

PUFFERY/INFORMATION CONTENT OF U.S. AUTOMAKERS' ADVERTISING:

AN ANALYSIS FROM 1981 TO 1992

by

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ABSTRACT

A content analysis was conducted in order to determine the amounts of information and puffery in U.S. automakers' advertisements in the years 1981 and 1992. Three hypotheses were developed. First, it was hypothesized that there would be a higher percentage of puffery statements than informational statements in U.S. automakers' magazine advertisements in 1981. Second, it was hypothesized that there would be a higher percentage of informational statements than puffery statements in U.S. automakers' magazine advertisements in 1992. Finally, it was hypothesized that there would be a higher percentage of informational statements in U.S. automakers' magazine advertisements in 1992 than in 1981. It was also a goal of this study to discover which types of information cues were used by U.S. automakers in 1981 and 1992. A total of 1,236 statements from 77 print advertisements were gathered from a sampling of four United States weekly magazines in 1981 and 1992.

The results of the study indicated that U.S. automakers' have shifted their advertising strategies in terms of information and puffery. A higher percentage of puffery claims were used in 1981 than in 1992, a higher percentage of information claims were used in 1992 than in 1981, and U.S. automakers focused more of their advertising efforts on informational claims such as safety in 1992. It was concluded that U.S. automakers have shifted their advertising focus to more high-involvement, information-based claims which focus on the wants and needs of their consumers.

CHAPTER I

INTRODUCTION

Background

The U.S. automobile industry has changed greatly over the past ten years. In the early 1980s, U.S. automakers were looking to rebound from the Japanese intrusion of the market place. Sales, however, were at an all-time low. U.S. automakers were not successfully marketing their automobiles to their consumers. They focused more on the product than on the consumer and were losing sales and market share to the Japanese.

In the late 1980s and into the 1990s, U.S. automakers had begun to recover. Instead of fighting the ways of the Japanese automakers, U.S. automakers adopted the Japanese marketing mentality by focusing their marketing and advertising on the wants and needs of the consumer. Sales began to increase and U.S. automakers started experiencing success again.

This study examined the advertising content of the U.S. automakers during their market place decline in the early 1980s and their rise to success in the 1990s. A content analysis was used to identify the amounts of puffery and information in automobile magazine advertisements during 1981 and 1992. It is hypothesized that U.S. automakers used low amounts of information content in 1981 and high amounts of information content in 1992.

High involvement products are those products which tend to be purchased relatively infrequently and are usually high in cost (Bowen & Chaffee, 1974; Hoyer, 1984). Consumers usually seek high amounts of information, and advertisers tend to use high levels of information for high involvement products. It is argued that the automobile is a high involvement product and that advertising for automobiles should

contain high levels of information. Thus, the high-involvement theory will be used to help understand the information content of U.S. automakers' advertising.

Puffery and Information

Puffery in advertising, as well as the information content of advertisements, has been criticized frequently by academic researchers. Primarily, the criticism stems from researchers' claims that advertisements provide very little information and an extreme amount of flamboyant claims or puffery (Vanden Bergh, James, & Rifon, 1990).

Vanden Bergh, James and Rifon (1990) conducted a study to determine the correlation between the amount of puffery/information in automobile magazine advertisements and readership scores. According to Vanden Bergh et al. (1990), the automobile industry has been severely criticized for puffery content in advertisements. Vanden Bergh et al. investigated whether the amount of puffery and/or information in an automobile magazine advertisement had a positive effect on readership scores.

Vanden Bergh et al. (1990) found that domestic automobile advertisers focused more on establishing brand recognition and placed less importance on providing information in their advertisements. They suggested that while there has been some criticism, information content for foreign automobile advertisements leads to a more favorable buying attitude score while puffery in domestic automobile advertisements leads to proved name recognition (Vanden Bergh, James, & Rifon, 1990).

Besides the studies conducted by Vanden Bergh and his colleagues, such as Vanden Bergh, Krugman, and Salwen's (1983) study which found that puffery usage in automobile advertising declined from 1930 to 1980, few other scholars have

specifically tracked the amount of puffery/information content in magazine advertisements for domestic automobile manufacturers over time.

Furthermore, although Vanden Bergh and his colleagues' research has been extensive, there is little recent recorded information on the *change* in the amount of information and puffery in automakers' advertisements over time. However, some researchers have indicated that puffery may be declining in automobile advertising (Wyckham, 1987).

The U.S. automobile industry is an ever-changing industry. U.S. automakers have rebounded from the influx of the Japanese imports in the late 1970s and early 1980s and have begun regaining market share (Wards, 1993). Therefore, it would benefit automobile advertisers as well as the automakers to conduct an analysis of automobile advertisements over time to see if there have been any changes in the amount of puffery or information used.

Purpose and Significance of the Study

The controversy over whether advertising informs or persuades has not been resolved. Advertisers seek guidance to make wise decisions about the amounts of puffery or information in their advertisements. The same holds true for automobile advertisers.

Based upon the findings of the Vanden Bergh et al. (1990) study that indicate information content in automobile advertisements positively influences the effectiveness of the advertisement, on researcher's assumptions that puffery may be declining, and on the increase in combined market share for the Big Three domestic automakers, it is important to discover whether U.S. automobile manufacturers have changed the focus of their advertising efforts in terms of puffery and information. Did U.S. automakers use more information in 1992 than in 1981?

The purpose of this study is to explore the differences, if any, in the puffery/information content of the Big Three automakers' automobile magazine advertisements in 1981 and 1992. The results may be useful in adding to the body of knowledge concerning puffery and information.

The high involvement theory holds that high involvement products, such as automobiles, will elicit high information search from consumers and advertisements for those products will contain high levels of information. For this study, the high involvement theory will be used as the basis for investigating the use of information in U.S. automobile magazine advertising and to help explain why information may be used in U.S. automakers' magazine advertising.

CHAPTER II

LITERATURE REVIEW

Introduction

There are many factors that must be addressed concerning the use of puffery and information in U.S. automakers' magazine advertisements. First, since this study examines puffery and information content in 1981 and 1992, the Big Three U.S. automakers' performance in 1981 and 1992 must be discussed. Second, puffery and information must be defined. Third, past studies on puffery/information usage in automobile advertisements, as well as all advertisements, must be analyzed. Finally, a theoretical framework must be established in order to understand how puffery and information is used to advertise automobiles.

A Review of the Trends in the U.S. Automobile Industry

In 1981, domestic automakers were looking for a turnaround to their worst sales year since 1964; however, it never happened (Wards, 1982). Domestic automakers suffered their worst financial losses in 20 years as U.S. auto sales dropped by 5.7% (Wards, 1982). This ominous start to the decade of the 1980s was due to two reasons.

First, in the mid 1970s, Japan began to significantly increase their market share in the United States automarket. They did this at a time when the U.S. automobile market was unstable. The 1974 oil embargo left Americans in an economic crunch which led them to desire small, reliable, fuel-efficient automobiles. They wanted the types of automobiles the U.S. car makers did not produce (Sharkey, 1991; Treece, Zellner & Konrad, 1989; Winski, 1992).

Rather than acknowledge the Japanese as serious competitors, U.S. automakers initially attributed the success of the Japanese as "pure luck" (Winski, 1992). U.S. automakers began to lose sales and market share to the Japanese because the Japanese had listened to the American consumer's cry for small, reliable, gas efficient cars while the U.S. automakers did nothing (Krebs, 1991; Serafin, 1992b). Frank Raine, Chevrolet marketing manager, reiterates this point.

Ten to 15 years ago, when imports made inroads with small cars, we were selling Vegas and Chevettes and trying to compete with the progressively improved quality of the Japanese models. We weren't very well positioned to defend our turf. (Krebs, 1991, p. S4)

The second reason for U.S. automakers' decline, which is actually an extension of the first reason, is that U.S. automakers, unlike the Japanese, were not focused on what the consumer wanted in an automobile (Garfield, 1992; Recchia, 1992; Winski, 1992). As compared to the U.S., the Japanese were much more consumer oriented. Japanese automakers integrated marketing into their product development process early on and they listened to their market and their consumers during the development process (Winski, 1992).

Conversely, U.S. automakers did not. For example, Chrysler Motor Corporation did not even have a consumer research division until 1985 (Winski, 1992). The Japanese used customer satisfaction as the focus of the entire product development process in the 1970s, and they still do (Winski, 1992). Kim B. Clark, Harvard Business School professor, supports this claim, stating that, "the Japanese take marketing much more seriously. They focus the whole [product] development organization on customer satisfaction" (Winski, 1992, p. S44).

While the Japanese were listening to the American automobile consumer, U.S. automakers arguably were not. U.S. automakers continued to build the cars they wanted and complacently stood back and watched the imports take a greater market

share (Winski, 1992). The U.S. automakers continued "business as usual," and continued to lose market share (Recchia, 1992). The image of the U.S. automakers among American consumers began to deteriorate (Sawyer, 1992; Serafin, 1992) .

1981 Sales and Market Share

The problems facing U.S. automakers in 1981 were reflected in their sales and market share. Domestic new-car sales hit a 20-year low as sales dropped by 5.7% from 1980. For example, in 1980, General Motors had new car sales of 4,116,482 units but dropped to 3,796,696 new car units in 1981.

However, of the Big Three, General Motors fared best in 1981. Net sales increased from \$57.7 billion in 1980 to \$62.8 billion in 1981. That gave GM a profit of \$333 million. Although GM's domestic market share dropped, their 61.2% share of the market in 1981 was down just slightly from their 1980 market share record of 62.6% (Wards, 1982).

Ford continued to lose sales and market share in 1981. Ford dropped from 1,475,231 units in 1980 to 1,380,600 in 1981; Ford's U.S. operations recorded a net loss of \$1.2 billion. Furthermore, Ford's share of the U.S. car market dropped from 17.3% in 1980 to 16.6% in 1981 (Wards, 1982).

Chrysler was the only automaker to increase its domestic car sales. Chrysler's sales of 729,873 in 1981 were up from 660,017 units in 1980. Although Chrysler posted yet another net loss, their net loss of \$475.6 million in 1981 did not compare to their \$1.7 billion loss in 1980 (Wards, 1982).

Consequently, as U.S. automakers continued to lose ground, the Japanese continued to gain a foothold on the market.

1992 Sales and Market Share

The problems facing U.S. automakers in the early 1980s began to subside in the late 1980s to the early 1990s . For example, as of 1992, U.S. automakers increased their combined market share and the U.S. automotive market rose for the first time in three years while the Japanese lost market share for the first time in five years. And, despite the fact that Ford and General Motors lost a combination of \$30 billion in 1992, vehicle sales across the board were up, production lines sped up, and stock prices rose (Wards, 1993).

Of the Big Three, Chrysler Corporation fared best in 1992. Chrysler, whose sales increased \$7.5 billion from \$29.3 billion in 1991 to \$36.8 billion in 1992, experienced its best sales year since 1988. Furthermore, Chrysler stock rose from \$10 per share in late 1991 to over \$40 per share in late spring 1993 (Wards, 1993).

Additionally, although Ford and General Motors suffered their worst financial losses in history in 1992, most of that loss was on paper. Of the \$7.39 billion loss for Ford in 1992, \$6.88 billion of that was a one-time accounting charge. Of the \$23.5 billion loss for GM, \$20.5 billion of that was also a one-time accounting charge. Therefore, Ford and General Motors, who lost \$2.26 billion and \$4.5 billion, respectively, in 1991, lost only \$501.8 million and \$2.6 billion, respectively, in 1992.

Ford's accomplishments in 1992 included:

- (1) Ford's net sales rose from \$88.3 billion in 1991 to \$100.1 billion in 1992.
- (2) For the first time in history, Ford came within 10 market share points of GM in car sales.
- (3) Taurus again became the U.S.'s best-selling car.
- (4) Ford led the U.S. light-vehicle market with a 24.7% share of the market.

GM's accomplishments in 1992 included:

- (1) GM's net sales rose from \$123 billion in 1991 to \$132.4 billion in 1992.
- (2) Saturn, a subsidiary of GM, had an increase in sales of 163% to 196,126 units. This increased Saturn's market share to 3.1% in 1992 from 1.2 % in 1991 (Wards, 1993).

As of 1992, the problems U.S. automakers were having in the early 1980s with their sales and market share seemed to be subsiding. Similarly, their advertising strategies changed over this time period as well.

U.S. Automakers' Response in Terms of Their Advertising Strategies

Since the Japanese began to increase their market share in the U.S. automarket during the mid 1970s, domestic automakers have tried to deal with the Japanese success through advertising and promotional tactics like dealer rebates, incentive plans, increasing car quality and safety, decreasing costs, etc. From 1981 to 1992, there was a positive shift in sales and market share for U.S. automakers. Also, there was a shift in their advertising strategies.

First, compared to the early 1980s, U.S. automakers were much more consumer oriented (Winski, 1992). In the 1980s, U.S. automobile advertising clung to the old themes (sex appeal, prestige, excitement), the old imagery (mountain roads at dusk). They focused much more on puffery-style claims such as sportiness, sex appeal, prestige, and excitement claims than informative advertising claims like quality, safety, and so forth. (Garfield, 1992; Serafin, 1992b).

In fact, U.S. automakers were convinced that safety claims did not sell their automobiles. As early as the 1960s, Ford tried to market "safety packages" which included seat belts as a \$20 option. In 1974, GM tried to market air bags. Both were

unsuccessful; therefore, automakers were weary about promoting safety in their advertisements because of their perception that safety did not sell (Bohn, 1992).

This is not true today. Quality and safety are important issues to automobile consumers. In a study of its consumers, Volvo found that safety was the most important attribute when considering a new car purchase. Finally realizing that consumers' wants and needs are important, U.S. automakers finally started listening to their consumers (Bohn, 1992).

Since consumers were very concerned about car quality and safety, these consumer concerns directly influenced what U.S. automakers wanted to say in their advertising; thus, their advertising strategies changed. The informational themes of quality and safety were the predominant messages issued to the consumer by U.S. automakers as an integral part of U.S. automakers' strategy to reclaim the market (Bohn, 1992).

Puffery Versus Information

The puffery and information content of advertisements has been widely examined (Cohen, 1974; Pollay, 1986; Preston, 1977; Vanden Bergh, James, & Rifon, 1990; Weinberger & Spotts, 1989; Wyckham, 1987) and many deem advertising as a powerful social force (Ewen, 1976; Fox, 1984; Shudeson, 1984; Weinberger & Spotts, 1989).

While it has been argued that every advertisement transmits some amount of information (Resnik & Stern, 1977), whether advertising informs or persuades consumers has been one of the most extensive debates in advertising over the years (Laczniak, 1979; Marquez, 1977; Norton & Norton, 1988; Simonson & Holbrook, 1993; Vanden Bergh, James, & Rifon, 1990). There have been numerous studies which investigated whether consumers are affected/persuaded by puffery in

advertisements (e.g., Marshal, 1919; Olson & Dover, 1978; Rotfeld & Rotzoll, 1981; Vanden Bergh & Bartlett, 1982; Vanden Bergh, James & Rifon, 1990; Vanden Bergh & Fink, 1983; Vanden Bergh & Reid, 1980a; Vanden Bergh & Reid, 1980b). Also, many researchers have studied the amounts of information and puffery in advertisements in an attempt to determine whether there is more information than puffery (or vice-versa) in advertisements (e.g., Harmon, Rassouk, & Stern, 1983; Laczniaak, 1979; Marquez, 1977; Norton & Norton, 1988).

While many criticize the puffery/information content in advertisements, it is often difficult to distinguish between the two (Vanden Bergh, James & Rifon, 1990). Many researchers have attempted to better distinguish puffery from information. The term "puffery" appears frequently in marketing literature (e.g., Boedecker, Morgan, & Stoltman, 1991; Honigwachs, 1987; Preston, 1975, 1977, 1989; Resnik & Stern, 1991; Richards, 1990a, b; Shimp & Preston, 1981; Simonson & Holbrook, 1993) and has been typically defined as sales claims which include "exaggerations, superlatives or hyperbole." However, there have been other relevant definitions as well. Many of the definitions of puffery are listed below:

- (1) No affirmation of the value of goods, nor any statement purporting to be a statement of the seller's opinion only shall be construed as a warranty (Uniform Sales Act, 1906, p. 12).
- (2) A term frequently used to denote the exaggerations reasonably to be expected of a seller as to the degree of quality of his product, the truth or falsity of which cannot be precisely determined (Simonson & Holbrook, p. 228).

- (3) Advertising or other sales representations which praise the item to be sold with subjective opinions, superlatives or exaggerations, vaguely and generally, stating no specific facts (Preston, 1975, p. 17).
- (4) The legal term for allowable persuasive content in advertising is "puffery" (Vanden Bergh, James & Rifon, 1990, p. 348).

Some of the definitions of information include:

- (1) The specific, relevant and verifiable facts about an advertised product that are used in creating a desire for such a product (Marquez, 1977, p. 485).
- (2) Logical, objectively verifiable descriptions of tangible product features (Holbrook, 1978, p. 547).

While advertisers may not agree on whether advertising informs or is puffery, scholars do agree upon two things. Based upon the above definitions, researchers seem to all agree that puffery, in and of itself, is persuasion and does not contain facts. Second, they seem to agree that information in advertisements are facts about the product or service which can be proven.

The Effects of Information and Puffery on the Consumer

Central to the debate of the effectiveness of information and puffery in advertisements is the debate over whether or not puffery is believed by consumers and whether puffery is believed more than information.

One person concerned with the effects of puffery and information, Alfred Marshal, was the first to identify the differences between puffery and information in advertising (Marshal, 1919). Marshal, in his book *Industry and Trade*, concluded that a reasonable amount of informative advertising could be "economically useful" while any amount of "puffed" advertising was wasteful.

Rotfeld and Rotzoll (1981) conducted a study to compare the responses of consumers to both puffery and fact claims. A sample of 100 people were shown five commercials containing puffery and fact claims and asked to identify which claims they believed. They found that consumers will believe puffery statements as much as information statements. Respondents in the study did not give greater credibility to fact related claims in comparison to puffery claims. Thus, Rotfeld and Rotzoll concluded that believability of advertisements was not affected by puffery.

In a similar study, Vanden Bergh and Reid (1980b) attempted to measure the effects of puffery on the consumer as related to overstated and understated claims. They discovered that overstated puffery claims caused decreased advertisement credibility for the consumer. The consumer's intent to purchase was also negatively affected by overstated puffery claims (Vanden Bergh & Reid, 1980b).

Three related studies used Starch readership scores to determine advertising effectiveness. First, Vanden Bergh and Reid (1980a) conducted a study to determine whether puffery in magazine automobile advertisements produced Starch readership scores that were higher than advertisements which did not contain puffery. Fifty automobile advertisements from Starch scored issues of *Time*, *Newsweek*, and *Sports Illustrated* in 1977 were evaluated. It was determined that automobile advertisements containing puffery did not result in higher Starch readership scores than automobile advertisements which did not contain puffery. There were no significant differences in readership scores between automobile advertisements containing puffery and those which did not (Vanden Bergh & Reid, 1980a). A study conducted two years later by Vanden Bergh and Bartlett replicated this finding (Vanden Bergh & Bartlett, 1982).

Later, Vanden Bergh, James, and Rifon evaluated fifty automobile advertisements from February 1985 to June 1987 using Preston's (1975) definition of

puffery and Resnik and Stern's 14-item information cues list to determine information and puffery. They discovered that for foreign automobile advertisements, information content results in a more favorable buying attitude score. For domestic automobile advertisements, puffery tends to lead to proved name registration scores (Vanden Bergh, James & Rifon, 1990).

One frequently asked question is whether the believability of puffery is or is not affected by brand credibility. A study by Vanden Bergh and Fink (1983) concluded that, regardless of the source of the claim, believability of puffery claims was not affected. Respondents in the study refuted the puffery claims regardless of whether the claim came from a brand with high or low credibility (Vanden Bergh & Fink, 1983).

The question as to what extent people might believe *false* puffery claims has also been explored. Olson and Dover (1978) showed subjects an advertisement for a coffee which claimed the coffee was not bitter and then had the subjects taste coffee which was purposefully bitter. They found that the subjects exposed to the false claim in the advertisement were more inclined than the control group to believe the claim both before and after the tasting. Thus, the researchers concluded that false puffery claims were still believed even after subjects had a disconfirming experience with the advertised product (Olson & Dover, 1978).

The effect of puffery and information on the consumer is an important issue to many researchers. In some cases, researchers have found that puffery has a positive effect on the consumer; in other cases, researchers have found that it has a negative effect. In still other instances, it has been found that puffery has no effect at all on the consumer. With such contradictory results, it is difficult to determine how effective puffery is in advertising.

The Amount of Puffery and Information in Advertisements

The amounts of puffery and information contained in advertisements has also been a major debate among advertising scholars. For some time now, the question of whether advertisements contain more information or puffery has been a major debate surrounding advertising (Harmon, Rassouk, & Stern, 1983; Laczniak, 1979; Marquez, 1977; Norton & Norton, 1988). In trying to solve this issue, scholars have examined all media such as magazines, television, radio, etc. The problem is that many studies have found advertising to be mostly informative while various other studies have found the opposite.

Marquez was one of the first to study advertising's informational content. Marquez (1977) analyzed 600 magazine and newspaper advertisements printed between 1973 and 1976. Using content-oriented definitions, advertisements were classified as (1) basic persuasion, (2) basic information, (3) high in persuasion but low in information, (4) high in information but low in persuasion, and (5) mainly intimidation (using fear appeals). Marquez (1977) found that twice as many magazine advertisements were more persuasive than informative.

Shimp was concerned with the amounts of puffery and information in television advertisements. Shimp (1979) analyzed claims in airline, beer, deodorant, and shampoo television advertisements and found that 70 percent contained more puffery than information statements (Shimp, 1979).

Resnik and Stern (1977) developed a 14-item information-cue list in order to discover if television advertisements were informative or non-informative. Deeming an advertisement as informative if it contained only one cue, Resnik and Stern (1977) found that only 49 percent of television ads were informative. A follow-up study by Stern and Resnik (1991) found that advertisements in magazines were more informative than advertisements in television .

The Resnik and Stern (1977) study was a landmark study for two reasons:

- (1) They limited the advertisements sampled to one medium.
- (2) They developed a coding or classification system for advertising content based on a list of 14 possible informational cues useful to the consumer (Vanden Bergh, James, & Rifon, 1990).

Resnik and Stern's 14-item informational cue list (see Table 1) has been successfully used in many other significant studies.

Reid and Rotfeld (1981) used the 1977 Resnik and Stern methodology to examine advertisements which appeared in Saturday morning television programming. Reid and Rotfeld found that less than half of advertisements on Saturday morning television contained one or more informational cues.

Unlike the previous studies mentioned, other researchers have found advertisements to be mostly informational. For example, Laczniak (1979) added the usage of Resnik and Stern's 14-item information-cue list to Marquez's (1977) methodology. After evaluating 380 magazine advertisements, Laczniak found that magazine advertisements contained more information than puffery (Laczniak, 1979).

Similarly, a study by Stern, Krugman, and Resnik (1981) used Resnik and Stern's cue list to evaluate 1,500 randomly selected magazine advertisements. The study found that 86 percent of the 1,500 randomly selected advertisements contained at least one informational cue. Only 14 percent of the advertisements did not contain any information.

Pasadeos, Shoemake, and Campbell studied the content of 1,046 radio advertisements. Using Resnik and Stern's cue list, of all the advertisements studied, 99 percent were found to contain at least one informational cue and 33 percent contained three or more informational cues. They concluded that radio

advertisements were more informative than consumers believed (Pasadeos, Shoemake, and Campbell, 1992).

Other studies which used Resnik and Stern's informational cue list and found high informational content in advertisements are Rice and Lu's (1988) study which found Chinese magazine advertising to be more informative than western advertisements; Weinberger and Spotts (1989) study which analyzed three major U.S. and British commercial network television stations and discovered that there was more information in advertisements for high involvement and rational products than in other product types, and James and Vanden Bergh's (1989) study which found that there was significantly more information in direct response magazine advertisements than in standard advertisements.

The Noor Al-Deen (1991) study and the Keown, Jacob, Schmidt, and Ghymn (1992) study are two additional studies which found high informational content in advertisements. Noor Al-Deen's (1991) study compared U.S. and Saudi Arabian magazines from January to March 1988 and found that U.S. magazine advertisements contain more information than Saudi Arabian advertisements. The Keown, Jacob, Schmidt, and Ghymn (1992) study compared the information content of television, radio, magazines and newspapers advertisements in the U.S., Japan, South Korea, and China and concluded that U.S. television commercials contain the highest number of informational cues per advertisement compared to Japan, China, and South Korea.

Summary

The argument over whether advertising contains mostly information or puffery has not been resolved. However, a review of the literature suggests that the most dominant view seems to be that it is impossible to totally separate information and puffery in advertising. Hunt (1976) supports this claim:

...advertising which most observers would surely categorize as very informative is often very persuasive. That is, advertising messages which provide the consumer a great deal of knowledge about the product or service are often very effective in persuading consumers to purchase the sponsor's product or service. (p. 5)

Theoretical Framework

In an effort to understand advertising's effects on consumer behavior, researchers have often employed the construct of involvement (Muehling, Laczniak & Andrews, 1993). The construct of involvement has prompted a vast amount of research which has "defined, conceptualized, operationalized, and examined involvement from both a theoretical and practical perspective" (Muehling, Laczniak & Andrews, 1993, p.21).

One of the ideas behind the theory of involvement is that there are different levels of involvement with different products. For certain products (high involvement products), an individual will seek out information more than for other products (low involvement products).

Low involvement products are those products which tend to be purchased relatively frequently and are usually low in cost. For low involvement products, like chewing gum, advertisers play on the passivity of the consumer by offering very little information content, which is easily absorbed and processed. Advertisers will also employ more emotional or puffery appeals than rational appeals. Television is more suited for low involvement products (Nelson, 1974; Norton & Norton, 1988).

High involvement products are those products which tend to be purchased relatively infrequently and are usually high in cost (Bowen & Chaffee, 1974; Hoyer, 1984). Since automobiles are expensive and the time between automobile purchases

is usually long for consumers, the automobile could be considered a high involvement product.

For high involvement products, like automobiles, individuals will be more likely to seek out information for the desired product. Consumers seek information in order to compare products or to make the best informed purchase decision. Advertisers will use rational appeals and large amounts of information in more factually based, high involvement media such as newspapers and magazines (Norton & Norton, 1988). Claims concerning price, quality, or other verifiable attributes are indicative of high involvement products. Therefore, advertisements for high involvement products will tend to contain more "hard" information than advertisements for low involvement products (Nelson, 1974; Norton & Norton, 1988).

Before the Japanese entered the U.S. automobile market, U.S. automobile advertising had a low involvement focus because competition in the market place was not fierce and U.S. automakers did not have to focus on those high involvement product attributes which set their automobiles apart. After the Japanese entered the market place in the 1960s and successfully increased market share by the mid 1970s, U.S. automakers did not change their advertising focus from low to high involvement. The growth of competition in the late 1980s and into the 1990s prompted U.S. automakers to change their focus to the consumer, because the consumer was increasingly becoming more highly involved and the automobile is a high involvement product.

While it was not the purpose of this study to compare high involvement and low involvement products, this study did use a high involvement medium (magazines) containing advertisements for high involvement products (automobiles)

to measure the amounts of information and puffery in U.S. automakers' magazine advertising.

Research Questions

A review of advertising during the early 1980s suggests that advertisers were not focused on what the consumer wanted. Although the automobile was a high involvement product, U.S. automakers were not focusing on the information that the consumer valued in making an automobile purchase. Consequently, the U.S. auto industry was suffering economically. In the 1990s, however, U.S. automakers were listening to with what their consumers valued, and the U.S auto industry began to rebound.

The purpose of this study was to closely examine the amounts of information and puffery in U.S. automakers' advertising. High levels of information seem to be important in high involvement products such as automobiles since consumers seek information in their decision making process to help make the best purchase decision.

The research hypotheses were formulated to accomplish the purpose of this study by investigating: (1) the amounts of puffery and information used by U.S. automakers in 1981 and 1992, and (2) the types of information U.S. automakers used most in their advertisements in 1981 and 1992.

The years 1981 and 1992 were chosen as the years of analysis because 1981 was the U.S automakers' worst year of the 1980s and 1992 was their best year to date in the 1990s. Advertisements for automobiles were studied because: (1) automobiles have been identified as high involvement products, and (2) automobile advertising has been used in past research to measure puffery and information and this study is an extension of such studies.

The automobile is a high involvement product; therefore, informational content in automobile advertisements should also be high. Since this study hypothesized that U.S. automakers switched from using low informational content in 1981 to high informational content in 1992, the following research question is investigated:

R1: Which informational cues were employed in 1992 and in 1981?

Hypotheses and Justification

In the theory of high involvement, consumers will seek out information for high involvement products like automobiles to help the consumer make the best purchase decision. Therefore, in advertisements for high involvement products such as automobiles, information content should be high.

In the 1980s, U.S. automakers were not focusing on consumer wants. They focused more on emotional claims like sportiness and sex-appeal in their advertisements. Thus, although U.S. automakers were advertising a high involvement product, they were not employing high amounts of information in their advertisements.

In the 1990s, U.S. automakers were focused on consumer wants and needs. Therefore, in the 1990s, they used high involvement informational claims which focused on consumer wants, such as safety and factual-based quality claims.

H1: In 1981, there was a higher percentage of puffery statements than informational statements in U.S. automakers' magazine advertisements.

H2: In 1992, there was a higher percentage of informational statements than puffery statements in U.S. automakers' magazine advertisements.

H3: There was a higher percentage of informational statements in U.S. automakers' magazine advertisements in 1992 than in 1981.

Table 1
Resnik and Stern's 14-Item Evaluative Criteria to Determine Information

Criteria	Definition
(1) Price or Value	The amount of money or other consideration given in exchange for the advertised good or service.
(2) Quality	A statement denoting the peculiar or essential character of a product or service.
(3) Performance	The claim of certain ability attributes of the product or service.
(4) Components/Content	A breakdown of the mechanics involved in any product or service.
(5) Availability	A statement of distribution indicating where or how much of a product is being offered.
(6) Special Offers	The offer of a deal as added incentive to purchase a particular product or service.
(7) Taste	The statement of the sensory effect that the product has on one's taste buds.
(8) Packaging or Shape	A mention of the uniqueness of shape or a mention of why the package is appealing to or advantageous for the consumer to purchase.
(9) Guarantees/Warranties	An express statement of any guarantee or warranty which comes with purchase.
(10) Safety	Does the ad appeal to any safety needs?
(11) Nutrition	Is there any promise of beneficial nourishment offered in the ad?
(12) Independent Research	The ad tells of Research and Development efforts regarding the product conducted by a non-company sponsored organization.
(13) Company Research	The ad tells of company sponsored research and development regarding the product or service.
(14) New Ideas	Does the ad emphasize the fact that the product or service is original?

(Resnik & Stern, 1977)

CHAPTER III

METHOD

This study investigated the amounts of information and puffery in U.S. automakers' advertisements during the years of 1981 and 1992 in a sample of U.S. published magazines. The theory of high involvement suggests that consumers will seek information for high involvement products such as automobiles.

It has been hypothesized that there may be higher percentages of puffery in 1981 and higher percentages of information in 1992. To determine the levels of information and puffery, content analyses were used to examine the amount and types of information used in U.S. automobile advertising in a sample of magazines. The high involvement theory was used as the basis of this study to understand how and why information is used in U.S. automakers' magazine advertising.

Variables

For this study, a modified version of the Resnik and Stern 14-item information cue list was used to identify information. Included on Resnik and Stern's cue list were: price/value, quality, performance, components or contents, availability, special offers, taste, nutrition, packaging or shape, guarantees or warranties, safety, independent research, company research, and new ideas (see Table 1) (Resnik & Stern, 1977) .

A review of Resnik and Stern's 14-item information-cue list suggested that modifications were needed. First, for the purpose of this study, the taste and nutrition variables were not used because these variables were not applicable to automobiles. Similarly, the quality and value variables were omitted from the cue list because, after pretesting, it was determined that they were too closely related to the other items on

the cue list; thus, these two cues were too difficult to distinguish from the other cues. Finally, the cue "style" was substituted for the cue "packaging" since automobiles have no real "package."

It was also discovered that the Resnik and Stern information cue list was not exhaustive for automobiles. Therefore, two more informational cues, gas-mileage claims and 1-800 numbers, were added to the existing cue list. In all, there were 13 informational cues to identify types of information.

Operationalization of Variables

Puffery. Puffery is advertising or other sales presentations which praise the item to be sold with subjective opinions, superlatives, or exaggerations, vaguely and generally, stating no specific facts.

Information. Information is the specific, relevant and verifiable facts about an advertised product.

Defining the Unit of Analysis

For the purpose of this study, the unit of analysis was defined as the individual statements in the advertisements. A statement was the completion of a thought or idea that was usually set apart from other statements by a comma, colon, semicolon, hyphen, period or any other type of punctuation. A statement could also be contained in parentheses. Also, a statement did not exclude whole sentences.

Individual statements, instead of whole sentences, were chosen as the unit of analysis because a whole sentence may contain both information and puffery statements. By narrowing the unit of analysis to statements, the coders could more easily determine between information and puffery.

Informational Cues

One of the purposes of the current study was to identify the types of information used by U.S. automakers in their advertisements. In order to do this, coders used information cues to clarify the differences among information types. There were 13 informational cues used to determine the type of information used in each advertisement. Eleven of the cues originated from Resnik and Stern (1977). However, after reviewing the instrument, the cue definitions were modified to more clearly identify information types. The cues were defined as followed:

1. Price. The manufacturers' suggested retail price for the automobile.
2. Performance. The manner in which the car functions. Zero to 60 in 4.5 seconds, maneuverability of the automobile, and so forth are all examples of performance.
3. Style or Shape. Style is the caliber of imagination and individuality expressed in an automobile. Shape is a form or condition in which the automobile may appear.
4. Components or Contents. Component is a part of a mechanical or electrical complex. Content is something retained in a receptacle. Engine parts, stereos, air conditioning, and so on are all examples.
5. Availability. Accessibility for use; at hand. This would refer to how many automobiles are accessible for sale, how close a dealer is, and so forth.
6. Special Offers. The condition of being offered, especially for sale. A rebate, price incentive, mark down on the price of an automobile, and so on would be included here.
7. Guarantees or Warranties. A guarantee is a promise or assurance, especially as to the durability or quality of an automobile. A warranty is an assurance by an automobile company or dealer that the automobile is as represented or will be

as promised. Road hazard protection for the tires, a 3-year, 30,000 mile protection on the powertrain, and so on are included here.

8. Safety. The state of being safe. References to air bags, anti-lock brakes, safety records, and so on are included in this category.

9. Independent Research. Scientific or scholarly investigation conducted on an automaker or an automakers' automobile by an outside source. J.D. Power & Associates' automobile reviews, Car and Driver reports, and so forth are all examples of independent research.

10. Company Research. Scientific or scholarly investigation conducted by the automaker itself.

11. New Ideas. Plans, schemes, developments, or methods that are novel, found or just discovered and no other automaker has. A unique braking system, advanced engine design, and so on are included here.

12. Gas Mileage Claims. Any statement concerning the miles per gallon the car gets (25 city/45 Hwy, 45 MPG, etc.).

13. 1-800-Numbers. Any statement, or series of statements, which lists a number and urges the consumer to call that number for more information.

Sampling and Procedures

A systematic random sample of 77 magazine advertisements, or 1,236 statements, appearing in the 1981 and 1992 issues of *Business Week*, *Newsweek*, *Sports Illustrated*, and *Time* magazines were selected for the study. These magazines were chosen because of their: 1) accessibility, and 2) because these magazines have been used frequently in previous studies which examined the amounts of puffery and information.

All automobile advertisements were selected from every sixth issue, following a random start, of each of the four magazines. For both years and all four magazines, the issue numbers were the same. Every advertisement was from either Ford, General Motors, or Chrysler since they were the Big Three automakers in the United States. The years 1981 and 1992 were chosen as the years of analysis because 1981 was the U.S automakers' worst year of the 1980s and 1992 was their best year to date in the 1990s.

All automobile advertisements were coded by two students of Texas Tech University. One coder was male while the other was female. The male coder was a graduate student in the School of Mass Communications at Texas Tech University, while the female coder was a physical therapy student at Texas Tech University Health Sciences Center.

To determine information and puffery in the advertisements, only body copy in the magazine advertisement was coded. All other statements, such as headlines, tables, graphs, slogans, etc., were excluded. This study examined what U.S. automakers were using in their advertisements to sell automobiles and body copy best allowed for such analysis. The limitation to this was that other portions of the advertisements which contained either puffery or information were not counted.

Coders were personally instructed on how to determine and identify lines of information and puffery. Once they read the instruction sheet, they were allowed to ask any questions. In coding the advertisements, the coders were instructed that they should scan the advertisement first. Next, they reviewed the coding sheet to check definitions and informational cues. Finally, they marked the statement as either puffery or information.

If the coder found the statement to be puffery, he or she was instructed to mark that statement with a green highlighter. If the statement was information, the

coder was instructed to mark the statement with a blue highlighter and then to write the number of the informational cue that corresponds to that informational statement at the end of that informational statement.

Before coding the 77 advertisements, the coders practiced on a test advertisement to make sure they were comfortable with the coding scheme. The coders did not have many questions and did not seem to have any problems with their coding instructions.

To determine the reliability of the coding scheme, each coder coded five identical advertisements after the coders were thoroughly trained. Intercoder reliability of puffery versus information and of informational cues was determined.

In a pre-test of the instrument, intercoder reliability was calculated by using Holsti's formula (Wimmer & Dominick, 1991). The formula is identified below:

$$\text{Reliability} = \frac{2M}{N1 + N2} .$$

In the formula, M represents the number of coding decisions on which both coders agree while N1 and N2 represent the total number of coding decisions for the first and second coder, respectively.

Reliability = .97 for 71 puffery versus information statements, and .85 for informational cues. In both cases, the degrees of intercoder reliability obtained were within Kassarian's (1977) range of 85--100% which suggests that the coders' confusion and ambiguity about the coding scheme and for the advertisements was low.

Statistical Analyses

For the statistical analysis, this study calls for a comparison of the amounts of puffery and information used in U.S. automakers' advertisements during 1981 and 1992. Binomial testing was used for hypotheses one and two to test the amounts of puffery and information in both 1981 and 1992 against the theoretical alternative of an even distribution. A chi-square test was used for hypothesis three to determine whether the proportions of information in 1992 and 1981 were significantly different. Chi-square analysis was also used to explore for any other statistically significant differences in the use of specific information cues.

Research question one was developed to determine which informational cues were used in 1992 and in 1981. A frequency distribution and a chi-square analysis of all informational cues were used to test for significant differences among all cues. Next, each individual cue was tested against "all other" cues in a chi-square analysis to compare the differences in the amounts of each individual cue versus other informational cues.

The SPSS statistical computer program was used to run binomial tests of hypotheses one and two. The StatView statistical computer program was used to compute chi-square analyses for hypothesis three and to discover information cue distribution. Both programs were used to determine statistically significant comparisons. The calculation of binomial testing and chi-square analyses were based on the difference between the frequency of puffery and informational statements.

CHAPTER IV

RESULTS

The sample for this study included 1,236 statements from 77 advertisements; 627 statements from 38 advertisements during 1981 and 609 statements from 39 advertisements during 1992. Binomial testing and chi-square analyses were used to test the hypotheses.

Descriptive Analysis

In the sample there was a higher percentage of puffery statements than informational statements in 1981. For example, 68.9% (432) of the statements in 1981 were puffery, while only 31.1% (195) of the statements were considered to be information.

Just the reverse was found in 1992. In 1992, there was a higher percentage of informational statements than puffery statements in the sample of U.S. automakers' magazine advertisements. Specifically, 60.59% (369) of the statements in 1992 were information, while only 39.41% (240) of the statements were identified to be puffery.

Finally, there were differences in the amounts of information cues used in the sample of U.S. automakers' magazine advertisements. The cues showing statistically significant differences were: Style/Shape, Special Offers, Guarantee/Warranty, Safety, Independent Research, New Ideas, Gas Mileage, and 1-800 Numbers.

Style/Shape, which had only three cues (.48%) in 1981, had 15 cues (2.46%) in 1992. Special Offers, which had only one cue (.16%) in 1981, had 29 cues (4.76%) in 1992. Guarantee/Warranty, which had 0% in 1981, had 25 cues (4.11%) in 1992. Safety, which had 0% in 1981, had 47 cues (7.72%) in 1992.

Furthermore, Independent Research, which had only 10 cues (1.59%) in 1981, had 28 cues (4.6%) in 1992. New ideas, which had only one cue (.16%) in 1981, had 17 cues (2.79%) in 1992. Gas mileage, which had 30 cues (4.78%) in 1981 had only eight cues (1.31%) in 1992. Finally, 1-800 numbers had only one cue (.16%) in 1981, and had 22 cues (3.61%) in 1992. See Tables 2 and 3 for frequency distributions of these, and all other cues.

Test of Hypotheses

Hypotheses One and Two: Comparing Puffery to Information in 1981 and 1992

Hypothesis one stated that, in 1981, there would be a higher percentage of puffery statements than informational statements in U.S. automakers' magazine advertisements. In Table 4, results suggested that, in 1981, a higher percentage of puffery statements were employed than informational statements in U.S. automakers' magazine advertisements. In 1981, there were 432 puffery statements (68.9%) while only 195 informational statements (31.1%) were recorded. A binomial test was used to examine the differences in the usage of puffery and information in 1981. The results of the binomial test for 1981 are presented in Table 4. Statistically significant binomial differences were found in the usage of puffery and information in 1981 ($p < .01$).

Hypothesis two stated that, in 1992, there would be a higher percentage of informational statements than puffery statements in U.S. automakers' magazine advertisements. In Table 4, results suggest that, in 1992, a higher percentage of informational statements were employed than puffery statements in U.S. automakers' magazine advertisements. In 1992, there were 369 informational statements (60.59%), while only 240 puffery statements (39.41%) were recorded. Again, a

binomial test was used to examine the differences in the usage of puffery and information in 1992. The results of the binomial test for 1992 are presented in Table 4. Statistically significant binomial differences were found in the usage of puffery and information in 1992 ($p < .01$).

Hypothesis Three: Comparing Information to Information and Puffery to Puffery in 1981 and 1992

Hypothesis three stated that U.S. automakers' advertisements would contain a higher percentage of informational statements in 1992 than in 1981. Table 5 suggests that a higher percentage of informational statements were employed in 1992 than in 1981. In 1992, there were 369 informational statements (60.59%), while only 195 informational statements (31.1%) were recorded in 1981. A chi-square test was used to compare the amounts of information used in 1992 and in 1981. The results of the chi-square analysis for the amounts of information in 1992 and 1991 are presented in Table 5. Statistically significant chi-square differences were found between the usage of information in 1992 and 1981 ($X^2 = 108.299$, $df = 1$, $p < .01$).

In Table 5, results suggest that, in 1992, higher percentages of informational statements were employed than in 1981. One consequence of this result is that the converse is also true: there were less puffery statements in 1992 than in 1981. In 1992, there were only 240 puffery statements (39.41%) as compared to 432 puffery statements (68.9%) recorded in 1981. Therefore, as a result of testing for hypothesis three, it can also be concluded that there are statistically significant differences between the usage of puffery in 1992 and 1981.

Examining the Research Question

The research question asked which information cues were used in 1992 and in 1981. In analyzing all of the data, some significant differences were found in the usage of informational cues in U.S. automakers' advertisements. Chi-square analysis was used to test the significance of the differences in the usage of each informational cue in both 1981 and 1992. The results of this chi-square analysis are presented in Table 6. Statistically significant chi-square differences were found for the following cues: Style/Shape, Special Offers, Guarantee/Warranty, Safety, Independent Research, New Ideas, Gas Mileage, and 1-800 Numbers.

In 1981, there were only 3 style/shape cues (.48%) as compared to 624 (99.52%) "all other" cues. Conversely, there were 15 cues (2.46%) as compared to 594 (97.54%) "all other" cues in 1992. Statistically significant chi-square differences were found between the usage of style/shape cues in 1992 and 1981 ($X^2=8.479$, $df=1$, $p<.01$).

In 1981, there was only one special offers cue (.16%) as compared to 626 (99.84%) "all other" cues. On the other hand, there were 29 cues (4.76%) as compared to 580 (95.24%) "all other" cues in 1992. Statistically significant chi-square differences were found between the usage of special offer cues in 1992 and 1981 ($X^2=27.632$, $df=1$, $p<.01$).

In 1981, there were no guarantee/warranty cues as compared to 627 (100%) "all other" cues. On the other hand, there were 25 cues (4.11%) as compared to 584 (95.89%) "all other" cues in 1992. Statistically significant chi-square differences were found between the usage of guarantee/warranty cues in 1992 and 1981 ($X^2=26.27$, $df=1$, $p<.01$).

In 1981, there were no safety cues as compared to 627 (100%) "all other" cues. On the other hand, there were 47 cues (7.72%) as compared to 562 (92.28%)

"all other" cues in 1992. Statistically significant chi-square differences were found between the usage of safety cues in 1992 and 1981 ($X^2=50.302$, $df=1$, $p<.01$).

In 1981, there were only 10 independent research cues (1.59%) as compared to 617 (98.41%) "all other" cues. On the other hand, there were 28 cues (4.6%) as compared to 581 (95.4%) "all other" cues in 1992. Statistically significant chi-square differences were found between the usage of independent research cues in 1992 and 1981 ($X^2=9.348$, $df=1$, $p<.01$).

In 1981, there was only one new idea cue (.16%) as compared to 626 (99.84%) "all other" cues. On the other hand, there were 17 cues (2.79%) as compared to 592 (97.21%) "all other" cues in 1992. Statistically significant chi-square differences were found between the usage of new idea cues in 1992 and 1981 ($X^2=14.912$, $df=1$, $p<.01$).

In 1981, there were 30 gas mileage cues (4.78%) as compared to 597 (95.22%) "all other" cues. On the other hand, there were only 8 cues (1.31%) as compared to 601 (98.69%) "all other" cues in 1992. Statistically significant chi-square differences were found between the usage of gas mileage cues in 1992 and 1981 ($X^2=12.491$, $df=1$, $p<.01$).

In 1981, there was only one 1-800 number cues (.16%) as compared to 626 (99.84%) "all other" cues. On the other hand, there were 22 cues (3.61%) as compared to 587 (96.39%) "all other" cues in 1992. Statistically significant chi-square differences were found between the usage of 1-800 number cues in 1992 and 1981 ($X^2=20.17$, $df=1$, $p<.01$).

Summary of Findings

Based upon the statistically significant differences observed in this random sample of automobile advertisements, certain conclusions can be drawn. U.S.

automakers employed much wider use of puffery in 1981 than they did in 1992. Similarly, in 1992, U.S. automakers used higher percentages of more informational appeals than they did in 1981.

Furthermore, in 1981, U.S. automakers used higher percentages of puffery appeals than information. However, in 1992, U.S. automakers used a higher percentage of informational appeals .

According to the results of the study, hypothesis one, which stated that in 1981 there would be a higher percentage of puffery statements than informational statements in U.S. automakers' magazine advertisements, was supported; hypothesis two, which stated that in 1992 there would be a higher percentage of informational statements than puffery statements in U.S. automakers' magazine advertisements, was supported, and, hypothesis three, which stated that U.S. automakers' advertisements would contain a higher percentage of informational statements in 1992 than in 1981, was supported. Finally, there were significant differences in the usage of certain informational cues. The informational cues showing statistically significant differences were Style/Shape, Special Offers, Guarantee/Warranty, Safety, Independent Research, New Ideas, Gas Mileage, and 1-800 Numbers.

Table 2
Frequencies of All Cues in 1981 and 1992 (% of Column Totals)

Cue	1981	1992	Total
Price	1.12% n=7	1.31% n=8	1.21% n=15
Performance	2.87% n=18	4.6% n=28	3.72% n=46
Style/Shape	.48% n=3	2.46% n=15	1.46% n=18
Components/ Content	17.7% n=111	20.53% n=125	19.09% n=236
Availability	.32% n=2	0% n=0	.16% n=2
Special Offers	.16% n=1	4.76% n=29	2.43% n=30
Guarantee/ Warranty	0% n=0	4.11% n=25	2.02% n=25
Safety	0% n=0	7.72% n=47	3.8% n=47
Independent Research	1.59% n=10	4.6% n=28	3.07% n=38
Company Research	1.75% n=11	2.79% n=17	2.27% n=28
New Ideas	.16% n=1	2.79% n=17	1.46% n=18
Gas Mileage	4.78% n=30	1.31% n=8	3.07% n=38
1-800 Numbers	.16% n=1	3.61% n=22	1.86% n=23
Puffery	68.9% n=430	39.41% n=240	54.73% n=672
Total	100%	100%	100%

Table 3
Frequencies of All Cues in 1981 and 1992 (% of Row Totals)

Cue	1981	1992	Total
Price	46.67% n=7	53.33 n=8	100% n=15
Performance	39.13% n=18	60.87% n=28	100% n=46
Style/Shape	16.67% n=3	89.33% n=15	100% n=18
Components/ Content	47.03% n=111	52.97% n=125	100% n=236
Availability	100% n=2	0% n=0	100% n=2
Special Offers	3.33% n=1	96.67% n=29	100% n=30
Guarantee/ Warranty	0% n=0	100% n=25	100% n=25
Safety	0% n=0	100% n=47	100% n=47
Independent Research	26.32% n=10	73.68% n=28	100% n=38
Company Research	39.29% n=11	60.71% n=17	100% n=28
New Ideas	5.56% n=1	94.44% n=17	100% n=18
Gas Mileage	78.95% n=30	21.05% n=8	100% n=38
1-800 Numbers	4.35% n=1	95.65% n=22	100% n=23
Puffery	64.29% n=430	35.71% n=240	100% n=672

Table 4
Comparison of Information to Puffery in 1981 and 1992

Year	Information	Puffery	<i>p</i> Value
1981	31.1% n=195	68.9% n=432	<i>p</i> <.01*
1992	60.59% n=369	39.41% n=240	<i>p</i> <.01*

Using binomial test with a .50 hypothetical proportion.

**p*<.01

Table 5
Comparing Information to Information and Puffery to Puffery in 1981 and 1992

Cue	1981	1992	X ² Value
Information	31.1% n=195	60.59% n=369	X ² =108.299*
Puffery	68.9% n=432	39.41% n=240	

**p*<.01

Table 6
Comparison of Information Cues in 1981 and 1992

Cue	1981	1992	X ² Value
Price	1.12% n=7	1.31% n=8	X ² =.1
Performance	2.87% n=18	4.6% n=28	X ² =2.571
Style/Shape	.48% n=3	2.46% n=15	X ² =8.479*
Component/ Content	17.7% n=111	20.53% n=125	X ² =1.593
Availability	.32% n=2	0% n=0	X ² =1.946
Special Offer	.16% n=1	4.76% n=29	X ² =27.632*
Guarantee/ Warranty	0% n=0	4.11% n=25	X ² =26.27*
Safety	0% n=0	7.72% n=47	X ² =50.302*
Independent Research	1.59% n=10	4.6% n=28	X ² =9.348*
Company Research	1.75% n=11	2.79% n=17	X ² =1.501
New Ideas	.16% n=1	2.79% n=17	X ² =14.912*
Gas Mileage	4.78% n=30	1.31% n=8	X ² =12.491*
1-800 Number	.16% n=1	3.61% n=22	X ² =20.17*

Chi-square calculated by testing each cue against all other cues.

* $p < .01$

CHAPTER V

DISCUSSION AND CONCLUSION

Summary of Research Question One Testing

Research question one was developed to discover which information cues were employed in 1992 and in 1981. Results of frequency distribution showed that higher percentages of certain informational cues were employed in one year than in the other year (see Tables 2 and 3). The results of chi-square testing of each individual cue versus all other cues found that, in 1992, U.S. automakers' advertisements contained more Style/Shape, Special Offers, Guarantee/Warranty, Safety, Independent Research, New Ideas, and 1-800 Number cues than in 1981. The only informational cue which appeared significantly more in 1981 was Gas Mileage (see Table 6).

Summary of Hypotheses Testing

The first hypothesis stated that, in 1981, there would be a higher percentage of puffery statements than informational statements in a sample of U.S. automakers' magazine advertisements. The results of binomial testing suggest that, from the sample drawn for this study, U.S. automakers used significantly higher percentages of puffery statements than informational statements in their 1981 magazine advertisements. Therefore, hypothesis one was supported.

Hypothesis two stated that, in 1992, there would be a higher percentage of informational statements than puffery statements in U.S. automakers' magazine advertisements. The results of binomial testing suggest that, from the sample drawn for this study, U.S. automakers used significantly higher percentages of

informational statements than puffery statements in their 1992 magazine advertisements. Therefore, hypothesis two was supported.

Hypothesis three stated that U.S. automakers' advertisements would contain a higher percentage of informational statements in 1992 than in 1981. The results of chi-square analyses suggest that, from the sample drawn for this study, U.S. automakers used significantly higher percentages of informational statements in 1992 than in their 1981 magazine advertisements. Therefore, hypothesis three was supported.

Implication of Findings

The results of the study indicate that, in 1992, U.S. automakers' advertising was more informative than in 1981. More information was found in 1992 than in 1981 and there was more information than puffery in 1992. These findings are consistent with much of the research which found that advertising contains more information than puffery (James & Vanden Bergh, 1989; Keown, Jacobs, Schmid & Ghymn, 1992; Laczniak, 1979; Noor Al-Deen, 1991; Pasadeos, Shoemake, & Campbell, 1992; Rice & Lu, 1988, Stern, Krugman & Resnik, 1981; Stern & Resnik, 1991; Weinberger & Spotts, 1989).

The high involvement theory states that high involvement products, such as automobiles, will tend to elicit high information search from consumers. Therefore, according to Nelson (1974), advertisements for high involvement products will generally contain high amounts of information.

However, results of this study indicated that U.S. automakers used more puffery than information in 1981. Considering the fact that the automobile is a high involvement product, why would U.S. automakers use more puffery than information claims in 1981?

Two reasons may explain why U.S automakers' advertisements in 1981 did not contain high levels of information. First, U.S. automakers would not compromise their old ways of business. Until the Japanese began increasing their share of the market in the 1970s by supplying U.S. consumers with the small, fuel-efficient automobiles they desired, U.S. automakers were not used to competition. They could build the cars they wanted to build and the U.S. consumer would have little other choice than to buy it because there were not a lot of other options from which to choose. Thus, U.S. automakers did not feel they needed to fill their advertisements with information.

The second reason may be that U.S. consumers in the early 1980s were self-indulgent and their urge to own or experience the best of everything was taken to extremes. The consumer may have been focusing more on just having fun (Grey Matter Alert, 1992). U.S. automakers attempted to play on the U.S. consumer's self-indulgence by using sportiness and sex-appeal types of advertising. By this time, U.S. automakers' image had been severely damaged and their attempt to relate to the market did not work.

The above reasons may explain why U.S. automakers did not employ large amounts of information in their advertisements during 1981. However, what factors accounted for the high levels of information in 1992? Results of this study suggest that, for the sample drawn, large amounts of information was employed by U.S. automakers in their advertisements during 1992. Why did the U.S. automakers change to more informative appeals in 1992?

There are a few reasons why more information may have been used in U.S. automakers' advertisements during 1992 than in 1981. First, as compared to the early 1980s, the U.S. consumer has changed dramatically. In the 1980s, the U.S. consumer was only interested in self-fulfillment. When asked what things mattered most in life,

consumers listed as their top goals: 1) "making life the best it can be," 2) "enjoying what I do," 3) being able to afford the things I enjoy," and 4) "staying physically fit" (Grey, 1992, p. 1). In the 1990s, these goals have changed. Consumers are interested in the simple joys in life and are aware of the importance of family. The flashy advertisements emphasizing the aesthetic attributes of the automobile may not be attractive to the consumer because today's consumer may be interested in more meaningful product attributes in order to make more informed choices (Grey 1992).

Since today's consumer is very family-oriented, they are downshifting. Downshifting is a conscious, considered effort to make everyday life manageable and secure (Grey, 1992, p. 3). Since they are having to downshift, they are having to be realistic about how much they spend. Therefore, consumers today are seeking the information they need in order to obtain the best product for the best price.

A second reason why more information is used in U.S. automakers' advertisements during 1992 than in 1981 may be that, today, the automobile consumer is not as educated about the automobile as compared to ten years ago. Over the past decade, express oil change service centers (like Jiffy Lube), automobile convenient stores (like Western Auto), and vast amounts of auto garages have replaced the do-it-yourself mechanics of a decade ago. There are fewer consumers today who are their own mechanic. Therefore, consumers today may seek information in order to make up for their lack of knowledge about automobiles.

Additionally, there are more female automobile consumers today than there was in 1981. Women today have more discretionary income today than they had ten years ago because more women are working. In today's society, there are much more dual-income families and single women than there was ten years ago; therefore, women have more of a role in the automobile-buying process. Women are typically

information-oriented and tend to research automobiles before they make a purchase decision (American Demographics, 1990).

The above reasons might explain why U.S. automakers' advertising was more informative in 1992 than in 1981.

How Do Different Informational Appeals Relate With U.S. Automakers' Advertising Strategies?

Higher frequencies of certain information cues (Safety, Style/Shape, Special Offers, Guarantee/Warranty, Independent Research, New Ideas, Gas Mileage and 1-800 Numbers) appearing in U.S. automakers' advertisements were revealed in results of the present study. The following reasons may account for higher frequencies of certain information cues:

1. Safety is a dominant issue. From child safety regulations on toys to antilock brakes and airbags, safety plays a key role in how advertisers and marketers market their product. Now more than ever, consumers are very concerned about product safety. Consumers today may be more focused on the importance of family; thus, they want an automobile that is safe for their family. Whatever the reason, advertisers are responding to their concerns. The same holds true for automobile advertisers. Consumers are demanding that the new car they buy has standard antilock breaks, driver's, and now passenger-side airbags, and automobile structures that absorb the impact of a wreck. Therefore, advertisers are focusing on the safety issue.

2. Style/Shape, Special Offers, Guarantee/Warranty and New Ideas.

While self-fulfillment may not be the primary preoccupation for consumers today, the automobile consumer wants an automobile that they will look good in and that they can afford. The U.S. automaker must continually make new advances in

automobile designs, such as "Cab Forward" by Chrysler, in order to compete with the vast amount of competition.

Furthermore, with reports coming in that consumers think that U.S. automobiles (as well as Japanese automobiles) all look alike, U.S. automakers must continually try to set their automobile apart from the rest the competition and try to give the consumer an offer that cannot be refused. This offer must include a competitive and comprehensive guaranty or warranty because service after the sale is a major selling point today with the automobile consumer. With such fierce competition in the marketplace, it is logical that automobile advertising would focus on these issues.

3. Independent research as a tool for satisfying consumer values. Again, today's consumer is more family-oriented than in the 1980s and is having to "downshift." Since the automobile consumer is concerned with such issues as the safety and overall quality of automobiles, they seek out information provided by independent research companies like JD. Power & Associates and Car & Driver reports. Consumers trust these types of independent research reports more than company sponsored research because consumers view independent research reports as more objective. These types of independent research reports aid the consumer in the decision making process and in assuring that the automobile they purchase is the safest and highest quality automobile for their money. Not only will the consumer seek out this type of information, he or she will also pay attention to these reports when presented in an advertisement for an automobile.

4. Gas Mileage claims reflect the changes in U.S. automakers' advertising strategies. Results of the present study found that U.S. automakers employed more gas mileage claims in 1981 than in 1992. When the Japanese began to take over the market with the fuel-efficient automobiles consumers wanted, U.S. automakers did

not respond in terms of producing the types of automobiles the consumer wanted. Although, they did start employing more gas mileage claims in their advertising. U.S. automakers attempted to rationalize their oversized automobiles by emphasizing that, for their size, their automobiles get good gas mileage. However, the U.S. consumer was aware that no real changes had been made in U.S. automakers' automobiles.

Today, while gas mileage is important to the consumer, it is not the dominant issue for two reasons. First, consumers are more concerned with the safety and quality of the automobile. Second, with today's technology, most automobiles get very good gas mileage no matter what the size of the automobile.

5. 1-800 Numbers and the information era. The information age has conditioned consumers to seek out the types of information they need. More and more, automobile consumers do not want to have to go to their local automobile dealer to get all of the information they need. They seek out reports from independent research companies, read trade magazines, and use their telephones to get information straight from the automobile manufacturer. Advertisers use 1-800 numbers, or direct marketing, in their advertisements not only to give the consumer greater access to information concerning their automobile, but also to provide incentives for the consumer to buy their automobile by offering the consumer rebates, gifts, etc., for calling.

The above reasons might explain how different informational appeals relate to U.S. automakers' advertising strategies.

Comparison with Other Studies

Findings revealed in this study coincide with findings in other studies. A review of the literature suggest that some of the past studies found advertising to contain mostly puffery while other studies found advertising to be mostly

informative. The discrepancies between these studies seems to correlate with the year they were conducted.

For example, studies which found advertising to contain mostly puffery (Marquez, 1977; Reid & Rotfeld, 1981; Resnik & Stern, 1977; Shimp, 1979) are all over ten years old. On the other hand, most studies which found advertising to be mostly informative (James & Vanden Bergh, 1989; Keown, Jacob, Schmidt, & Ghymn, 1992; Laczniak, 1979; Noor Al-Deen, 1991; Pasadeos, Shoemake, & Campbell, 1992; Rice & Lu, 1988; Stern, Krugman, & Resnik, 1981; Weinberger & Spotts, 1989) are all recent studies with the exception of Laczniak (1979) and Stern, Krugman, and Resnik (1981). The general trend of these studies support the results of this study in that U.S. automakers' advertising was found to contain more puffery in 1981 and more information in 1992

The results of the current study also tend to confirm Vanden Bergh, Krugman, and Salwen's (1983) study which found that the amount of puffery in U.S. automakers' advertising decreased form 1930 to 1980. This study and Vanden Bergh, Krugman, and Salwen's (1983) study seem to indichte that U.S. automakers' advertising has continued to become more informative as years pass.

Conclusion

The purpose of this study was to explore the differences in the puffery/information content of the Big Three automakers' automobile magazine advertisements in 1981 and 1992. This study suggests that U.S. automakers, as compared to 1981, have switched their advertising focus to more informative appeals in the 1990s to focus on the automobile attributes consumers value most.

In 1981, U.S. automakers were using low involvement appeals to advertise their automobiles, which are high involvement products, and were suffering

economically. As mentioned, U.S. automakers did not use high amount of information then because they were not used to the competition and did not view their competition as worthy opponents.

This study cannot draw the conclusion that low levels of information in U.S. automakers' advertisements caused U.S. automakers decline in sales and market share during 1981. However, the fact that U.S. automakers used high levels of information in 1992 and were increasing sales does suggest that there may be a correlation between high levels of information content in advertisements and economic success for U.S. automakers.

U.S. automakers finally became more consumer-oriented in the 1990s. They adopted the customer-oriented approach of the Japanese and have started to replicate the success of the Japanese. It is believed that U.S. automakers have learned from their past mistakes and will continue in the future to use information claims based on the wants and need of their consumers.

Limitations and Recommendations

There are a few limitations to the study. First, this study examined only print advertisements for U.S. automobile manufacturers. It is highly possible that the amounts of information and puffery appearing in these advertisements would differ from U.S. automakers' advertisements, and advertisements in general, in other media. Therefore, the results obtained through this study could not be generalized to advertisements in other media and by other advertisers.

The second limitation of this study is that the sample drawn may not lend itself to generalizability. From four magazines in 1981 and 1992, 77 advertisements containing 1,236 statements were coded. While the advertisements were produced

from a systematic random sample, it is hard to generalize the result of this study beyond 1981 and 1992.

The third limitation is this study focused on automobiles, which are high involvement products. Therefore, the results obtained in this study do not represent low-involvement products or those products which are not high-involvement.

Based on the above limitations, some recommendations for future research were generated.

1. Future research could replicate this study for other media such as newspaper, television, and radio in order to obtain a broader knowledge of U.S. automakers' use of information and puffery in all media.

2. A trend analysis from 1981 to 1992 which looked at advertisements from each year could yield more valid findings on the use of puffery and information in U.S. automakers' advertisements from 1981 to 1992.

3. Future research could replicate this study for all products, and not just high-involvement products, in order to see if similar results are obtained in 1981 and 1992.

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APPENDIX A: CODING SHEET

I. Advertisement Number

II. Statement Number

III. Coder Identification

___ 1.

___ 2.

IV. Year of Article

___ 1. 1981

___ 2. 1992

V. Type of Cue

___ 1. Price

___ 2. Performance

___ 3. Style/Shape

___ 4. Components/Content

___ 5. Availability

___ 6. Special Offers

___ 7. Guaranty/Warranty

___ 8. Safety

___ 9. Independent research

___ 10. Company Research

___ 11. New Ideas

___ 12. Gas Mileage

___ 13. 1-800 Numbers

VI. Information/Puffery

___ 1. Information

___ 2. Puffery

6. **Special Offers-** The condition of being offered, especially for sale (a rebate, price incentives, a mark down on the price of an automobile, etc.).
7. **Guarantees or Warranties-** A guarantee is a promise or assurance, especially as to the durability or quality of an automobile.
A warranty is an assurance by an automobile company or dealer that the automobile is as represented or will be as promised (3 year, 30,000 miles on the powertrain, road hazard for the wheels, etc.).
8. **Safety-** The state of being safe (references to air bags, anti-lock brakes, safety records, etc.).
9. **Independent Research-** Scientific or scholarly investigation conducted on an automaker or an automaker's automobile by an outside source (J.D. Power & Associate's automobile reviews, Car and Driver reports, etc.).
10. **Company Research-** Scientific or scholarly investigation conducted by the automaker itself.
11. **New Ideas-** Plans, schemes, developments, or methods that are novel, found or just discovered and no other automaker has (a unique braking system, advanced engine design, etc.).

12. **Gas Mileage Claims-** Any statement concerning the miles per gallon the car gets (25 city/45 Hwy, 45 MPG, etc.).
13. **1-800-Numbers-** Any statement, or series of statements, which lists a number and urges the consumer to call that number.

Use the following content-oriented definition of puffery to determine lines of puffery copy in the advertisement:

Puffery is advertising or other sales presentations which praise the item to be sold with subjective opinions, superlatives, or exaggerations, vaguely and generally, stating no specific facts.

Use the definition of a statement, and the following instructions to code lines of information and puffery.

A statement is the completion of a thought or idea that is set apart from other statements by a comma, colon, semicolon, hyphen, period or any other type of punctuation. A statement may be contained in parentheses. Also, a statement does not exclude whole sentences.

1. If you find the line of copy to be information, please highlight the line of copy with a blue highlighter and write the number of the information cue that most closely describes the line of information.
2. If you find the line of copy to be puffery, please highlight the line of copy with a green highlighter.