dispositional Skepticism Group 1	123	133,86	12,547	1,131
Group 2	167	140,99	10,580	0,819

Independent Samples Test		Levene's test		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2 tailed)	Mean Dif.	Std. Error Dif.
Dispositional Skepticism	Equal variances assumed Equal variances	4,022	0,046	-5,240	288	0,000	-7,132	1,361
	not assumed			-5,107	235,732	0,000	-7,132	1,397

Table 13: t-test results for Dispositional Skepticism Level in groups 1 and 2

When it comes to Family Income, Group 1 presents around 88% of its respondents with a family income higher than R12.000/month, whilst the situation is quite the opposite in Group 2, with more than 92% of its respondents having an income of less than R12.000/month (table 14).

	Group 1	Group 2
Average Age	20,2	46,0
Gender		
Male	51,20%	1,70%
Female	48,80%	98,30%
<b>Family Income</b>		
<r\$4000< td=""><td>2,30%</td><td>49,60%</td></r\$4000<>	2,30%	49,60%
R\$4001-R\$8000	4,70%	30,80%
R\$8001-R\$12000	4,70%	12,00%
R\$12001-R\$16000	14,00%	2,60%
R\$16001-R\$20000	7,00%	4,30%
>R\$20000	67,40%	0,90%

Table 14: descriptive statistics of respondents in Groups 1 and 2

As for Group 1, although respondents came from two different colleges, they show very similar profile. Average ages were 20,2 and 20,3 years old for colleges A and B, respectively. As for family income there is also a similar pattern between the two colleges, with the majority of the students presenting a family income higher then R\$20000 per month (figure 10).



Figure 10: Family Income profile of students in Group 1

When it comes to the semester all the students are, College A features respondents distributed throughout the semesters, with a high concentration of students in the first semester (figure 11). The respondents from College B all came from a narrower array of semesters, namely the first, fifth (the most representative) and sixth semesters.



Figure 11: semester attended by students in Group 1

# 4.2 Analysis

Internal consistency of all scales was measured by Crombach's Alpha. Table 15 shows the results obtained for all of them.

group 1	Crombach's Alpha
Skepticism	0,872
Ad Credibility	0,790
Purchase Intention	0,864
Perceived Risk	0,629
group 2	Crombach's Alpha
Skepticism	0,798
Ad Credibility	0,848
Purchase Intention	0,840

# Perceived Risk0,740Table 15: reliability tests results for the scales used in the research

In group 1, the scale used to measure Perceived Risk does not show high reliability, which may impact further analysis. No improvement in that score is possible, since the removal of any item will only decrease Crombach's alpha global value (table 16).

Perceived Risk Group 1	Crombach's alpha if item deleted
Item 1	0,481
Item 2	0,622
Item 3	0,610
Item 4	0,526
Global Alpha	0,629

Table 16: Group 1 Perceived Risk Crombach's alpha value if items deleted

### 4.2.1 Test of hypotheses

The hypotheses were tested separately in each group, and will be presented also separately, starting with Group 1.

# 4.2.1.1Group 1

### Ad Credibility

To verify hypotheses 1 and 4a, both related to Ad Credibility, a two-way ANOVA was run, considering both the level of skepticism and the use or not of the Claim Confirming Product Cue as independent factors. Hypothesis 1 predicted that the use of a Claim Confirming Product Cue would increase ads' perceived credibility, and it was rejected [F(1,82)=0,184, p>0,05 (table 17).

As for H4a, which considered that the use of Claim Confirming Product Cue has greater impact on ads' perceived credibility for those who present higher levels of skepticism, there was a non-significant effect of the interaction between the two factors [F(1,82)=1,535, p>0,05] (table 17), indicating that the outcomes of using a Claim Confirming Product Cue were not affected by the level of skepticism of the respondents as far as Ad Credibility is concerned. Thus, H4a was also rejected.

Descriptive Statistics		Mean	Deviation	N
Low Skepticism	Without Cue	0,1725	1,1865	23
	With Cue	-0,1784	0,9958	20
	Total	0,0093	1,1033	43
High Skepticism	Without Cue	-0,1541	0,8433	23
	With Cue	0,0164	0,8009	20
	Total	-0,0748	1,0311	43
Total	Without Cue	0,0092	1,0311	46
	With Cue	-0,0810	0,8974	40
	Total	-0,0328	0,9666	86

Effects	Squares	df	Square	F	Sig.
Correct Model	1,779ª	3	0,593	0,626	0,600
Intercept	0,110	1	0,110	0,117	0,734
Skeptcism Level	0,093	1	0,093	0,098	0,755
Claim Confirmatory Cue	0,174	1	0,174	0,184	0,669
Skepticism Level *					
Claim Confirmatory Cue	1,453	1	1,453	1,535	0,219
Error	77,643	82	0,947		
Total	79,515	86			
Corrected Model	79,423	85			

a. R Squared = 0,022 (Adjusted R Squared = -0,013)

Levene's test of equality of Error Variances	F	df1	df2	Sig.
	1,042	3	82	0,379

#### Table 17: two-way ANOVA results for Ad Credibility variable in Group 1

For consumers ranked as low skeptics, Ad Credibility levels show a downward pattern between respondents who saw the ad without the claim confirming cue (M=0,1725, SD=1,1865) and those who saw the alternative ad (M=-0,1784, SD=0,9958). As for the high skeptics, an opposite pattern was observed, with consumers exposed to the "without cue" ad scoring lower (M=-0,1541, SD=0,8433) than those who saw the "with cue" ad (M=0,0164, SD=0,8009) yielding an upward pattern for this group, which although not significant, provides directional support for H4a (figure 12).



Figure 12: Interaction between level of skepticism and the use of Claim Confirming Product Cue on Ad Credibility (group 1)

#### Purchase Intention

A two-way ANOVA was undertaken to verify H2 and H4b. Hypothesis 2 predicted that the use of a Claim Confirming Product Cue would increase consumer's Purchase Intention, and the results show that in average, those who saw the ad that did not feature de claim confirming cue scored higher (M=0,0264, SD=1,1312) than those exposed to ad that had such claim (M=-1,1114, SD=0,8725). Although such results proved to be non-significant [F(1,82)=0,402, p>0,05] (table 18), rejecting therefore H2, the direction of the results were opposite to what was expected.

As for H4b, it stated that the use of Claim Confirming Product Cue would have greater impact on consumers' Purchase Intention for those who present higher levels of skepticism. Just like for H4a, non-significant results were found F(1, 82)=0,039, p>0,05 (table 18), which then rejects H4b as well.

Descriptive Statistics		Mean	Deviation	N
Low Skepticism	Without Cue	0,2319	1,3674	23
	With Cue	0,1371	0,9829	20
	Total	0,1878	1,1911	43
High Skepticism	Without Cue	-0,1792	0,8118	23
	With Cue	-0,3598	0,6831	20
	Total	-0,2632	0,7514	43
Total	Without Cue	0,0264	1,1312	46
	With Cue	-0,1114	0,8725	40
	Total	-0,0377	1,0156	86

Effects	Squares	df	Square	F	Sig.
Correct Model	4,818ª	3	1,606	1,590	0,198
Intercept	0,155	1	0,155	0,153	0,697
Skeptcism Level	4,41	1	4,41	4,364	0,040
Claim Confirmatory Cue	0,406	1	0,406	0,402	0,528
Skepticism Level *					
Claim Confirmatory Cue	0,039	1	0,039	0,039	0,844
Error	82,855	82	1,010		
Total	87,796	86			
Corrected Model	87,674	85			

a. R Squared = 0,055 (Adjusted R Squared = 0,020)

Levene's test of equality of Error Variances	F	df1	df2	Sig.
	5,214	3	82	0,002

Table 19: two-way ANOVA results for the Purchase Intention variable in Group 1

It is possible to observe similar patterns for those who score low and high on skepticism. Those who saw the ad featuring the claim confirming cue in the low skepticism group (M=0,1371, SD=0,9829) scored higher than those in the high skepticism group (M=-0,3958, SD=0,6831). For those who saw the ad that did not present the claim confirming cue, the situation was very similar, with low skeptics scoring higher (M=0,0239, SD=1,3674) than high skeptics (M=-0,1792, SD=0,8118), also presenting a directions opposite to what was expected (figure 13).



Figure 13: Level of skepticism and the use of Claim Confirming Product Cue on Purchase Intention (group 1)

#### Perceived Risk

The same procedure was undergone to verify H3 and H4c. Hypothesis 3 states that the use of a Claim Confirming Product Cue would not decrease consumer's Perceived Risk toward the advertised product, and it was not rejected. Respondents who saw the ad featuring the Claim Confirming Product Cue scored a little higher (M=0,0602, SD=0,9896) than those who saw the other ad (M=-0,0189, SD=1,0791), but the difference in scores was not significant [F(1,82)=0,121, p>0,05] (table 19). Hypothesis 4c states that the use of Claim Confirming Product Cues would have no greater impact on consumers' Perceived Risk for those who present higher levels of skepticism. The interaction between the levels of skepticism and the use of Claim Confirming Product Cues produced non-significant results [F(1,82)=1,747, p>0,05] (table 19), also confirming hypothesis 4c.

Descriptive Statistics		Mean	Deviation	Ν
Low Skepticism	Without Cue	-0,1775	1,1576	23
	With Cue	0,2017	1,0392	20
	Total	-0,0012	1,1077	43
High Skepticism	Without Cue	0,1397	1,0341	23
	With Cue	-0,0812	0,9423	20
	Total	0,0369	0,9871	43
Total	Without Cue	-0,0189	1,0971	46
	With Cue	0,0602	0,9896	40
	Total	0,0179	1,0431	86

Test of Between-subjects	Type III Sum of		Mean		
Effects	Squares	df	Square	F	Sig.
Correct Model	2,092ª	3	0,697	0,632	0,596
Intercept	0,037	1	0,037	0,033	0,856
Skeptcism Level	0,006	1	0,006	0,006	0,940
Claim Confirmatory Cue	0,134	1	0,234	0,121	0,728
Skepticism Level *					
Claim Confirmatory Cue	1,926	1	1,926	1,747	0,190
Error	90,398	82	1,102		
Total	92,517	86			
Corrected Model	92,489	85			

a. R Squared = 0,023 (Adjusted R Squared = -0,013)

Levene's test of equality of Error Variances	F	df1	df2	Sig.
	0,622	3	82	0,603

# Table 19: two-way ANOVA results for the Perceived Risk dependent variable in Group1

Those in the low skepticism group who saw the ad that presents the Claim Confirming Product Cue scored higher (M=0,2017, SD=1,0392) than those who saw the alternative ad (M=-0,1775, SD=1,1576), but in the high skepticism results were the opposite, contrary to what was expected. A downward pattern was generated by a higher score from those who saw the ad that did not feature the Claim Confirming Product Cue (M=0,1397, SD=1,0341) when compared to the score of those who saw the ad that did present such Cue (M=-0,0812, SD=0,9423), as seen in figure 14.



Figure 14: Interaction between level of skepticism and the use of Claim Confirming Product Cue on Perceived Risk (group 1)

### 4.2.1.2 Group 2

Very similar analysis to those performed in Group 1 were made in Group 2, which then enables a briefer report of the results. Just like was the case for Group 1, the results found for the interactions between the level of skepticism and the use of Claim Confirming Product Cue, the results obtained with Group 2 were non-significant. Hypothesis 4a was rejected, since Ad Credibility suffered no impact from the interaction mentioned above [F(1,113)=2,392, p>0,05] (table 20). The same happened with the Purchase Intention variable measure [F(1, 113)=0,777, p>0,05] (table 21), which also rejected H4b. As for H4c, since it predicted no significant interaction between the level of skepticism and the use of Claim Confirming Product Cues affecting the level of Perceived Risk, it was confirmed [F(1,113)=0,000, p>0,05] (table 22).

As for H1, it was also rejected for group 2 [F(1,113)=2,891, p>0,05], and the same happened for H2 [F(1,113)=0,556, p>0,05]. However, differently from what was found in Group 1, the main effect of the use or not the Claim Confirming Product Cue, was found significant for Perceived Risk [F(1,113)=5,921, p<0,05] (table 22).

Descriptive Statistics		Mean	Deviation	N
Low Skepticism	Without Cue	0,4578	1,1113	27
	With Cue	-0,1235	1,0743	31
	Total	0,1471	1,1209	58
High Skepticism	Without Cue	-0,1046	0,8669	28
	With Cue	-0,1321	0,7850	31
	Total	-0,1191	0,8178	59
Total	Without Cue	0,1714	1,0251	55
	With Cue	-0,1278	0,9331	62
	Total	0,0129	0,9847	117

Effects	Squares	df	Square	F	Sig.
Correct Model	6,959ª	3	2,32	2,484	0,064
Intercept	0,069	1	0,069	0,074	0,786
Skeptcism Level	2,376	1	2,376	2,544	0,113
Claim Confirmatory Cue	2,7	1	2,700	2,891	0,092
Skepticism Level *					
Claim Confirmatory Cue	2,234	1	2,234	2,392	0,125
Error	105,515	113	0,934		
Total	112,494	117			
Corrected Model	112,474	116			

a. R Squared = 0,062 (Adjusted R Squared = 0,037)

Levene's test of equality of Error Variances

F	df1	df2	Sig.	
2,794	3	113	0,044	

 Table 20: two-way ANOVA results for Ad Credibility in Group 2

<b>Descriptive Statistics</b>		Mean	Deviation	N
Low Skepticism	Without Cue	0,3721	0,8923	27
	With Cue	0,0732	1,0887	31
	Total	0,2124	1,0048	58
High Skepticism	Without Cue	-0,1311	1,0269	28
	With Cue	-0,1061	0,9370	31
	Total	-0,1179	0,9722	59
Total	Without Cue	0,1160	0,9874	55
	With Cue	-0,0164	1,0114	62
	Total	0,0458	0,9981	117

Effects	Squares	df	Square	F	Sig.
Correct Model	4,490ª	3	1,497	1,523	0,213
Intercept	0,316	1	0,316	0,321	0,572
Skeptcism Level	3,393	1	3,393	3,452	0,066
Claim Confirmatory Cue	0,547	1	0,547	0,556	0,457
Skepticism Level *					
Claim Confirmatory Cue	0,764	1	0,764	0,777	0,380
Error	111,071	113	0,983		
Total	115,806	117			
Corrected Model	115,561	116			

a. R Squared = 0,039 (Adjusted R Squared = 0,013)

Levene's test of equality of Error Variances

F	df1	df2	Sig.
0,838	3	113	0,476

 Table 21: two-way ANOVA results for Purchase Intention in Group 2

<b>Descriptive Statistics</b>		Mean	Deviation	Ν
Low Skepticism	Without Cue	-0,3100	1,0916	27
	With Cue	0,1312	1,0153	31
	Total	-0,0742	1,0655	58
High Skepticism	Without Cue	-0,1988	1,0021	28
	With Cue	0,2477	0,8276	31
	Total	0,0358	0,9340	59
Total	Without Cue	-0,2534	1,0387	55
	With Cue	0,1894	0,9205	62
	Total	-0,0187	0,9985	117

Test of Between-subjects	Type III Sum of		Mean		
Effects	Squares	df	Square	F	Sig.
Correct Model	6,096ª	3	2,032	2,096	0,105
Intercept	0,123	1	0,123	0,127	0,722
Skeptcism Level	0,378	1	0,378	0,39	0,534
Claim Confirmatory Cue	5,741	1	5,741	5,921	0,017
Skepticism Level *					
Claim Confirmatory Cue	0,000	1	0,000	0,000	0,989
Error	109,563	113	0,970		
Total	115,700	117			
Corrected Model	115,659	116			

a. R Squared = 0,053 (Adjusted R Squared = 0,028)

Levene's test of equality of Error Variances

F	df1	df2	Sig.
0,961	3	113	0,414

### Table 22: two-way ANOVA results for Perceived Risk in Group 2

However, even though all hypothesis were rejected, the average scores obtained from Group 2 indicated a direction opposite to what was expected. When Ad Credibility is concerned, the average score of those who saw the ad that did not feature the Claim Confirming Cue was higher (M=0,1714, SD=1,0251) than of those who saw the alternative ad (M=-0,1278, SD=0,9331) (table 20), which then contradicts H1.

The same happened with the measures of Perceived Risk (table 22). Considering that lower scores on the scale indicate lesser perception of risk, respondents exposed to the ad "without" the Claim Confirming Cues scored lower (M=-0,2534, SD=1,0387) than those who saw the ad "with" such resource (M=0,1894, SD=0,9205) (figure 15).



Figure 15: Levels of Claim Confirming Product Cue and Skepticism on Ad Credibility and Perceived Risk (Group 2)

#### 4.2.1.3Further analysis

Although many years of research have yielded little consensus as to the impact generated by the use of product cues in product claims, contrary to what was hypothesized in this study the use of Claim Confirming Product Cues does not increase ads' perceived credibility and Purchase Intention. To further investigate the phenomenon, under the assumption that the level of consciousness about the Claim Confirming Cue might have some impact on respondents, I used one of the verifying questions I had inserted in the questionnaire, the one regarding whether the participant saw the Claim Confirming Product Cue in the ad. Those who saw the ad that did not feature any Claim Confirming Product Cue should answer no to that question, and the opposite goes for those who saw the ad that presented such resource.

Even though someone who saw the ad "with" the cue may have answered "no" to that question and still be impacted on a subconscious manner by it, for the next analysis I separated the respondents who answered differently than what was expected from those who could verbalize what they had seen. I tested for the interaction between the use of Claim Confirming Product Cue and the awareness respondents had about such resource. Thus, two-way ANOVAs were performed again for all three dependent variables in the two groups, and results were different in some important aspects.

#### Group 1

When it comes to Ad Credibility, although the main effect of Ad Type [F(1, 82)=1,428, p>0,05] and Manipulation Awareness [F(1,82)=0,983, p>0,05] were still not significant (table

23), the interaction effect between the two factors proved to be significant [F(1,82)=11,352, p<0,01], which indicates the level of awareness about the use of Claim Confirming Product Cues have an impact on how the respondents processed both types of ad.

When analyzing the average scores obtained from the participants, to those who declared perceiving the manipulation, respondents who saw the ad featuring the Claim Confirming Product Cue scored higher on Ad Credibility (M=0,0669, SD=0,9651) than those who saw the ad without the Cue (M=-0,3839, SD=0,9395), which provides directional support for H1. However, for those who declared not perceiving the manipulation, results indicate the opposite, with respondents who were exposed to the ad without the Cue scoring higher (M=0,5203, SD=0,9327) than those who saw the ad featuring the Claim Confirming Cue (M=-0,4262, SD=0,6192), as shown in figure 15.

Descriptive Statistics			Std.	
		Mean	Deviation	Ν
Without Claim Confirming Cue	did not perceive the manipulation	0,5203	0,9327	20
	did perceive the manipulation	-0,3839	0,9395	26
	Total	0,0092	1,0311	46
With Claim Confirming Cue	did not perceive the manipulation	-0,4262	0,6192	12
	did perceive the manipulation	0,0669	0,9651	28
	Total	-0,0810	0,8974	40
Total	did not perceive the manipulation	0,1654	0,9412	32
	did perceive the manipulation	-0,1502	0,9709	54
	Total	-0,0328	0,9666	86

Test of Between-subjects Effects	Type III Sum of Squares	df	Square	F	Sig.
Correct Model	11,459ª	3	3,82	4,608	0,005
Intercept	0,239	1	0,239	0,289	0,592
Ad type	1,183	1	1,183	1,428	0,236
Manipulation awareness	0,815	1	0,815	0,983	0,324
Ad type*Manipualtion perception	9,409	1	9,409	11,352	0,001
Error	67,964	82	0,829		
Total	79,515	86			
Corrected Model	79,423	85			

a. R Squared = 0,144 (Adjusted R Squared = 0,113)

Levene's test of equality of Error Variances

F	df1	df2	Sig.
0,668	3	82	0,574

Table 23: two-way ANOVA results for the Ad Credibility variable re-run with sample split by manipulation awareness in Group 1



Figure 15: Interaction between Ad Type and Manipulation Awareness for Ad Credibility in Group 1

The same happened to the Purchase Intention variable. The interaction effect between the ad type and the manipulation awareness was significant [F(1,82)=7,244, p<0,01] (table 24), indicating that being fully conscious of the existence of Claim Confirming Product Cues exacerbate its effects, even though the manipulation awareness main effect is not significant [F(1,82)=0,041, p>0,05]. Again, as seen in figure 16, those who perceived the manipulation and saw the ad without the Cue scored lower (M=-0,2563, SD=0,9614) than those who were aware of the manipulation and saw the ad with the Cue (M=0,0566, SD=0,8879), providing directional support for H2 as well.



Figure 16: Interaction between Ad Type and Manipulation Awareness for Purchase Intention in Group 1

Descriptive Statistics		Mean	Deviation	Ν
Without Claim Confirming Cue	did not perceive the manipulation	0,3939	1,2502	20
	did perceive the manipulation	-0,2563	0,9614	26
	Total	0,0264	1,1312	46
With Claim Confirming Cue	did not perceive the manipulation	-0,5032	0,7244	12
	did perceive the manipulation	0,0566	0,8879	28
	Total	-0,1114	0,8725	40
Total	did not perceive the manipulation	0,0575	1,1570	32
	did perceive the manipulation	-0,0941	0,9287	54
	Total	-0,0377	1,0156	86

Test of Between-subjects Effects	Type III Sum of Squares	df	Square	F	Sig.
Correct Model	7,816 <sup>ª</sup>	3	2,605	2,675	0,053
Intercept	0,460	1	0,460	0,473	0,494
Ad type	1,644	1	1,644	1,688	0,197
Manipulation awareness	0,039	1	0,039	0,041	0,841
Ad type*Manipualtion perception	7,055	1	7,055	7,244	0,009
Error	79,857	82	0,974		
Total	87,796	86			
Corrected Model	87,674	85			

a. R Squared = 0,089 (Adjusted R Squared = 0,056)

Levene's test of equality of Error Variances

F	df1	df2	Sig.
0,927	3	82	0,432

# Table 24: two-way ANOVA results for the Purchase Intention variable re-run with sample split by manipulation awareness in Group 1

As for Perceived Risk, the same pattern was observed. Although neither the main effect of the use of Claim Confirming Product Cue [F(1,82)=1,321, p>0,05] (table 25) nor the main effect of the manipulation awareness [F(1,82)=0,046, p>0,05] were significant, the interaction effect between such factors proved to be significant [F(1,82)=8,570, p<0,01]. Although H3 was confirmed, the average scores obtained from the respondents (figure 17) provide directional support for the rejection of H3, indicating that even the perception of risk may be positively influenced by the correct use of Claim Confirming Product Cue.

Descriptive Statistics		Mean	Deviation	N
Without Claim Confirming Cue	did not perceive the manipulation	-0,3714	0,8910	20
	did perceive the manipulation	0,2523	1,1779	26
	Total	-0,0189	1,0971	46
With Claim Confirming Cue	did not perceive the manipulation	0,5660	0,8779	12
	did perceive the manipulation	-0,1566	0,9685	28
	Total	0,0602	0,9896	40
Total	did not perceive the manipulation	-0,0199	0,9862	32
	did perceive the manipulation	0,0403	1,0839	54
	Total	0,0179	1,0431	86

Test of Between-subjects Effects	Type III Sum of Squares	df	Square	F	Sig.
Correct Model	8,917ª	3	2,972	2,916	0,039
Intercept	0,406	1	0,406	0,399	0,530
Ad type	1,347	1	1,347	1,321	0,254
Manipulation awareness	0,047	1	0,047	0,046	0,83
Ad type*Manipualtion perception	8,734	1	8,734	8,570	0,004
Error	83,572	82	1,019		
Total	92,517	86			
Corrected Model	92,489	85			

a. R Squared = 0,096 (Adjusted R Squared = 0,063)

Levene's test of equality of Error Variances

F	df1	df2	Sig.
0,529	3	82	0,664

# Table 25: two-way ANOVA results for the Perceived Risk variable re-run with sample split by manipulation awareness in Group 1





It is notable that the response pattern for those who declared not being aware of the manipulation is similar for the three variables. For the respondents who were exposed to the ad that did not feature the Claim Confirming Product Cue, not being aware of the

manipulation means seeing something in the product that they considered being in accordance with the product claim, which then may explain the good scores obtained from respondents in that condition. Also, such possibility confirms the benefits producers may acquire from the use of this type of cue.

#### Group 2

The results from Group 2 followed similar pattern to Group 1. For all the variables, the interaction effect between Ad Type and Manipulation awareness was significant (Ad Credibility [F(1,113)=14,020, p<0,01], table 26; Purchase Intention [F1,113)=10,856, p<0,01], table 27; Perceived Risk [F(1,113)=10,069, p<0,01], table 28), again indicating the possibility that respondents' level of awareness about the use of Claim Confirming Product Cues may pose as an important factor as to the efficacy of such tool.

Just like happened with Group 1, H1 (figure 18) and H2 (figure 19) found directional support in Group 2 as well, and H3, although confirmed, has also found directional support to be rejected (figure 20). When Ad Credibility is concerned, respondents who perceived the manipulation scored higher in the "with cue" situation (table 26), and the same happened when it comes to Purchase Intention (table 27). As for Perceived Risk, those who were aware of the manipulation and saw the ad featuring such manipulation scored lower than those who saw the ad that did not present the Claim Confirming Cue (table 28).

When analyzed without the manipulation awareness split, Group 2 had presented results for both H1 and H3 in the opposite direction of what was expected. The fact that splitting the group causes such a difference in results serves as one more indication that Claim Confirming Cues may be beneficial for producers if executed properly.

Just like in Group 1, respondents who declared not perceiving the manipulation revealed a drop in Ad Credibility (figure 18), Purchase Intention (figure 19) and Perceived Risk (figure 20), which as mentioned before, also validates the role of the Claim Confirming Cue in consumer's information processing.

Descriptive Statistics				
		Mean	Std. Deviation	Ν
Without Claim Confirming Cue	did not perceive the manipulation	0,4884	1,0203	37
	did perceive the manipulation	-0,4801	0,6814	18
	Total	0,1714	1,0251	55
With Claim Confirming Cue	did not perceive the manipulation	-0,3661	0,8503	23
	did perceive the manipulation	0,0127	0,9615	39
	Total	-0,1278	0,9331	62
Total	did not perceive the manipulation	0,1608	1,0394	60
	did perceive the manipulation	-0,0143	0,9067	57
	Total	0,0129	0,9847	117

Test of Between-subjects Effects	Type III Sum of Squares	df	Mean Square	F	Sig.
Correct Model	16,043ª	3	5,348	6,266	0,001
Intercept	0,785	1	0,785	0,92	0,340
Ad type	0,862	1	0,862	1,011	0,317
Manipulation awareness	2,292	1	2,292	2,686	0,104
Ad type*Manipualtion perception	11,965	1	11,965	14,020	0,000
Error	96,431	113	0,853		
Total	112,494	117			
Corrected Model	112,474	116			

a. R Squared = 0,143 (Adjusted R Squared = 0,120)

Levene's test of equality of Error Variances

F	df1	df2	Sig.
1,401	3	113	0,246

# Table 26: two-way ANOVA results for the Ad Credibility variable re-run with sample split by manipulation awareness in Group 2



Figure 18: graph showing the interaction between Ad Type and Manipulation Awareness for Ad Credibility in Group 2

Descriptive Statistics		Mean	Std. Deviation	Ν
Without Claim Confirming Cue	did not perceive the manipulation	0,3518	0,9674	37
	did perceive the manipulation	-0,3689	0,8635	18
	Total	0,1160	0,9875	55
With Claim Confirming Cue	did not perceive the manipulation	-0,3409	0,7813	23
	did perceive the manipulation	0,1749	1,0896	39
	Total	-0,0164	1,0113	62
Total	did not perceive the manipulation	0,0863	0,9560	60
	did perceive the manipulation	0,0032	1,0474	57
	Total	0,0458	0,9981	117

Test of Between-subjects Effects	Type III Sum of Squares	df	Mean Square	F	Sig.
Correct Model	10,650ª	3	3,550	3,824	0,012
Intercept	0,221	1	0,221	0,238	0,627
Ad type	0,146	1	0,146	0,158	0,692
Manipulation awareness	0,277	1	0,277	0,298	0,586
Ad type*Manipualtion perception	10,079	1	10,079	10,856	0,001
Error	104,911	113	0,928		
Total	115,806	117			
Corrected Model	115,561	116			

a. R Squared = 0,092 (Adjusted R Squared = 0,068)

Levene's test of equality of Error Variances

F	df1	df2	Sig.
1,589	3	113	0,196

# Table 27: two-way ANOVA results for the Purchase Intention variable re-run withsample split by manipulation awareness in Group 2



Figure 19: graph showing the interaction between Ad Type and Manipulation Awareness for Purchase Intention in Group 2

Descriptive Statistics		Mean	Std. Deviation	N
Without Claim Confirming Cue	did not perceive the manipulation	-0,5565	0,9168	37
	did perceive the manipulation	0,3696	1,0180	18
	Total	-0,2534	1,0387	55
With Claim Confirming Cue	did not perceive the manipulation	0,3339	0,8424	23
	did perceive the manipulation	0,1043	0,9639	39
	Total	0,1894	0,9205	62
Total	did not perceive the manipulation	-0,2152	0,9839	60
	did perceive the manipulation	0,1881	0,9801	57
	Total	-0,0187	0,9985	117

Test of Between-subjects Effects	Type III Sum of Squares	df	Mean Square	F	Sig.
Correct Model	16,863ª	3	5,621	6,429	0,000
Intercept	0,416	1	0,416	0,476	0,492
Ad type	2,575	1	2,575	2,945	0,089
Manipulation awareness	3,198	1	3,198	3,657	0,058
Ad type*Manipualtion perception	8,803	1	8,803	10,069	0,002
Error	98,797	113	0,874		
Total	115,700	117			
Corrected Model	115,659	116			

a. R Squared = 0,146 (Adjusted R Squared = 0,123)

Levene's test of equality of Error Variances

F	df1	df2	Sig.
0,384	3	113	0,765

# Table 28: two-way ANOVA results for the Perceived Risk variable re-run with sample split by manipulation awareness in Group 2



Figure 20: graph showing the interaction between Ad Type and Manipulation Awareness for Perceived Risk in Group 2
Taking such results into consideration, conclusions, implications, limitations and opportunities for future research will be discussed next.

### 5. FINAL REMARKS

#### 5.1 Conclusions

The Cue Utilization Theory posits that all offers found in market possess cues that allow consumers to infer information about such offer, information that cannot be directly stated, such as perceived quality. Since cues are based on offer's attributes, they may be of intrinsic (implying that, when altered, the offer itself is also altered) or extrinsic nature, and researchers have not yet reached a consensus as to which is most valuable to consumers, but have realized that they can be used differently by consumers depending on the occasion and need.

When it comes to lending credibility to the product claim, the Economics of Information Theory suggests that both intrinsic and extrinsic cues may play important roles, depending on what the claim is. Such theory explores how consumers use and value information during any purchase process, stating that people will look first for "cheap" information to make their decisions. In that sense, offers found in the market may have Search Attributes, which are verifiable prior to the purchase and consequently are the cheapest source of information available; and Experience Attributes, which can only be verified through experience, generally only possible after the purchase, hence making this information more expensive. Offers may also be impregnated with Credence Attributes, which are not verifiable at all, and depend highly on belief. Thus, an extrinsic cue such as price may play an important role during the purchase process for being a very cheap Search Attribute. It allows consumers to assume quality standards for the offer, for instance.

However, producers do not normally advertise their products using Search Attributes, making a choice to differentiate their offers through Experience or maybe even Credence Attributes. The problem lies in the credibility of such claims, which are less credible than those based on Search Attributes, since they cannot be verified prior to the purchase. In that sense, this study explored the use of Intrinsic Cues as a way of increasing product's claim credibility.

Toothpaste was the selected product to assess the impact of the use of Claim Confirming Product Cues, and an experiment was made with samples from two different populations, namely (1) college students and (2) housewives, to allow for differences in age, family income and, therefore, skepticism level.

At first, results from both groups showed no difference in the responses from those who had been exposed to the "no Claim Confirming Product Cue" situation and those exposed to the opposite situation, suggesting that the use of such artifice offers no benefits to the producer. The housewives, group with higher skepticism level, even indicated a significant smaller degree of belief when the Claim Confirming Product Cue was used, which may be an indication that using such resource only exacerbates consumer's skepticism.

However, the results are different if respondent's level of awareness about the use of Claim Confirming Product Cues is considered. Although still non-significant, results point to opposite direction in terms of average scores. Now, those who were aware of the Cue's presence (or absence) and were exposed to the "no Claim Confirming Product Cue" situation scored lower than those exposed to the alternative situation, indicating that the full perception and awareness of the presence of such type of cues may play an important role in consumers' information processing. These results were found in both groups, but in a stronger manner in the housewives group, which may be an indicative that the use of Claim Confirming Product Cue, when executed in a way that allows full acknowledgement on consumers part, may pose as tool to diminish consumer skepticism toward advertising.

Producers may also benefit from the good use of Claim Confirming Product Cue in different aspects. This study also measured the impacts of the use of such cue on consumers' Purchase Intentions and Perceived Risk, and the results obtained were in the same direction of those found for Ad Credibility. That is, when consumers are aware of the presence of Claim Confirming Product Cue, they show higher Purchase Intentions and also lower Perceived Risk, which in turn may increase the offer's perceived value.

When respondents declared not having perceived the Claim Confirming Product Cue manipulation, results may also be an indicative of the importance of such type of cue. Those respondents exposed to the situation where no Cue was presented to them should have declared not seeing any cue that confirmed the product claim, which would mean that they did perceive the manipulation. However, a number of respondents declared having seen cues that confirmed the product's claim, indicating that in their minds there was the presence of a Claim Confirming Product Cue. Interestingly, the scores obtained from those respondents were higher than the ones acquired from the respondents who did not see any Claim Confirming Product Cues even when presented with them.

The situation above implies that having Claim Confirming Product Cues, real or imaginary, offers benefits to the producers. However, leaving it up for consumer's imagination may not be an adequate solution for marketers, which then indicates that having a properly executed Claim Confirming Product Cue poses as a possible solution for producers to improve their Ad Credibility, increase consumer's Purchase Intentions for their products and also decrease product's Perceived Risk level. So consumers must perceive the Confirming Product Cues.

Based on the results obtained, it is possible to say that combining Cue Utilization Theory and Economics of Information Theory is not only possible, but may also produce benefits for the marketer who execute it properly.

#### 5.2 Implications

The discussion raised in this research may present benefits to a multitude of fields of investigation, and have both scholar and managerial implications.

#### 5.2.1 Theoretical Implications

As mentioned before, the results of many years of research have yet yielded little consensus as to the impact generated by the use product cues. Therefore, this research offers a new perspective on the topic, combining the Cue Utilization Theory to the Economics of Information Theory aiming to investigate an unexplored aspect of the cue utilization, which is the benefits it may offer to Ad Credibility, consumer's Purchase Intention and product's Perceived Risk by the consumer.

In that sense, this research has also added to the discussion concerning whether intrinsic cues are more important than extrinsic ones. It has been discussed that each type of cue is more important in a specific situation, and this study has shown that, in the case of serving as confirmation for product claim, intrinsic cues have proven its value when it comes to the three dependent variable tested herein.

Also, some contribution is given to the literature of skepticism. As mentioned before, most studies focus on communication strategies that can be used to reduce the negative impact of skepticism, and little efforts have been done as to what other tools pertaining to the marketing mix can be used with that same goal. The research herein investigates the use of product characteristics as a possible alternative, which combined with communication strategies offer

benefits to the producer as far as Ad Credibility, Purchase Intention and perceiver risk is concerned. That is also in line with the concern for ad effectiveness, since this research indicates that mixing two elements of the marketing mix may present positive effects for the marketer.

By indicating that consumer perception of the Claim Confirming Product Cue affects their response to it, this research also contributes to the literature of consumer behavior, in the sense that it adds new insights as to the effects of consumer perception,

Feature fatigue has been one theme covered in the literature related to product development (Thompson, Hamilton, & Rust, 2005), with the conclusion that offering multiple features is a good strategy in the pre-purchase stage, since it may lend better value perception to the product, but may generate confusion in consumer's mind during product use, decreasing product value and also re-Purchase Intentions. The research herein offer an alternative perspective on the matter in the sense that it indicates the possibility of offering fewer features in a product and still maintain competitiveness during pre-purchase stage, which would combine with less confusion during product use to increase product value as a whole.

#### 5.2.2 Managerial Implications

Apart from the Feature Fatigue aspect discussed above, which has clear managerial implications as well, this thesis may provide insights for practitioners in the sense that it provides them with a tool to improve their Ad Credibility, increase consumers' Purchase Intentions toward their products and also decreasing the perception of risk associated with the product they market.

However, to be able to crop all the benefits that may be offered by the use of Claim Confirming Product Cues, this research has made clear to marketers that consumer research is needed to ascertain that such claim is actually perceived by consumer, otherwise it may not have the intended effect.

#### 5.3 Limitations and Future Research

The intended manipulation of skepticism toward advertising did not work as intended, and the use of a dispositional skepticism measure may be considered a shortfall. Although representing a significant portion of the skepticism toward advertising construct, dispositional

skepticism do not account for the situational factors that are part of the consumer's belief (Forehand & Grier, 2003). Therefore, results might not be as accurate as one would expect from a research intended to measure the effects of consumer's skepticism toward advertising, and validating the results found herein using a measure of such type of skepticism is recommended.

Also, the manipulation of the use of Claim Confirming Product Cue proved to be insufficiently designed, which caused many respondents to declare not having perceived it. Although it was helpful in the sense that allowed the conclusions herein, it also caused the sample size to be inadequate for a proper analysis. Some of the cells in the second round of analysis were populated by few respondents, which may have compromised the analysis' statistical validity, caused by difficulties in terms of normality of the sample, maybe even in the significance level and statistical power obtained.

The choice for toothpaste as the product category to be tested may be seen as controversial, since the risk involved in such purchase may be perceived as being not relevant by respondents, which may therefore have biased some of the results, including the measure of Perceived Risk. Therefore, new studies featuring different products categories, such as more expensive products and products featuring different levels of involvement are welcome.

There are indications that some people are more cue-oriented than others (Dawar & Parker, 1994), which may then elicit new research in order to investigate any differences found in diverse groups of people. This study researched people from different ages and different financial status, and found little differences between them, which may be confirmed by the fact that the use of cues is considered a Marketing Universal (Dawar & Parker, 1994). However, further investigation on this matter is important. For instance, investigating if people with differences in cultural background (i.e.: living in different regions of the country, or in different countries), or religious beliefs, or even if children perceive Claim Confirming Product Cues in a similar way may shed light on the topic.

Also, different effects of the use of Claim Confirming Product Cues may be tested. The impact it may have on brand perception may offer good contribution to the Branding literature, as well as whether it possesses any carry-over effect that could enhance brand equity in future purchases made be the consumer.

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University	Gender	Smartphone	Toothpaste	MP3 Player	Shampoo	Laptop	Laundry Detergent
А	F	14	14	13	12	16	10
В	М	18	11	11	16	20	7
В	F	14	10	8	16	16	9
В	F	11	18	8	16	13	10
В	F	17	10	4	10	16	9
А	М	20	13	9	14	20	7
А	F	13	5	7	12	16	7
А	М	20	10	10	12	20	7
В	F	15	12	7	15	13	9
В	M	7	13	18	4	19	9
В	F	15	14	19	16	16	7

# APPENDIX A: Results of pre-test of product category involvement

Points for each category represent the sum of the points representing the answers on the likert scale, considering the last question had to be reversed. The lower the points, the lower the involvement.

**APPENDIX B:** Manipulation for skepticism level as used in Nielsen and Escalas (2010)

#### **Regular instructions:**

A seguir lhe será exibida uma proposta de anúncio de uma nova marca de creme dental. Esta é uma primeira proposta, e gostaríamos de saber sua opinião sobre o anúncio. Ao ver o anúncio, analise-o como se a agência tivesse lhe pedido um feedback para o conceito utilizado no anúncio.

#### Skepticism Instructions:

A seguir lhe será exibida uma proposta de anúncio de uma nova marca de creme dental. Esta é uma primeira proposta, e gostaríamos de saber sua opinião sobre o anúncio. Ao ver o anúncio, analise-o de maneira critica, avaliando as características do produto descritas no anúncio.

# **APPENDIX C:** manipulation for skepticism toward advertising

#### A propaganda enganosa como prática comum.

Uma pesquisa realizada pela IBM nos EUA e no Reino Unido mostra queda da confiança dos consumidores nos fabricantes de produtos de consumo, sendo que um dos principais motivos disso são os constantes problemas relacionados a propaganda enganosa. No Brasil, também vivemos este tipo de situação. Como exemplos, recentemente a Nokia foi flagrada por consumidores praticando propaganda enganosa em um de seus filmes publicitários, e supermercados por vezes anunciam em seus encartes de jornal preços diferentes dos registrados nos caixas.

(fonte: www.mundodomarketing.com.br, 2012)

#### Article stating that ads are deceitful

# A propaganda enganosa é mais prejudicial ao anunciante que ao consumidor.

No passado, a propaganda enganosa poderia até fazer algum sentido para as empresas. Entretanto, hoje, com uma sociedade mais informada, alta concorrência entre as empresas, uma lei de proteção ao consumidor evoluída e a fiscalização de órgãos governamentais e não-governamentais, a propaganda enganosa não faz qualquer sentido sob as óticas econômica e de mercado. O maior prejudicado no caso de uma propaganda enganosa é o próprio anunciante, que com o passar do tempo perde credibilidade e, como consequência, vendas e lucro.

(fonte: A Folha de São Paulo, 2011)

Article stating that ads are not deceitful

## **APPENDIX D:** Scales back-translation

T1: translator 1 T2: translator 2 O: original

#### SCALE: PRODUCT INVOLVEMENT

1. De forma geral, eu tenho um grande interesse por esta categoria de produto.

T1: Overall, I have great interest for this product category

T2: Overall, I have a great interest in this product category.

O: In general, I have a strong interest in this product category.

2. Esta categoria de produto é muito importante pra mim.

T1: This product category is very important to me

T2: This product category is very important to me.

O: This product category is very important to me.

3. Esta categoria de produto significa muito pra mim.

T1: This product category means a lot to me

T2: This product category means a lot to me.

O: This product category matters a lot to me.

4. Fico entediado quando as pessoas conversam comigo sobre esta categoria de produto.

T1: I get bored when people talk about this product category

T2: I get bored when people talk to me about this product category.

O: I get bored when other people talk to me about this product category

#### SCALE: DISPOSITIONAL SKEPTICISM

1. Eu normalmente aceito as explicações de outras pessoas sem nem pensar muito.

T1: I usually accept explanations from others without thinking too much

T2: I usually accept the explanations of others without thinking much.

O: I often accept other people's explanations without further thought.

2. Eu me sinto bem comigo mesmo.

T1: I feel good about myself

T2: I feel good about myself.

O: . I feel good about myself.

3. Eu espero até ter mais informações para tomar decisões.

T1: I wait until have more information before taking decisions

T2: I wait to have more information to make decisions.

O: . I wait to decide on issues until I can get more information.

4. A possibilidade de aprender me agrada.

T1: The possibility of learning pleases me.

T2: The possibility to learn pleases me.

O: The prospect of learning excites me.

5. Tenho interesse pelas causas do comportamento das pessoas.

T1: I'm interested in the causes of people's behavior.

T2: I have interest in the causes of people's behavior.

O: I am interested in what causes people to behave the way they do

6. Sou confiante em minhas habilidades.

T1: I'm confident of my skills

T2: I am confident in my skills.

O: I am confident of my abilities

7. Eu normalmente rejeito afirmações caso não tenha provas de que são verdadeiras.

T1: I usually reject statements if there is no evidence that they are true.

T2: I usually reject claims in case I have no evidence that they are true.

O: I often reject statements unless I have proof that they are true.

8. A descoberta de novas informações é algo que me agrada.

T1: Discovering new information is something that pleases me.

T2: The discovery of new information is something that pleases me.

O: Discovering new information is fun.

9. Tenho tempo para tomar minhas decisões.

T1: I have time to make my own decisions.

T2: I have time to make my decisions.

O: I take my time when making decisions.

10. A tendência é que eu sempre aceite o que os outros me dizem.

T1: The tendency is that I always accept what others tell me.

T2: The tendency is that I always accept what others tell me.

O: I tend to immediately accept what other people tell me.

11. O comportamento das outras pessoas não me interessa.

T1: I'm not interested in other people's behavior/ The behavior of others doesn't interest me

T2: The behavior of others does not interest me.

O: Other people's behavior does not interest me.

12. Eu sou seguro.

T1: I'm confident.

T2: I am confident.

O: I am self-assured.

13. Meus amigos me dizem que normalmente eu questiono tudo que ouço ou vejo.

T1: My friends often tell me that I question everything I hear or see.

T2: My friends often tell me that I question everything I hear or see.

O: My friends tell me that I usually question things that I see or hear.

14. Eu gosto de entender o motivo do comportamento das pessoas.

T1: I like to understand why people behave the way they behave.

T2: I like to understand why people behave the way they behave.

O: I like to understand the reason for other people's behavior.

15. Eu acredito que aprender coisas novas é muito empolgante.

T1: I believe that learning new things is very exciting.

T2: I believe that learning new things is very exciting.

O: I think that learning is exciting.

16. Eu normalmente aceito aquilo que vejo.

T1: I usually accept what I see.

T2: I usually accept what I see.

O: I usually accept things I see, read or hear at face value.

17. Eu não me sinto muito seguro quanto a mim mesmo.

T1: I don't feel very secure about myself.

T2: I do not feel very confident about myself

O: . I do not feel sure of myself.

18. Normalmente eu vejo inconsistências em explicações que ouço.

T1: Normally I see inconsistencies in explanations I hear.

T2: Normally I see inconsistencies in explanations I hear

O: I usually notice inconsistencies in explanations.

19. Na maioria das vezes, eu concordo com o que os outros no meu grupo pensam.

T1: Most of the time, I agree with what others in my group think.

T2: In most cases, I agree with what others in my group think.

O: Most often I agree with what the others in my group think.

20. Não me agrada ter que tomar decisões rapidamente.

T1: I don't like having to make decisions quickly.

T2: I do not like having to make decisions quickly.

O: I dislike having to make decisions quickly.

21. Sou autoconfiante.

T1: I'm self confident

T2: I'm self confident.

O: I have confidence in myself.

22. Eu não gosto de tomar decisões sem antes avaliar todas as informações que tenho à mão.

T1: I don't like making decisions without assessing all the information I have at hand.

T2: I do not like making decisions without evaluating all the information I have at hand.

O: I do not like to decide until I've looked at all of the readily available information.

23. A busca por conhecimento me agrada.

T1: The search for knowledge pleases me.

T2: The search for knowledge pleases me.

O: I like searching for knowledge

24. Eu frequentemente questiono as coisas que escuto ou vejo.

T1: I often question things I hear or see.

T2: I often question things I hear or see.

O: I frequently question things that I see or hear.

25. É fácil as outras pessoas me convencerem.

T1: It's easy for me to be convinced by others.

T2: It's easy for other people to convince me.

O: It is easy for other people to convince me.

26. Eu raramente levo em consideração porque as pessoas se comportam de certo modo.

T1: I rarely take into consideration why people behave a certain way.

T2: I rarely take into consideration why people behave a certain way.

O: I seldom consider why people behave in a certain way.

27. Eu gosto de garantir que considerei todas as informações disponíveis na hora de tomar minha decisão.

T1: I like to make sure I considered all available information when making my decision.

T2: I like to make sure that I considered all available information when making my decision.

O: I like to ensure that I've considered most available information before making a decision.

28. Gosto de pensar a respeito de quanto aquilo que ouço ou leio é verdadeiro.

T1: I like to weigh if what I hear or read is true.

T2: I like to ponder if what I hear or read is true.

O: I enjoy trying to determine if what I read or hear is true.

29. Eu aprecio aprender coisas novas.

T1: I like to learn new things

T2: I enjoy learning new things.

O: I relish learning.

30. As ações das pessoas e os motivos para tais ações são fascinantes.

- T1: People's actions and the reasons for such actions are fascinating.
- T2: People's actions and the reasons for such actions are fascinating.
- O: The actions people take and the reasons for those actions are fascinating.

#### SCALE: SKEPTICISM TOWARD ADVERTISING

1. Podemos acreditar que conseguiremos a verdade na maioria das propagandas.

T1: We can believe that we will be able to get the truth in most advertisements.

T2: We believe that we can achieve the truth in most advertisements.

O: We can depend on getting the truth in most advertising.

2. O objetivo da propaganda é informar o consumidor.

T1: The purpose of advertising is to inform consumers.

T2: The purpose of advertising is to inform consumers.

O: Advertising's aim in to inform the consumer.

3. Eu acredito que propagandas sejam informativas.

T1: I believe that advertisements are informative.

T2: I believe that advertisements are informative.

O: I believe advertising is informative.

#### 4. Propagandas geralmente são verdadeiras.

- T1: Advertisements are usually true.
- T2: Advertisements are usually true.
- O: Advertising is generally truthful.

5. Propaganda é uma fonte de informação confiável a respeito da qualidade e desempenho do produto.

T1: Advertising is a source of reliable information about the quality and performance of the product.

T2: Propaganda is a source of reliable information about the quality and performance of the product.

O: Advertising is a reliable source of information about the quality and performance of products.

6. Propaganda é uma verdade bem dita.

T1: Propaganda is a truth well told.

T2: Propaganda is a truth well told.

O: Advertising is truth well told.

7. De forma geral, a propaganda apresenta uma imagem verdadeira do produto anunciado.

T1: In general, advertising presents a true picture of the product advertised.

T2: In general, advertising presents a true picture of the product advertised.

O: In general, advertising presents a true picture of the product being advertised

8. Depois de assistir a maioria das propagandas, sinto que fui precisamente informado sobre o produto anunciado.

T1:After watching most of the advertisements, I feel that I was precisely informed about the advertised product.

T2: After watching most of the advertisements, I feel that I was just informed about the advertised product.

O: I feel I've been accurately informed after viewing most advertisements.

9. A maioria das propagandas traz informações essenciais ao consumidor.

T1: Most advertisements brings key information to consumers.

T2: Most advertisements bring key information to consumers.

O: Most advertising provides consumers with essential information.

#### SCALE: AD CREDIBILITY

1. As promessas do produto no anúncio são verdadeiras.

T1: The promises of the product in the ad are true.

T2: The promises of the product in the advertisement are true.

O: The claims in the ad are true.

2. Eu acredito nas promessas do produto no anúncio.

T1: I believe in the promises of the product in the ad.

T2: I believe in the promises of the product in the advertisement.

O: I believe the claims in the ad.

3. O anúncio é sincero.

T1: The ad is sincere.

T2: The advertisement is sincere.

O: The ad is sincere.

4. Eu acho que o anúncio é desonesto.

T1: I think the ad is dishonest.

T2: I think the advertisement is dishonest.

O: I think the ad is dishonest.

#### SCALE: PURCHASE INTENTION

1. Você gostaria de experimentar este produto?

T1: Would you like to try this product?

T2: Would you like to try this product?

O: Would you like to try this product?

2. Você compraria este produto caso o visse em uma loja?

T1: Would you buy this product if you see it in a store?

T2: Would you buy this product if you saw it in a store?

O: Would you buy this product if you happened to see it in a store?

3. Você procuraria este produto em uma loja com a intenção de comprá-lo?

T1: Would you look for this product in a store with the intention to buy it?

T2: Would you look for this product in a store with the intention of buying it?

O: Would you actively seek out this product in a store in order to purchase it?

#### **SCALE: PERCEIVED RISK**

1. Qual seu nível de certeza sobre a capacidade do (a) \_\_\_\_\_\_ter um desempenho satisfatório?

T1: What is your level of certainty about the \_\_\_\_\_ ability to have a satisfactory performance?

T2: What is your level of certainty about the ability of \_\_\_\_\_\_ to have a satisfactory performance?

O: How sure are you about the \_\_\_\_\_'s ability to perform satisfactorily?

2. Levando em consideração os problemas associados com o desempenho do(a) \_\_\_\_\_\_ qual o nível de risco você diria estar associado com a compra do(a) novo(a) \_\_\_\_\_? T1: Taking into account the problems associated with the performance of \_\_\_\_\_, which is the level of risk you would associate with the purchase of the new ?

T2: Taking into account the problems associated with the performance of \_\_\_\_\_\_, what level of risk you would consider to be associated with the purchase of the new ?

O: Considering the possible problems associated with \_\_\_\_\_'s performance, how much risk would you say would be involved with purchasing the new \_\_\_\_\_?

3. Em sua opinião, você acredita que se o(a) novo(a) fosse lançado(a) ele(a) teria um desempenho tão bom quanto os dos produtos já existentes no mercado?

T1: In your opinion, do you believe that if the new \_\_\_\_\_ was launched it would perform as well as the products already on the market?

T2: In your opinion, do you believe that if the new \_\_\_\_\_was launched \_\_\_\_\_ it would perform as good as the products already in the market?

O: In your opinion, do you feel that the new \_\_\_\_\_ if introduced would perform as well as other \_\_\_\_\_ now on market?

4. Qual seu nível de confiança na capacidade do(a) \_\_\_\_\_\_ ter um desempenho condizente com o esperado?

T1: What is your level of confidence in the ability of \_\_\_\_\_\_ to have a performance consistent with expected?

T2: What is your level of confidence in the ability of \_\_\_\_\_\_ to have a performance aligned with your expectations?

O: How confident are you of the \_\_\_\_\_'s ability to perform as expected?