

# ADVERTISING VALUE AND ADVERTISING ON THE WEB

1. Ducoffe Model
2. Measurement Items
3. Advertising Value
4. Attitudes Towards Advertising



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The growth of advertising on the World Wide Web requires research on users' general perceptions since these affect attitudes toward individual advertisements. This article presents results of an intercept survey focusing on the perceived value of Web advertising, an approach developed by the author for assessing advertising in the general media. Both the hypothesized model of advertising value and its role as an antecedent of overall audience attitudes are confirmed. The author maintains that advertising value is a useful measurement criterion for evaluating advertising effects generally, and particularly in the case of the Web.

The World Wide Web—the first truly new medium since television—presents advertisers with still-to-be-met opportunities and challenges, including the need for more systematic research (Berthon, Pitt, and Watson, 1996). To use this medium effectively, marketers will benefit from understanding how users perceive the Web as a source of advertising since perceptions of the media affect attitudes toward individual advertisements (Alwitt and Prabhaker, 1994; Bauer and Greyser, 1968; Becker, Martino, and Towners, 1976; Grotta, Larkin, and Carrell, 1976; Larkin, 1979; MacKenzie and Lutz, 1989).

This paper presents results of an intercept survey concerning advertising on the Web that focuses on its *value to consumers*, an approach developed for assessing advertising in the traditional media by Ducoffe (1995). Three assumptions underlie this research. First, the Web potentially offers consumers a number of benefits that may enhance the value of its advertising. Second,

there is an important opportunity to understand how advertising emerging in this new medium can best serve the needs of consumers. Third, advertising that consumers find valuable is also likely to be advertising that yields the sort of responses advertisers desire.

Several reasons suggest that advertising in the traditional media often possesses rather little value to consumers:

1. The tremendous number of advertisements that individuals are exposed to on a daily basis makes it impossible to give significant attention to most of them, and this number is projected to continue its rapid growth into the future (Bogart, 1985). Even if individual advertisements are truly useful, people have neither the time nor the mental resources to dedicate sufficient attention to glean something of value from most of them.
2. The vast majority of advertising exposures reach individu-

The author gratefully acknowledges Martha Cook, doctoral student at Baruch College, for her help in the planning and execution of this study and Direct Marketing Days of New York for their generous financial support of this research.

- als when they are not shopping for the product or service being advertised so most messages are simply not relevant to consumer concerns at the time of exposure. Copytest services, for example, have found that up to 80 percent of an ad's score on recall and/or persuasion measures is a function of background variables such as whether or not people are interested in the product category (Aaker, Batra, and Myers, 1992).
3. Much advertising is for low-risk, essentially parity-type, packaged goods that consumers are familiar with and that do not require a great deal of thought in advance of purchase (Kottman, 1977). For such products, advertising strategy still commonly focuses on maximizing *message weight* against consumer targets, an indication that message quantity rather than quality is the crucial consideration. Recent research, however, uncovered no evidence that message weight *itself*, in the absence of certain contingent factors, has a significant impact on consumer responses (Lodish et al., 1995).
  4. The nature of most advertising is probably not considered by consumers to be *worth* their attention. Surveys taken in the United States over an extended period indicate that public attitudes toward advertising continue to be negative (Alwitt and Prabhaker, 1992; Zanot, 1981). This criticism tends to be directed not at the institution of advertising itself but rather at the tactics advertisers employ (Bauer and Greyser, 1968; Sandage and Leckenby, 1980).

The approach suggested by Ducoffe (1995) for understanding

advertising effectiveness is rooted in the view that advertising messages are potential *communications exchanges* between advertisers and consumers. *Exchange* is central to marketing, the theoretical hub around which marketing theories connect to form an integrated structure (Alderson, 1957; Bagozzi, 1975; Houston and Gassenheimer, 1987; Hunt, 1976; Kotler, 1984). For exchanges to be consummated, "each party to the exchange both gives and receives value" (Houston and Gassenheimer, 1987). To the advertiser, whose aim is to sell or to affect attitudes to induce a sale, the value of any advertisement is judged against these criteria. From a consumer point of view, however, a satisfactory exchange is proposed as one in which *the value of the advertising itself* is considered to meet or exceed their expectations. *Advertising value* is thus understood as an overall representation of the *worth of advertising to consumers*. On the firm level, it is a potentially important measure of the *market orientedness* (Kohli and Jaworski, 1990) of its advertising. On a broader level, it can serve as an indicator of the overall performance of the industry or an industry category from a consumer point of view.

This article is divided into four main sections. In the first, an overview of the literature is presented and selected causes and consequences of advertising value are discussed. In the second section, the focus is on the Web and why advertising in this new medium has the potential to offer consumers greater value. The third section presents results from a consumer intercept survey and the final section raises a number of implications and applications that stem from this research.

## Selected Causes and Consequences of Advertising Value

We turn first to perceptions found by Ducoffe (1995) in two studies, a mall-intercept survey ( $n = 477$ ) and a laboratory experiment ( $n = 284$ ), that either enhance or detract from the value of advertising in general (referred to hereafter as *advertising value*) as well as the value of individual advertisements (referred to hereafter as *ad value*). These perceptions demonstrated themselves to be consistent measurement criteria both for assessing the overall value of advertising and for copytesting purposes. This is followed by a discussion of how value perceptions relate to key consequent constructs, attitude toward advertising in general (see Andrews, 1989; MacKenzie and Lutz, 1989), and attitude toward the ad (*Aad*) (see Haley and Baldinger, 1991; MacKenzie and Lutz, 1989; Mitchell and Olson, 1981; Shimp, 1981).

**Perceptual Antecedents.** To understand what makes advertising valuable, Ducoffe (1995) identified the primary benefits and costs consumers derive from advertising and empirically tested these hypothesized relationships.

**Informativeness.** From a consumer point of view, consensus exists with regard to the ability of advertising to *inform* consumers of product alternatives so that purchases yielding the greatest possible satisfaction can be made. Rotzoll, Haefner, and Sandage (1989) argue that advertising's informational role is its chief legitimizing function. Consumers, themselves, report that advertising's ability to supply information is the primary reason for approving of it (Bauer

and Greyser, 1968); while other research shows that advertising's ability to present a true picture of products is a core consumer belief underlying its inherent economic benefits (Andrews, 1989). Based on data from the mall-intercept survey, Ducoffe found a substantial, significant, and positive correlation of .65 between multiple-item measures developed for informativeness and advertising value.

Earlier research on the value of advertising tended to focus on information (Cox, 1962; Nelson, 1970; 1974; Ratchford, 1980; Stigler, 1961), information content (Resnik and Stern, 1977; Stern, Krugman, and Resnik, 1981), or how informative advertising is perceived to be (Aaker and Norris, 1982; King et al., 1987; Larkin, 1979; Soley and Reid, 1983). Such studies, however, did not investigate the relationship between informativeness and the value of advertising as reported by consumers nor did they incorporate other perceptual reactions to advertising that may add or detract from its overall value. A broader view is suggested by the following:

*Value* potentially comes from the expectations about the offering itself, from the experiences accompanying the exchange, and from the residual of having engaged in the behaviors necessary to achieve the exchange; that is, value can reflect the worth of the element itself as well as (the experience associated with) the transaction (Houston and Gasenheimer, 1987).

How consumers evaluate the experience of processing advertising, independent of any brand-relevant information itself, thus constitutes an additional source of advertising value.

**Irritation.** Less consensus exists with regard to other functions advertising should serve, needs it should be expected to fulfill and, hence, other influences on its value to consumers. Critics contend advertising diverts attention from worthy social goals (Galbraith, 1956), dilutes human experiences (Boorstin, 1974), and exploits human anxiety and fondly held hopes (Schudson, 1984). When consumers are questioned, however, their criticism is generally directed at the tactics advertisers employ that make the experience of processing advertising negative, rather than the mission of the institution itself, toward which attitudes are more favorable than unfavorable (Bauer and Greyser, 1968; Sandage and Leckenby, 1980).

In their major survey of the American consumer, Bauer and Greyser (1968) found the main reasons people criticize advertising relate to the annoyance or irritation it causes, an outcome thought to lead to a general reduction in advertising effectiveness (Aaker and Bruzzone, 1985). When advertising employs techniques that annoy, offend, insult, or are overly manipulative, consumers are likely to perceive it as an unwanted and irritating influence. Data from Ducoffe's mall-intercept study yielded a sizable, significant, and negative correlation of  $-.52$  between multiple-item measures of irritation and advertising value.

**Entertainment.** The now considerable body of research on Aad originated in the contrasting notion that pleasant or likable advertising is thought to have a positive impact on brand attitudes (Mitchell and Olson, 1981; Shimp, 1981). In a related vein, uses and gratifications research has demonstrated that the value

of entertainment lies in its ability to fulfill audience needs for escapism, diversion, aesthetic enjoyment, or emotional release (McQuail, 1983). As the value of media entertainment is regularly acknowledged (see for example: *The Economist*, 1989), and as advertising is a significant portion of media content, the ability of advertising to entertain can enhance the experience of advertising exchanges for consumers (Alwitt and Prabhaker, 1992). This was confirmed in Ducoffe's mall-intercept study which reported a substantial, significant, and positive correlation of .48 between multiple-item measures of entertainment and advertising value.

These three factors—*informativeness, irritation, and entertainment*—were the starting point for explaining how consumers assess the value of advertising. The resulting structural equation model based on the survey data accounted for about 50 percent of the variability in advertising value ratings (Ducoffe, 1995). In the follow-up laboratory experiment, Ducoffe (1995) exposed subjects to individual advertisements and asked them to complete a version of the questionnaire that was revised for copytesting purposes. This experiment, focusing on the respective influences of informativeness and entertainment, confirmed earlier survey results as both main effects proved to be statistically significant predictors of the value of individual ads. Evidence thus far supports the conclusion that these perceptions impact assessments of the value of advertising in general as well as the value of individual advertisements. Additional tests on different advertisements and among additional samples of consumers will be necessary to

further bolster confidence in these findings.

**Advertising Value and Advertising Attitudes.** Exchange theory also provides a useful context for understanding the consequences of how consumers assess the value of advertising. As Houston and Gassenheimer (1987) explain:

An exchange *relationship* involves "an initial action by one entity (in our case, the advertiser) followed by a reaction by the other (in our case the consumer) . . . (continuing) until one of the parties perceives the relationship as inappropriate . . . (at which time) social distance will increase between parties and cooperation and interdependence will dissolve."

One would expect that advertising that lacks value would tend to result in negative consumer responses like "tuning out" or negative counterarguing, responses that inhibit advertisers' efforts to establish exchange relationships with consumers. In contrast, advertising that is perceived to be high in value is likely to be a positive input that—combined with other influences—contributes to the formation of positive consumer attitudes toward advertising.

The original studies on individual ads by Mitchell and Olson (1981) and Shimp (1981) showed that *Aad* is a useful construct that contributes to explaining the effects of ad exposure upon consumer brand beliefs, brand attitude, and purchase intentions. Shimp (1981) pointed out the heterogeneity of responses that converge on *Aad* and much subsequent research demonstrates that it has both cognitive and affective antecedents (for reviews see Brown and Stayman, 1992; Muehling and

McCann, 1993). The cognitive dimensions are thought to result from more deliberate, effortful, and *centrally processed* evaluations whereas the affective dimensions are viewed as resulting from less effortful, low involvement, *peripheral processing* (MacKenzie and Lutz, 1989; Petty and Cacioppo, 1981). Since ad value is aptly characterized as a thoughtful and therefore cognitive reaction, it is likely to play a stronger role in the formation of *Aad* under conditions when ad involvement is higher (e.g., ad processing on the Web). In respect to advertising in general, advertising value is similarly viewed as a narrower construct than advertising attitudes, a cognitive assessment of the extent to which advertising gives consumers what they want.

This distinction is an important one. **Advertising evokes both positive and negative emotions that are understood to be antecedent influences on overall attitudes.** It is, however, *only consumers' cognitive assessments of such reactions, not the reactions themselves*, that are thought to be crucial in how they assess advertising value. For example, effective ads often employ fear, hard sell, comparative, or strong USP-type appeals that yield poor likability ratings. In other words, people may not always like certain ads they consider valuable—and vice versa. In such cases, value may be a better predictor of subsequent behavior than liking. Though beyond the scope of this paper, specifying the conditions when this occurs is an important task for further research.

### The Potential Value of Advertising on the Web

Media context is thought to have an important influence on

the value of advertising (Ducoffe, 1995). Previous studies show, for example, that consumers think newspapers carry the most informative, reliable, and believable advertising whereas television and radio rate lower on these attributes (Bauer and Greyser, 1968; Becker, Martino, and Towners, 1976; Grotta et al., 1976; Larkin, 1979). Television advertising, on the other hand, is reportedly the most entertaining (Larkin, 1979). Within a medium, individuals who select a particular media vehicle may regard advertising that fits closely with the editorial environment to be of greater value because it addresses their particular interests (Aaker and Brown, 1972; Cannon, 1982).

Advertising on the Web has been labeled *electronic* advertising and refers to advertising *that is delivered to users of electronic information services*, the definition employed by Hawkins (1994). In their study of leading advertising executives, Ducoffe, Sandler, and Secunda (1996) report that continuing developments in the area of new media technology are thought to represent *the* most important influence on the future of the advertising industry over the next 10 to 15 years. Executives expect new media technology to lead to vast increases in the supply of media content and a transformation in the relationship among various media and consumers. As networks proliferate, audiences will

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increasingly segment themselves into smaller groups offering advertisers greater ability to target interested prospects. Consumers will more actively choose from a greater range of programming, and they will have better technology with which to both select as well as screen out programming and advertising they do not want. Hawkins (1994) identified a number of the Web's early-forecasted benefits and drawbacks that have the potential to influence advertising value.

**1. Gives users access to information not immediately accessible to them.**

The number of businesses setting up shop on the Web is proliferating rapidly. During the first two weeks of August 1995, there were 10,000 new domains registered for use on the Web (*The Economist*, 1995). As companies increasingly turn to the Web as a marketing channel, customers will increasingly have quick and convenient access to information of all kinds on products and services. Since information value is a function of timing—on its accessibility to consumers at or around the time they are considering purchases (Ducoffe, 1995)—Web advertising can potentially offer consumers an advantage over traditional media because it makes this information immediately accessible.

**2. Advertising information will be more relevant to consumers.**

Advertising via a switched, interactive network like the Web, is a form of *direct marketing communication* taking advantage of addressable media technology to communicate with less waste and greater efficiency than what

is possible through traditional media. Addressability permits exposure to be self-selected, which should result in consumers receiving advertising they consider more relevant, a significant predictor of informativeness in Ducoffe's (1995) preliminary studies. For example, banner ads transmitted to on-line users that employ specified keywords when browsing the Web have been found to generate far higher *conversion click rates* (the percentage of people who click on a banner ad to reach the advertiser's linked Web site) than do nontargeted banners (*Cyber-Marketing Letter*, 1996).

**3. Ads are flexible; they can be altered quickly and easily in response to consumer needs and changing market conditions.**

Print and television advertising is often subject to deadlines well in advance of the appearance of advertisements making it difficult to revise ads quickly in response to changing market conditions. Web advertising can be changed more easily, frequently, and quickly offering advertisers a substantial increase in flexibility. Moreover, Web ads can be *tailored for and by users*. If, for example, users are interested in a particular type of editorial, they can select to review related advertisements through menu-driven browsers. This has the potential to heighten the value of Web advertising since it is accessible, tailored to consumer needs, is processed with sufficient involvement to communicate its message, and is self-selected thereby reducing the intrusiveness (a cause of irritation) that often results when advertising interrupts programming.

**4. Transactions can be executed directly by consumers in re-**

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*Technology has still not advanced to the point where Web advertising can compete with television and print.*

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**sponse to ads increasing both speed and convenience of purchases or inquiries.**

The increasing ability to link Web ads directly to transactions is a significant value-enhancing advantage. Commentators expect the infrastructure for full electronic commerce on the Web will be in place by 1997 (Skinner, 1996). The electronic mail capability of Web advertising permits users deciding to purchase to transmit orders directly. This offers users enhanced convenience and will likely also cut the time required to receive the product or service ordered since the fulfillment process is accelerated electronically.

**5. Limited production quality.**

Technology has still not advanced to the point where Web advertising can compete with television and print. Screen images carrying Web graphics, though much improved, are still no match for high-quality printed or television graphics. Until data-compression challenges are surmounted, the length of time it takes for graphic images to build on screens is likely to try the patience of many consumers. In the short run at least, these factors should detract from the value of Web advertising.

**6. Lack of familiarity.**

The Web is a new medium for both advertisers and consumers. Advertisers' experiences in other

media may not be directly transferable, and consumers will need to become more knowledgeable before they grow accustomed to using Web advertising to its fullest. This may cause skeptical or even negative attitudes toward Web advertising that may, at least in the shorter term, act to lessen its perceived value. Brigh's (1993) research showed that current users want Web advertising to be highly visual, easy, and fun to use—crucial attributes if the medium is to diffuse broadly among consumers.

## Study Design

**Objectives.** The study had two main objectives. The first was to determine whether the model for advertising value tested in Ducoffe's original mall-intercept survey on traditional media advertising would hold up in this new context; specifically, whether informativeness, entertainment, and irritation would continue to be significant and directionally consistent predictors of how consumers assess the value of Web advertising. The second objective was to examine how advertising value relates to attitude toward Web advertising. More generally, with research on Web marketing in its nascent stage, there was an interest in developing a fuller understanding of how consumers view advertising on the Web.

**Method.** An intercept survey was executed in October 1995 in preselected public spaces in the New York City area. Trained interviewers were assigned to various Manhattan business districts during middays in early fall when numerous office workers congregate outside, and it was expected there would be a higher probability of intercepting Web users. Since only a small proportion of the general popu-

lation has been exposed to the Web, and since it was viewed as critical that survey respondents had personal experience with Web advertising to respond to the survey, judgment or purposive sampling was employed by screening respondents via the following question: "Are you familiar with advertising on the World Wide Web?" According to Kinnear and Taylor (1983), a judgment sample is "selected on the basis of what some expert thinks those particular sampling units or elements will contribute to answering the particular research question at hand." Individuals indicating they were familiar with Web advertising were asked to complete the four-page questionnaire. A total of 318 completed questionnaires were collected. Relative to the overall population, our sample can be characterized as experts. The mean response to the item measuring "time spent logged on to the Web in the past week," was over 6.5 hours.

While our sample is nonrandom, it is superior to a pure convenience sample and is not considered inappropriate for testing theoretical relationships (Kinnear and Taylor, 1987)—the focus of the study. However, the degree and direction of sampling error are unknown and definitive statements beyond this study are therefore not advisable. The sample does appear to be generally consistent with large-scale studies of on-line usage which show current Web users to be heavily skewed toward thirtysomething, higher income males. On-going surveys of Web users by Pitkow and Kehoe (1995) report that during the period April to May 1995, based on 13,000 responses, users' mean age was 35, usage was 80 percent male, and mean annual income was from \$50–60,000. The current sample breaks out

as follows: mean age—32; gender—71 percent male; mean income—\$60,000; with 79 percent having obtained at least an undergraduate degree.

The questionnaire originally developed to assess the value of advertising in the traditional media (Ducoffe, 1995) was modified by adding items thought to be germane to Web advertising. When completing the survey, respondents were given the following opening instruction: *When you respond to each statement, think in general about all Web advertising in all its various forms that you have been exposed to, not a single advertisement or advertising for a particular type of product or service.* There were three reasons for this instruction. First, since the objective was to determine if there exist generalizable criteria that could account for the value of Web advertising across a variety of product categories, having respondents focus on a single advertisement or advertising for a particular product category might have unnecessarily stimulated certain specific perceptions due to the nature of advertising for brands in that category. Second, it was expected that a considerable variety of messages on the Web would be considered as ads by consumers. Though management distinguishes among messages as ads, sales promotions, etc., a 1992 study by Leo Burnett USA listing 100 forms of marketing communication reported that at least 80 percent of consumers considered 94 of the 100 communication forms listed to be simply advertising (Schultz and Barnes, 1995). It was thus important both to permit consumers to include whatever Web messages they consider advertising in their evaluations and to measure what types of messages they include in their own definitions. This section was placed toward the end of the question-

naire to minimize any biasing effect that could have resulted from the opening instruction. Third, recent years have demonstrated a continuing *blurring* between advertising and editorial content, a trend expected to continue into the future (Ducoffe et al., 1996). By its nature, communication on the Web is often a seamless interweave of editorial and commercial information, and it was therefore important to assess how expansive consumers' definitions of advertising are.

To gauge specific reactions to Web advertising, respondents completed 30 items. For each statement, they were asked to indicate their agreement/disagreement along a 7-increment semantic differential scale from strongly agree to strongly disagree. Respondents were also given a listing of 7 different media in alphabetical order and asked to rank order them in terms of the *value of the advertising they contain* with "1" assigned to the most valuable source, "2" the next most valuable source, etc. General attitudes toward Web advertising were measured via the following item: *How would you describe your overall attitude toward advertising on the World Wide Web?* Finally, there were questions measuring purchase behavior via the Web, amount of time spent using the medium, an item measuring the percentage of time devoted to business versus personal use, and classification questions not relevant for the current study.

## Results

Descriptive results from the survey are presented first. A report on tests of the theoretical model follows.

**Web Advertising Is Broadly Defined.** As expected, in think-

**Table 1**  
**Respondent Classification of Messages on the Web**  
**(n = 318)**

Message type	Percent considering message type as advertising (%)
Free sample or trial offers	90
Billboard-type logos	86
Branded messages	83
Graphical displays of products	83
Branded banners	81
On-line catalogs	81
Shopper guides	79
Sponsor identifications for Web sites	75
On-line sweepstakes/contests/games	71
Corporate information in Web sites	63
Web site home pages	57
Corporate Web sites	57
Corporate listings in on-line directories	52

ing about Web communications, respondents employed an expansive view of advertising. Table 1 presents results that indicate the percentage of respondents who consider the various forms of Web communication to be advertising. For example, over 75 percent considered the following message types to be advertising: free sample or trial offers; billboard-type logos; branded messages; graphical displays of products; branded banners; on-line catalogs; shopper guides; and sponsor identifications for Web sites. Over 50 percent considered Web site home pages and entire corporate web sites to be advertising.

**Reactions to Web Advertising.** Specific reactions to Web adver-

tising are presented in Table 2. The following are highlights of these results:

1. Respondents rated Web advertising as *somewhat valuable* with mean ratings on the three items used to measure advertising value (in the preliminary studies) ranging between 2.7 and 3.1 on the 7-increment scale (1 = strongly agree; 7 = strongly disagree).
2. Respondents rated Web advertising as *slightly more informative than it is valuable* with mean ratings on the three items (adapted from the preliminary studies) ranging between 2.5 and 2.9 and mean ratings on three of the four additional items measuring informativeness at less than 3.0.
3. Respondents rated Web advertising as *slightly less entertaining than it is valuable* with mean ratings on the three items used to measure entertainment (in the preliminary studies) ranging between 3.1 and 3.6 and mean ratings on two additional items measuring entertainment at 3.2 (fun) and 3.4 (exciting).
4. Respondents *did not consider Web advertising to be particularly irritating* with mean ratings on the three items used to measure irritation (in the preliminary studies) ranging between 4.6 and 5.2 and mean ratings on two additional items measuring irritation at 4.3 (deceptive and confusing).
5. Respondents were *neutral* with respect to the benefits Web advertising offers them as consumers with mean ratings for the following statements of: 3.7 for "will help people to become better consumers" and 3.8 for "helps people make wise purchase decisions."

**Table 2**  
**Mean Responses to Selected Items,  $n = 318$  (1 = strongly agree, 7 = strongly disagree)**

Advertising on the World Wide Web	Means	Scale reliability*
<i>Informativeness scale</i>	<b>2.85</b>	.82
*is a good source of product information	2.85	
*supplies relevant product information	2.94	
*provides timely information	2.58	
is a good source of up-to-date product information	2.34	
makes product information immediately accessible	2.49	
is a convenient source of product information	2.81	
supplies complete product information	3.83	
<i>Entertainment scale</i>	<b>3.37</b>	.85
*is entertaining	3.13	
*is enjoyable	3.43	
*is pleasing	3.63	
is fun to use	3.23	
is exciting	3.36	
<i>Irritation scale</i>	<b>4.63</b>	.78
*insults people's intelligence	5.17	
*is annoying	4.67	
*is irritating	4.55	
is deceptive	4.30	
is confusing	4.28	
<i>Advertising value scale</i>	<b>2.95</b>	.84
*is useful	2.70	
*is valuable	3.00	
*is important	3.19	
<i>Other items</i>		
will help people to become better consumers	3.65	
helps people make wise purchase decisions	3.79	
will help companies become more profitable	2.66	
will have negative effects on society	5.26	
will have positive effects on the economy	3.09	

\* Denotes items employed in Ducoffe's (1995) original scales. Scale reliabilities based on these items.

6. Respondents *expected* that Web advertising will *hold economic benefits* with mean ratings for the following statements of: 2.7 for "will help

companies become more profitable" and 3.1 for "will have positive effects on the economy."

7. Respondents *did not expect*

that Web advertising "will have negative effects on society" with the mean rating for this statement of 5.3.

**Relative Value as an Ad Medium.** Of the seven media that respondents were asked to rank in terms of their value as a source of advertising, the Web placed near the bottom. Television ranked as the most valuable source of advertising with a mean ranking of 2.2, followed by newspapers (3.1), magazines (3.3), direct mail (4.0), radio (4.3), World Wide Web (5.2), and outdoor (5.7). The Web, thus, placed ahead of only outdoor in terms of its value as a source of advertising. Clearly, even early adopters who are more likely to be enamored with new technology, are not about to shed their attachments to the traditional media and still consider the Web to be a work in progress. These rankings reflect the Web's status as an evolving advertising medium. For example, 74 percent of respondents reported never having purchased anything directly as a result of Web advertising, indicating that this as well as the other potential value-enhancing benefits of the medium have not yet been realized.

**Tests of Antecedents of Advertising Value.** The results support the hypothesized influences that informativeness, entertainment, and irritation have on

*Of the seven media that respondents were asked to rank in terms of their value as a source of advertising, the Web placed near the bottom.*



**Table 3**  
**Correlation Matrix**

	ATA	AV	INF	ENT	IRR
Attitude toward advertising	1.00				
Advertising value	.70	1.00			
Informativeness	.51	.73	1.00		
Entertainment	.64	.76	.56	1.00	
Irritation	-.57	-.72	-.81	-.55	1.00

how respondents assess the value of Web advertising, the major objective of the study.

To examine the individual and combined effects of the independent variables on advertising value, composite scales were created using the multiple items employed in the original studies to measure each construct. On the basis of Nunnally's (1978) accepted standard for scale reliability in exploratory research, all scales can be considered sufficiently reliable with the following coefficient alpha estimates: advertising value, .84; informativeness, .82; entertainment, .85; and irritation, .78. Table 3 presents the correlations among ad-

vertising value and its three predictors, informativeness, entertainment, and irritation. As expected, the correlations are sizable, significant, and in the expected directions as follows: informativeness, .73; entertainment, .76; and irritation, -.72.

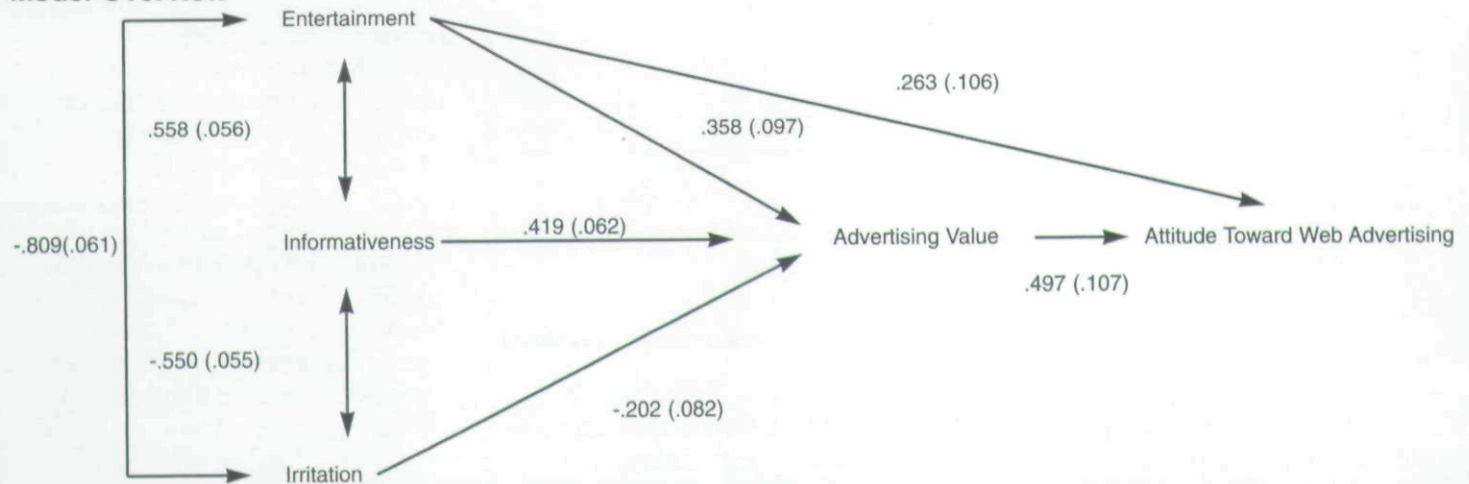
The structural model investigating the causal relationships among the variables was then investigated via LISREL 7 (Joreskog and Sorbom, 1989). These results are summarized graphically in Figure 1 and complete parameter estimates are presented in Table 4. Employing Bentler and Bonett's (1980) recommendation that fit indices for

adequate models should be .9 or better, the derived model provides a good fit to the data ( $\chi^2 = 116.92, p = .000$ ; GFI = .949; AGFI = .914; RMSR = .032). The expected relationships among advertising value and the three hypothesized antecedents are supported with the following significant *t*-values for each path: informativeness (6.282); entertainment (3.760); and irritation (-2.215). *T*-values for parameter estimates for one-tailed tests must exceed 1.65 to be interpreted to be different from zero (Joreskog and Sorbom, 1989). As was the case in the original survey data, there are also significant interrelationships among the antecedents as indicated by the following *t*-values: entertainment and informativeness (6.311); entertainment and irritation (-8.505); and informativeness and irritation (-7.104).

These results confirm the respective roles of informativeness, entertainment, and irritation as important predictors of the value of Web advertising and represent evidence that the model originally developed to

**Figure 1**

**Model Overview\***



\* Path coefficients are standard values. Numbers in parentheses are standard error estimates.

**Table 4**  
**Parameter Estimates for Structural Model**

Parameter	Standard value	Standard error	T-value
$\Lambda_x$			
$\lambda_{11}^a$	.756	—	—
$\lambda_{21}$	.888	.169	6.934
$\lambda_{31}$	.943	.181	6.877
$\lambda_{22}$	.200	.096	2.508
$\lambda_{32}$	.257	.093	3.342
$\lambda_{23}$	.272	.140	-2.290
$\lambda_{33}$	.272	.144	-2.225
$\lambda_{42}$	.831	—	—
$\lambda_{52}$	.675	.066	12.219
$\lambda_{62}$	.818	.066	14.954
$\lambda_{73}^a$	.851	—	—
$\lambda_{83}$	.557	.064	10.194
$\lambda_{93}$	.885	.059	17.556
$\Lambda_y$			
$\lambda_{11}^a$	.769	—	—
$\lambda_{21}$	.855	.070	15.802
$\lambda_{31}$	.830	.070	15.309
$\Gamma$			
$\gamma_{11}$	.358	.097	3.760
$\gamma_{12}$	.419	.062	6.282
$\gamma_{13}$	-.202	.082	-2.215
$\gamma_{21}$	.263	.106	3.286
$B$			
$\beta_{12}$	.497	.107	6.019
$\Phi$			
$\phi_{21}$	.558	.056	6.311
$\phi_{31}$	-.809	.061	-8.505
$\phi_{32}$	-.550	.055	-7.104

Fit Indices for Structural Model:

$\chi^2 = 116.92$  (54 degrees of freedom)  
 $p = .000$   
 GFI = .949  
 AGFI = .914  
 RMSR = .032

<sup>a</sup> Scaling parameter set equal to 1.0 in ML solution.

assess advertising value in the traditional media holds in the case of advertising in this new medium.

**Advertising Value and Attitude toward Web Advertising.** Another important objective of the study was to examine the rela-

tionship between advertising value and attitude toward Web advertising. It was expected that the two would be strongly associated, that is, people rating Web advertising high in value would also tend to hold favorable general attitudes. This is indeed the case. The correlation between the single item—"How would you describe your overall attitude toward advertising on the World Wide Web?"—and advertising value was .70 (see Table 3). Within the structural model, the path between advertising value and attitude toward Web advertising is positive and highly significant ( $t = 6.09$ ), confirming expectations that respondents' assessments of value have a significant impact on their overall attitudes.

It was also thought that entertainment would retain an independent and direct impact on overall advertising attitudes since both these constructs possess affective dimensions that are not captured by advertising value as discussed earlier. This is signaled by the correlation of .64 between entertainment and attitudes toward Web advertising. The path between them in the structural model is significant with a  $t$ -value of 3.286.

The coefficient of determination for the structural equations in the overall model is .738. Given the acceptable reliability of the measurement scales and evidence that the hypothesized relationships among the constructs were observed in the data, the overall model can be considered to possess construct validity (Peter, 1981). Although this study permits no conclusions with respect to how consumers process individual Web ads, there is good reason to expect that ad value should play a similar role between these perceptual reactions to individual

Web ads and *Aad*. This is an important issue for further research.

## Discussion

**Limitations.** Two limitations of the current study are noteworthy. First, the data collected from the judgment sample employed in this survey limits the generalizability of the results since respondents may not have been representative of all Web users, and interviewers do not randomly select participants. The objectives of this study were to examine whether the hypothesized antecedents of advertising value and the hypothesized relationship between advertising value and overall attitudes toward Web advertising would be upheld by the data. This is a theoretical exercise and one which can be adequately undertaken using the kind of sample employed. That the model originally tested by Ducoffe (1995) (i.e., the relationships among informativeness, entertainment, irritation, and advertising value) was again supported by the data does offer further encouragement of the validity of this research. Comparisons among these three studies have been restricted to the direction and significance of the *relationships* among the constructs rather than descriptive responses to individual items. To make these latter comparisons (for example, how valuable do people think advertising is?) would, given the nature and incomparability of the samples, not be advisable. Also, extending these results to draw out practical implications is speculative, and these should be interpreted with caution. Additional tests of the model will benefit from using larger, random samples of consumers.

Future research will also need to examine whether other factors can add explanatory power to the model. As mentioned earlier, tracking data indicates that whether or not people are in the market for a product accounts for the lion's share of the variability in recall and persuasion measures. Unfortunately, the current survey measured neither exposure to specific Web ads nor usage of specific brands so no conclusions are possible. An interesting finding, however, resulted when advertising value was regressed on its three antecedents using data from those respondents reporting that they devoted at least 50 percent of their time on the Web to business (as opposed to personal) purposes ( $n = 103$ ). Exceeding the mean use for business purposes—the percent across the entire sample was 33.5—these individuals are heavier business users. For this "heavy business" subsample, respondents' ratings of informativeness, entertainment, and irritation accounted for 75 percent of the variability in their advertising value ratings, a 27 percent increase in its predictive power. This may reflect greater involvement of such individuals, a factor thought to positively influence advertising value (Ducoffe, 1995). More generally, it implies that advertising value depends on the context in which advertising processing occurs.

**Advertising Value and Advertising Effectiveness.** As Ducoffe (1995) originally asserted, underlying advertising-value research lies the important but generally unrecognized notion that *a theory of advertising persuasion will remain incomplete if restricted to studying how advertising accomplishes business goals to the exclusion of considering how it furthers the aims of consumers*. Though

accepted wisdom holds that both the *content* (informativeness) and the *form* (entertainment) of advertising are crucial to its effectiveness (Aaker, Batra, and Myers, 1992), by again demonstrating that they are both important predictors of advertising value—in this case, the value of Web advertising—this research further substantiates Ducoffe's (1995) argument that effective advertising may also be advertising that consumers value. This potentially represents the common ground wherein the interests of buyers and sellers meet and an attractive new focal point for developing advertising strategy. Traditionalists may also take solace from the results of this study which indicate that, even in a new medium, what makes advertising valuable from a consumer point of view is no different. Verifying this among a larger probability sample would bolster this assertion.

Optimizing the value of advertising for consumers thus requires creating messages that communicate the most informative claims advertisers are capable of delivering in forms that are as entertaining as possible. In the case of the Web, one value-enhancing benefit of its interactive capability is the access it will afford consumers to advertising that is timely, relevant, and convenient, all crucial determinants of its informativeness. As this survey indicates, however, the medium still has some distance to travel before consumers fully adopt it to make on-line purchases or consider its production values to be on a par with dominant national advertising media like television and magazines. On the other hand, this survey's early reading on consumer attitudes suggests that enhanced control over ad exposure lessens intrusiveness and,

hence, irritation. Although considered value-enhancing by consumers, advertisers will no doubt always rely on intrusive means of exposing people to their pitches at times of their choosing through the traditional media.

And while this study demonstrates that advertising value is a distinct and important antecedent of consumer attitudes, future research examining the relationships between advertising and ad value and measures of actual marketplace performance will be necessary to determine whether advertising which consumers find valuable is also more likely to induce them to purchase. Evidence of increased conversion click rates to banner ads targeted to selected individuals on the basis of their search behavior suggests that relevance (hence, value) is key to generating on-line site visits. There exist important opportunities to conduct post-exposure on-line interviewing that will permit a fuller assessment of the role of ad value and other factors that lead to on-line ad responses.

Also, given the breadth of Web messages that respondents considered as advertising, subsequent assessments of value (and other responses as well) should segment messages into comparable categories. While consumers aggregated promotional message types on the Web in the current study and in the previous survey by Leo Burnett within their definitions of advertising, it seems equally likely that—given actual examples of various kinds of promotional messages—consumers will discern differences both in message character as well as value.

The alternative forms of communication that are available for advertisers on the Web must be

selected on the basis of campaign objectives. The recent article in the *JAR* by Berthon et al. (1996) provides a useful context for this discussion. Different kinds of communications processes are associated with different desired behaviors on the part of consumers, and certain kinds of messages are likely to be appropriate depending on the nature of responses that advertisers are looking for. Responses to banner ads will of course be different than responses to entire Web sites. Subsequent studies might begin from a taxonomy of Web messages and explore the kind of objectives each category is more or less suited to achieving. Future research should investigate how consumer assessments of value affect the utility of these various kinds of messages in relation to their unique objectives.

#### **Web Site Value Rankings.**

With the number of Web sites exploding, consumers would be well served via results published on-line and elsewhere on the value of individual sites. A regularly published series of rankings would enhance the public's expertise as consumers. Such data would also be of interest to marketers who are sensitive to consumer attitudes toward their communications. Management will be interested in understanding the factors that lay behind the number and nature of *hits* at their sites, and consumer assessments of value may offer useful insights into consumer on-line behavior.

**Advertising Value and Advertising Ethics.** The excitement associated with the Web is based, at least in part, on the possibility that it will fundamentally improve the way the market functions for consumers. This survey indicates that users

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*. . . users have already developed somewhat skeptical attitudes inasmuch as they expect the Web will benefit firms more than it does consumers.*

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have already developed somewhat skeptical attitudes inasmuch as they expect the Web will benefit firms more than it does consumers. This may, of course, be an artifact of this developing medium's young age. There is, however, a unique opportunity to further explore how advertising value impacts attitudes and on-line behavior and, if so, to promote its use in the design and evaluation of Web sites.

If accepted wisdom holds true, the market will eventually punish unethical conduct and reward firms that better satisfy consumer needs. A promising benefit of this research is the possibility it will lead to an appreciation that ethical advertising, on the Web and elsewhere, is also good advertising because it gives both consumers and advertisers what they want. It is the *mutual* interests of buyers and sellers that represent the best foundation on which a workable ethical theory of advertising must ultimately be built. A market-oriented position for advertising should thus be located at about the midpoint along the continuum from *caveat emptor* to *caveat venditor* (Smith and Quelch, 1993). Future research investigating the relationships between advertising value ratings and other measures of advertising effects will of course be necessary to bolster the attractiveness of this assertion. ■

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