A Comparison Of Effectiveness Of Service Advertising On TV Between Fijian And Chinese Consumers: A Case Of Macdonald's

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Abstract: In this paper we study the elements of a service advertisement that actually persuades a consumer to buy a meal at MacDonald's. This research has been done from the consumers point of view as to what they consider persuasive in a particular MacDonald's a TV advertisement. The research questioned consumers of Fiji and China mainly university students and job holders. Understanding what consumers are attracted to in TV advertisements will enable marketers to create in a similar manner and have the greatest reach.

Index Terms: TV advertisements, Service Advertising, Effectiveness, MacDonald's, Fiji, China, Consumers

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1 INTRODUCTION
It is estimated that worldwide expenditure on advertising has been "growing faster than the world gross product. This leads us to ponder whether the actual advertisements have any impact on consumers and/or does it really increase sales. Thus my research is based on what components attract consumers respond to service advertisements on television. Every television channel run advertisements and it is important for companies to actually realize what attracts consumers to a particular advertisement. Therefore if we know what consumers like to see or in other words, what attracts them, then it would be easier for companies to make advertisements accordingly so that they are more effective. The target of this research is consumers who have access to television in Fiji and China. The investigation of this research will take place in Suva which is the capital city of the Fiji Islands and in Wuhan, China. Questionnaires will be given out to about 100 consumers in Suva and Wuhan respectively. Out of the 100, 50 would be women and 50 men. The research is based on service advertising since there has been very few to no such research done previously. Service Advertising is used in this research because it has very unique characteristics than goods and it requires a greater effort to actually make an effective service advertisement for television and also because Fiji relies on tourism which is actually a service industry. The Republic of Fiji Islands was chosen as the host of this research since it is one the most developed economies in the South Pacific with Tourism being its major export and major visitor numbers being from New Zealand and Australia.

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Recently the sector is moving on to tap other markets such as Europe and Asia. The outcome of this research would help the sector better market itself to their targeted markets and also help local service providing companies to make an advertisement that is effective. The findings of Fiji Islands will be compared to The People's Republic of China in order to compare the response of a small, developing country such as Fiji with the world's 2nd biggest economy. It was also chosen in order to see if culture, values and way of living also determines whether a consumer likes a television advertisement or not.

2 LITERATURE REVIEW

2.1 Previous Measurement of Effectiveness of Television Advertisements
There have been many publications as to how to measure the effectiveness of TV advertisements from the "advertisers" point of view but only a few from the consumer's point of view. Therefore we will briefly touch on the works of others towards measuring effectiveness of TV advertisements.Anand, Panchanatham [1] stressed that only socially responsible, innovative, creative and true pictured TV advertisements impress consumers. This is one of the only few researchers done through consumers as to how TV advertisements can be more effective. Our research is of the similar nature but we are going to sample a greater number of consumers and would be focusing on two specific countries namely, China and Fiji and also basing most of our research related questions on MacDonald's.

2.1.1 Multivariate Analysis of Variance
The MANOVA (Multivariate Analysis of Variance) approach was used by Wind, Danny [2]. This approach is used in cases when there are more than two variables and it helps to figure out if, changes in independent variables have significant effect on dependent variables and to see if there are any interactions between dependent variables and or independent variables. They suggested that the MANOVA approach was a potential and useful approach to measure marketing experimentations such as TV advertisements involving several variable responses. However they also stated that further utilization of the approach would require developments in three areas. The first area of development was mathematical foundations and theoretical understanding. Secondly, to have more detailed knowledge of MANOVA computer algorithms and thirdly, the

need to examine the various problems relevant to MANOVA analysis.

2.1.2 Digital Set-Top Box

Dorai-Raj, Interian, Zigmond [3] came up with an interesting measure of TV advertisement effectiveness in which they used digital set-top box to record second by second tuning of the viewer and thus they were able to get the exact number of viewers who view a particular TV advertisement at a particular time of the day. They also are able to account for switches during advertisements with the perceived meaning that a viewer has changed the channel because he dislikes or is bored of the particular advertisement. All these data enabling them to assign retention score to each advertisement. Therefore, giving the producers of a TV advertisement, an idea of guiding future campaigns and spending**.**

2.1.3 Nielson People Meter (NPM)

Shachar, Anand [4] based their research on the logic that, effects of tuning-ins on viewing decisions should differ across shows according to individual's prior information of each show if advertising has information content. They also mentioned that previous studies reveal that returns from advertising differ across products because different advertisements have different roles of advertising in influencing individual choice. They used datasets such as viewing choices of individuals, attributes of shows offered and number and time of tune-ins of each shows. In addition to the datasets, they used NPM (Nielsen People Meter) which used a remote control to record arrivals and departures of individual viewers. This something similar but not as advanced as the set-top box used in 2009 as discussed above.

2.1.4 Agent Based Social Modeling and Simulation

Agent-based social modeling and simulation approach was used by Chao [5] to measure the effect of advertising. Different businesses use advertising to influence different markets towards different responses. It was stated that the major 'actors' towards effectiveness of advertisements were, Consumer, Advertisement, Product Medium, Environment. It was claimed that advertising is mostly used for increasing sales or to improve company's 'corporate image' and so, advertising effectiveness can be measured by measurement of profit and brand loyalty. There are some complications as for example, we cannot be certain that everyone sitting in front of a TV set is actually watching TV, let alone the TV advertisements. It was mentioned that successful advertising appeals both to the head and the heart. It was concluded that further research has to be done and research achievements in psychology can be used to get more accurate model of the consumer agent. Corkindale [6] in his book mentions that a survey done in 1982 suggested that only 20 percent of TV viewers stayed with commercial channels, others switched to another channel.

2.2 Service Advertising

Mortomer [7] argued that despite the increased research on service advertising, there still exists a discrepancy between service advertising theory and practice. Research within the service advertising area has been recognized as "emerging from its embryonic state". An analysis of articles in 1997 that revealed that 77 articles had been written on the topic and 11 content analysis as well as surveys and experiments had been

done. Following this, many studies in the similar area took momentum addressing issues such as use of radio, humour and symbols as well as international context put together a continuum that ranged from tangible dominant to intangible dominant. Zeithaml (1981) produced a continuum ranging from easy to evaluate to difficult to evaluate. Lovelock (1983) took these discussions further by saying that there is also a variety of characteristics to go with tangibility and ease of the advertised service. He proposed the following five characteristics:

    (1). the nature of the service act
    (2). type of relationship with the customer
    (3). level of customization and judgment in the service delivery
    (4). nature of demand and supply
    (5). method of service delivery

These concepts were adopted and developed by Hill, Gandhi [8] who stated that services are characterized by their intangibility, heterogeneity, perishability and inseparability of production and consumption which are performed by marketers for specific consumers and therefore require exceptional solutions in advertising. It was mentioned that two approaches have evolved out of several to classify services:

2.2.1 First Approach

The first approach examines the nature of the service by incorporating dimensions such as degree of intangibility, perishability of the offering, risk and effort, consumer involvement and the need to smooth fluctuations in demand.

2.2.2 Second Approach

The second approach deals with delineating services along organizations structures, incorporates variables such as degree of customer contact, degree of customization, degree of personalization, degree of competence commodity and degree of labor intensiveness. They conclude by stating four characteristics that which should always be emphasized in a service advertisement and they are:

(1)   Intangibility and Concreteness: There is a clear implication for advertising services to present services more tangibly by incorporating physical evidence and artifacts showing physical facilities such as service delivery websites. Another way is by associating the advertisement with concrete, specific language and symbols that would describe the service benefits tangibly. One other way is by capitalizing on word-of-mouth advertising.

(2)   Inseparability/ Perishability and Representation: Production of services involves participation by customers and this leads to direct distribution of the service and makes the marketing of the service an interactive process between the marketer and the customer.

(3)   Heterogeneity and documentation: There is a variability of quality therefore marketers should provide documentation such as acts or figures to underscore the value or the quality of the service in their advertisements.

(4)   Characterization as Sequence of events: advertisement should present a set of actions using drama so that there is a unifying framework for describing and communicating aspects of the

service exchange. Nonetheless there is still no consensus as to the most influential and appropriate service characteristic to be used for classification.

2.3 Fijian and Chinese Service Advertisers

Even though Service Advertising is present in both these countries, there has been no research specifically done in this area.

2.3.1 Fijian Service Advertisers

Fiji Islands have approximately 31% of its population under 14. Fiji does not have a one-child policy as that of China but most families plan to have only one child as it is around the world trend. Fiji similarly has to instill laws in order to protect the young population from harmful advertisements such as Service Advertising on Television. As mentioned earlier, there has been no research specifically done on service advertising in either country therefore it becomes more important to have one in order to portray the results of these two countries but first on hand, both countries need to pass laws protecting their young population since they are the future and are most vulnerable to harmful advertising.

2.3.2 Chinese Service Advertisers

Valero [9] mentioned that China has the world's third largest advertising market and that it is a huge market for an extremely youthful population. In 2007 it was approximated that 14% of the total Chinese population were less than 14 years of age that is about 274 million children. These children are the so-called "Little Emperor or Empresses" of each family because of the one-child policy puts them as the sole focus of parents and grand-parents as stated by Liu [10].As a result, Sayavera [11] claimed that Chinese children determine 68% of their parents' income. The problem in this whole situation is that China has very little to very few laws and regulations that protect children from unfair advertising such as service advertising on television. Article 8 of China's Advertising Law specifies about harm to minors and disabled persons but it does not have any separate section for children. Therefore with China entering the new age of advertising markets, it has to start with regulating the way in which companies advertise in China especially service advertising on television.

3 METHODOLOGY

The primary data of this research will be collected through interviews and questionnaires. Semi-structured interviews will be done in order to have a better understanding as well as the literature review will be used to formulate a questionnaire. The questionnaire after testing of its clarity, comprehension and consistency will be distributed to consumers in both Fiji and China. The collected data will be analyzed by the use of SPSS software.This research is directly targeted consumers in general since an advertisement on television is viewed by everyone. It is important to note that consumers' age will range from 18 years and over. They were questioned on the various research objectives and questions in order to deliver a well-researched work since the basis of this whole research is based on consumers. The sample was done in Suva, which is the capital city of Fiji and Wuhan, which is a City in Hubei Province in China.

4 ANALYSIS

After analysis of data through SPSS, it is revealed that there are three significant factors in consumers of Fiji to buy a meal at MacDonald's which are;

- The occupation of consumers, higher income earners tend to be more influenced to buying a meal at MacDonald's through TV advertisements.
- Consumers who know about MacDonald's tend to be more influenced than those who don't know about MacDonald's
- "Watching one of the best TV advertisements" was the most influential factor of attracting Fijian consumers to buy at MacDonald's. On the other hand, none of the factors studied in this research were significant in influencing Chinese consumers to buy a meal at MacDonald's. For the entire research, there was only one significant factor of influencing consumers and that was "Watching one of the best TV advertisements".

As making the best TV advertisement is the most significant for this research, consumers listed the most to least important factors that they consider an influential TV advertisement to have.
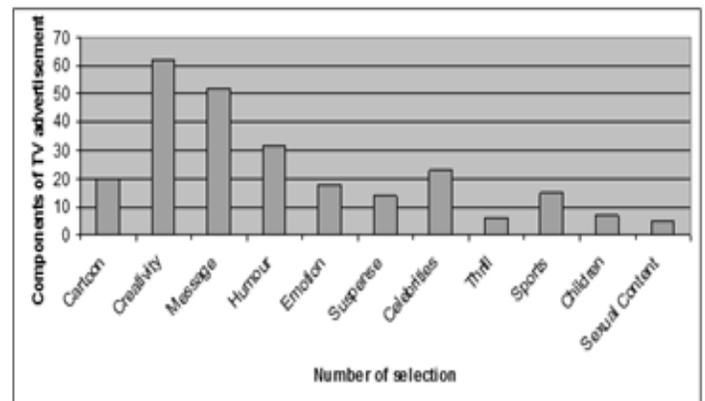

Fig.1. Most important elements in a TV advertisement

Fig 1 shows that the most important elements desired by consumers in TV advertisements are Creativity, Message and Humor.
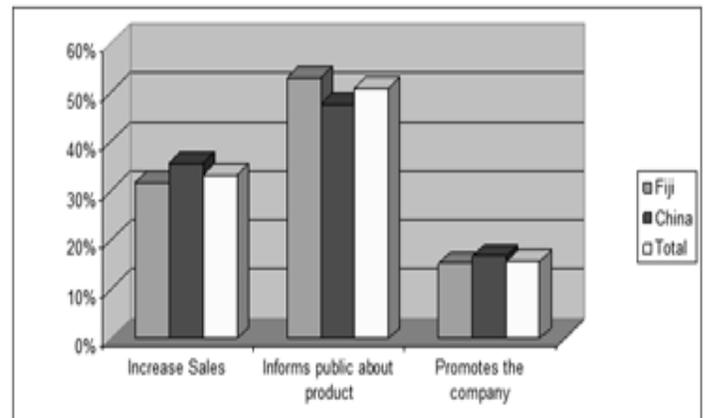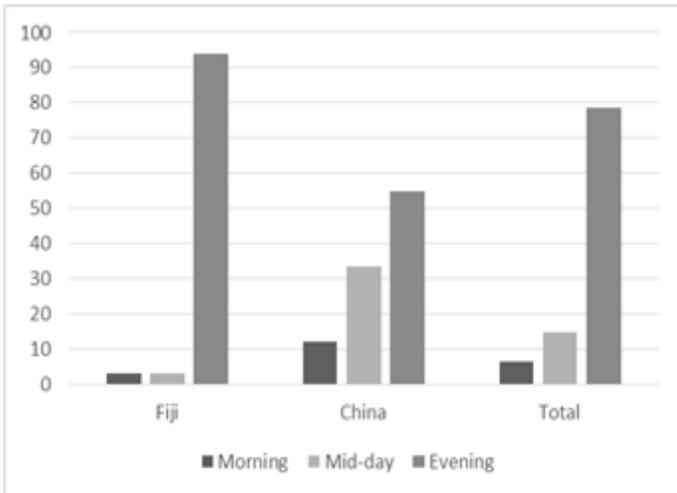
5 OTHER VALUABLE FINDINGS

Fig. 2 Main aim of TV advertisements

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50.9% of consumers agreed that the main aim of a TV advertisement was to inform the public about a product, 33.3% believed that it was to increase sales and a mere 15.7% agreed to it being used to promote the company. Consumers of China and Fiji had similar response to this.


Fig.3. Best Timing of TV Advertisements

Fig 3 shows that 78.7% of all respondents watch TV advertisements in the evenings, 14.8% during mid-day and a mere 6.5% in the morning. This clearly points out that broadcasting a TV advertisement in the evening is will yield a company a maximum viewership and thus the maximum reach in terms of consumers. The Fig 4 shows us the data in general of whether consumers think the continuous repetition of TV advertisements lead to loss of its value and it singles out that 55.6% people think that continuous repetition of TV advertisement leads to loss of its value thus effectiveness and 44.4% of the people think otherwise. Therefore we can clearly make out that continuous repetition of TV advertisements leads to loss of its value.
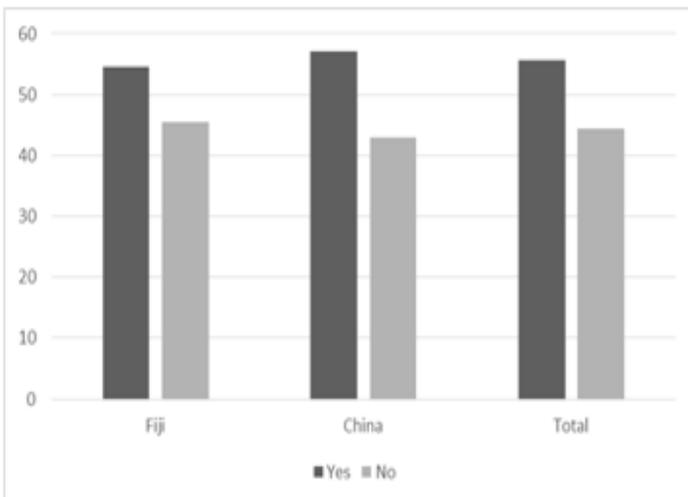
Fig4. Does repetition of TV advertisements loses its value?
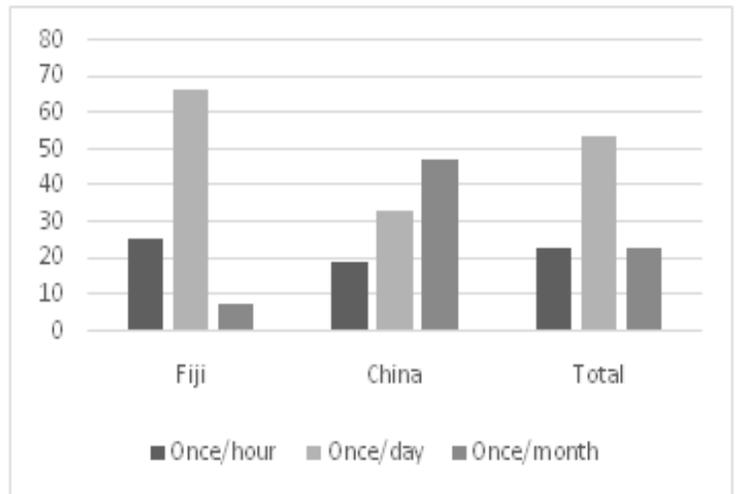
Fig. 5 Best broadcast frequency for a TV advertisement

Fig. 5 shows the result of the entire research as it shows 53.7% of all respondents prefer to view a TV advertisement in the frequency of once per day and 23.1% either prefer once per month or once per hour. This clearly shows that companies should choose once per day frequency since once per hour becomes too random leading it to become boring and once per moth would lead to consumers even forgetting about the last broadcast. Thus the best method is to broadcast a TV advertisement once per day.

6 CONCLUSION

To sum up, all the objectives of this research have been achieved. The first objective focused on the notion that TV advertisements are good for companies and as discussed, most consumers of both Fiji and PR China believe that TV are good for companies and most people agreed that the main aim of a TV advertisement is to inform the public about a product. The second objective was achieved a s it was found that generally only watching one of the best advertisements will influence consumers to use a service and in this case as that of MacDonald's. The third was successfully achieved which led to the achievement of all other objectives of this research as comparisons has been done with most notable being that three factors can influence Fijian consumers to buy a meal at MacDonald's whereas as none for Chinese consumers. Therefore it is safe to say that perceptions of both countries have been same in some cases and different in others. The fourth objective is achieved as it is found that an influential TV advertisement does persuade consumers to use a particular service as for this entire research, an influential TV advertisement is the way to persuade consumers to buy a meal at MacDonald's. It is very important to note that the income of an individual consumer can be a huge factor towards whether they are easily influenced by TV advertisements or not. Over the course of this research and with its findings it can be said that Chinese consumers are more complex and hard to influence than Fijian consumers which is certain since there is a huge development, size, culture and life style differences between the two countries.

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