Advertising credibility and its effects on brand credibility, brand image, corporate credibility and corporate image: A qualitative approach

Abstract

Purpose – This study uses signalling theory to examine the concept of advertising credibility and its effects on brand credibility, brand image, corporate credibility and corporate image.

Design/methodology/approach – A qualitative approach was used. Ten interviews and four focus groups were conducted among participants drawn from the London area. The data was analysed using thematic analysis.

Findings – The findings suggest that advertising credibility is defined using terms like accurate, caring, competent, complete, convincing, ethical, honest, impressive, promising, reliable and warranted. The findings also suggest that advertising credibility has a positive effect on brand credibility, brand image, corporate credibility and corporate image. However, these effects are lower when the brand and corporation have different names than when they have similar names. The dissimilarity of names can also provide some benefit, especially when brands or firms are faced with a crisis. The findings also illustrate that the theoretical model used in this study is valid, and suggest that advertising credibility has positive effects on other constructs.

Originality/value – Advertising credibility has received little attention in the literature. There is also little attention on its effects on other credibility constructs. This study minimises these gaps by conducting qualitative research to explore the effects of advertising credibility on brand credibility, corporate credibility and corporate image.

Keywords: Advertising credibility; brand credibility; brand image; corporate credibility; corporate image; qualitative study

Introduction

In the early 1950s, the very first paper on credibility was published by Hovland and Weiss (1951) in the Public Opinion Quarterly journal. Since then, researchers have examined the topic extensively. Over the years, a number of papers on credibility in various marketing and advertising contexts has been published in journals including the Corporate Reputation Review, European Journal of Marketing, Global Marketing, Journal of Abnormal and Social Psychology, Journal of Advertising, Journal of Advertising Research, Journal of Applied Social Psychology, Journal of Business Research, Journal of Consumer Psychology, Journal of Consumer Research, Journal of Interactive Marketing, Journal of Marketing, Journal of Marketing Research, Journal of Services Marketing, Marketing Sciences, and Psychology and Marketing.

Researchers (Ohanian, 1990; Newell and Goldsmith, 2001) using Hovland and Weiss's 1951 source credibility scale have developed a number of scales on various topics. Ohanian (1990) created a celebrity credibility scale, Erdem *et al.* (1998) created a brand credibility scale, Newell and Goldsmith (2001) developed a scale on corporate credibility, while Lutz *et al.* (1983) and MacKenzie *et al.* (1986) developed scales on advertising credibility. Contemporary research (Prendergast *et al.,* 2009; Kim and Han, 2014) has shown that, of all these scales, advertising credibility is the most under-researched and crucial part of business communication.

Advertising credibility plays a significant role in determining the quality and effectiveness of the message (Choi and Rifon, 2002). It affects consumers' attitudes and increases their purchase intentions towards the brand and firm (MacKenzie *et al.,* 1986; Verstraten, 2015). Firms spend large sums of money to make advertising credible, so that the cues in the advertising can enhance the credibility and image of the brand and corporation. It can be suggested that high advertising credibility can enhance brand and corporate credibility and can have a positive effect on their overall image (Choi and Rifon, 2002; Wang *et al.,* 2009; Zimand-Sheiner *et al*., 2019). Despite the importance of advertising credibility for brand credibility, brand image, corporate credibility, brand image and corporate image, the literature (Cotte *et al.,* 2005; Prendergast *et al.,* 2009; Yakoop *et al.,* 2013; Rhodes and Wilson, 2018) suggests that most researchers have examined its effects on attitude towards the brand, purchase intention, different product types, different advertising media and different demographics, while there is little on examining its effects on brand credibility, brand image, corporate credibility and corporate image. Empirical research (Kim *et al.,* 2014;

Ghotbivayghan *et al.,* 2015) shows that a credible source enhances the credibility and image of other connected sources, such that credible advertising can also be suggested to increase the credibility of the brand and corporation, and can also have a positive effect on their images.

Despite the importance of this topic, there is little evidence available on it. The purpose of this study is to minimise this gap in the literature, by examining advertising credibility's effects on brand credibility, brand image, corporate credibility and corporate image. More specifically, the objectives of this study are: (1) to understand advertising credibility from the point of view of consumers, academics and practitioners; and (2) to understand the effects of advertising credibility on brand credibility, brand image, corporate credibility and corporate image. The theoretical underpinning of this study is based on signalling theory. According to this theory, different levels of information flow between consumers and firms, which can cause the problem of information asymmetry (Erdem and Swait, 2004). To reduce this problem, firms use various signals to convey positive information about their connected sources (Spry *et al.,* 2011). A firm can use various marketing mix techniques, for example charging higher prices, distributing through various channels, or providing warranties, *etc*., to signal credibility and reduce uncertainties. There is no certainty that the signals sent through these sources are credible, but signals sent through a credible source reflect a firm's clarity regarding marketing strategies, represent symbolic meanings, increase consumers' perceptions, overcome the asymmetric nature of the information held by consumers and firms, and, most importantly, bring credibility to other connected sources and improve the brand's and firm's overall image (Erdem and Swait, 2004; Erdem *et al*., 2005; Leischnig *et al*., 2012). The purpose of using signalling theory is to apply advertising credibility as a signal, and then examine its effects on the credibility and image of the brand and the corporation, *i.e*. to examine whether advertising credibility has any effect on brand and corporate credibility, or on brand and corporate image.

To conduct this study, qualitative research was carried out for two reasons. Firstly, most of the previous researchers (MacKenzie *et al.,* 1986; Cotte *et al.,* 2005; Van-Tien Dao *et al.,* 2014) who have examined the topic of advertising credibility have used a quantitative method, but there is little research in this area using a qualitative method. Secondly, qualitative methods were applied owing to the exploratory nature of the study, as the focus of the study is to understand and interpret the phenomena from participants' point of views, rather than measuring or testing theories (Pantano and Priporas, 2016; Priporas *et al.,* 2017;

Diffley and McCole, 2019). A qualitative approach provides richer and deeper information and allows researchers to reach a better understanding of the phenomena from the participants' viewpoints (Healy and Perry, 2000; Priporas *et al.,* 2017; Diffley and McCole, 2019).

The findings of this study suggest that advertising credibility is based on terms like accurate, caring, competent, complete, convincing, ethical, honest, impressing, reliable and warranted. Furthermore, the findings suggest that advertising credibility has positive effects on brand credibility, brand image, corporate credibility and corporate image. However, advertising credibility was found to have little impact on corporate credibility and corporate image in cases where the brand and corporation have dissimilar names. This study has also confirmed previous researchers' findings based on signalling theory, and it is apparent from the results that advertising credibility can be used as a signal to enhance the credibility and image of connected sources. These findings are an addition to the existing knowledge, where little research has been done on the effects of advertising credibility on brand credibility, brand image, corporate credibility and corporate image using signalling theory.

This paper starts by examining the existing literature on advertising credibility. Next, the methodology is explained, followed by presentation of the findings and the discussion. Finally, the researcher discusses the paper's limitations and contributions, and avenues for possible further study.

Literature review

Advertising credibility is defined as "the extent to which consumers perceive the message in the advertising to be believable, and based largely on the trust a consumer places in the source of the particular advertising" (MacKenzie and Lutz, 1989; Zimand-Sheiner *et al*., 2019). It refers to the objective and subjective components of consumers' beliefs regarding the advertising, which play a significant role in the formation of their attitudes and behaviours (Soh *et al.,* 2009; Yakoop *et al.,* 2013). Researchers (Moore and Rodgers, 2005; Indu and Raj, 2012) have revealed that advertising that is highly credible influences confidence and responses, while advertising that lacks credibility fails to achieve persuasive impact and is mostly ignored and avoided by consumers.

Most research on advertising credibility is derived from Hovland and Weiss's (1951) landmark study on source credibility, which analysed the factors leading to the perceived credibility of the communicator, and found that two factors, expertise and trustworthiness,

explained the concept of source credibility (Ohanian, 1990). Trustworthiness implies that the source is willing to deliver what is promised, while expertise implies that the source is capable of delivering what is promised. Information from sources with higher levels of expertise and trustworthiness can change attitudes, while sources seen as low in expertise and with biased characteristics cannot result in any change in attitude (Greer, 2009). These two factors, along with the concept of source credibility, have also been adopted by other researchers (Lutz et al., 1983; MacKenzie *et al.,* 1989; Yakoop *et al.,* 2013; Martins *et al.,* 2018) within the context of advertising credibility.

Various researchers have differentiated between advertising credibility and other similar constructs. MacKenzie *et al.* (1989) highlighted the distinction between advertising credibility and advertisement credibility, suggesting that advertisement credibility, which was defined as "consumers' perceptions that claim about the brand in the ad are truthful", was the possible perceptual response to a commercial stimulus and was a subsystem of advertising credibility. The determinants of advertisement credibility are: (i) the perceived claim discrepancy of the ad; (ii) advertiser credibility; and (iii) advertising credibility (Verma, 2014). On the other hand, as noted earlier, advertising credibility is one of several perceptual dimensions along which consumers may assess advertising as an institution (MacKenzie *et al.,* 1989). Obermiller and Spangenberg (1998) differentiated between advertising credibility and advertising scepticism. Although they did not explicitly mention the difference between the two, the conceptual and measurement characteristics suggest that the constructs are similar (Soh *et al.,* 2009). Advertising scepticism is not different from advertising credibility, but it views the latter from the opposite viewpoint, *i.e.* from the perspective of consumers' disbelief or negative attitudes towards the advertising. Goldsmith *et al.* (2000, p. 43) differentiated between advertising credibility and advertising reputation, suggesting that the former was an important aspect of the latter. They stated that advertising reputation was a "perceptual representation of advertising's previous actions and future prospects that are a combination of several personal judgments about the advertising", while advertising credibility was the "degree to which consumers believe in the advertising's trustworthiness and expertise". Soh *et al.* (2009) differentiated between advertising credibility and advertising trust. The researchers suggested that, even though advertising credibility and advertising trust were distinct constructs, the latter was a dimension of the former.

The literature on advertising credibility (see Table 1: Literature on advertising credibility) is mostly divided into four main areas: the impact of advertising credibility on

consumers' attitudes and behaviours; different media; different products and services; and finally different demographic groups. Results from the first area suggest that advertising credibility positively and directly increases consumers' attitude towards the advertisement and brand, and purchase intention (MacKenzie *et al.,* 1989; Choi and Rifon, 2002; Chowdhury *et al.,* 2006; Delafrooz and Zanjankhah, 2015). A high level of credibility is positively associated with consumers' attitude towards the advertising and brand, and increases the chances of purchase intention, while a low level of credibility has a negative impact (Haghirian and Inoue, 2007; Redondo and Aznar, 2018; Stewart *et al*., 2018). Studies on this topic also suggest that advertising credibility positively influences brand and corporate attributes, increases consumers' willingness to access and accept information, increases the advertising value, and increases positive persuasion (Okazaki, 2004; Cotte *et al.,* 2005; Multani *et al.,* 2013; Van-Tien Dao *et al.,* 2014; Kim and Han, 2014; Martins *et al.,* 2018).

In the second area, the impact of advertising credibility on different products and services, the results suggest that different types of products have different levels of advertising credibility (Prendergast *et al.,* 2009). For example, weight-loss products have received criticism due to misleading and unreliable information, which can impact on the level of advertising credibility and can cause a higher level of ignorance (Prendergast *et al.,* 2009).

In the third area in the literature, the impact of advertising credibility based on different media and other promotional methods, researchers (Prendergast *et al.,* 2009) have suggested that each medium is different and therefore has its own image and personality, which results in different levels of perception regarding advertising credibility for each one. Marshall and WoonBong (2003) revealed that the internet had less credibility than the print medium. Belch and Belch (2007) suggested that direct mail and print had a lower level of credibility than broadcast media. Prendergast *et al.* (2009) examined the effects of radio, broadcast television, cable television, direct mail and the internet. They suggested that the old media (*e.g.* radio, television and direct mail) had higher levels of credibility than modern media (*e.g.* the internet). These results were also validated by Moore and Rodgers (2005) and Jordaan *et al.* (2011), who found a difference between the media type and advertising credibility, and suggested that credibility was higher for the older media than for the new media. Similar, findings were also found by Hamouda (2018). However, none of these findings was confirmed by Yakoop *et al.* (2013).

Salmon *et al.* (1985) and Jo (2004) studied the credibility level of advertising compared to other promotional methods like news. They found that advertising had a higher level of credibility than news. Celebi (2007) found that publicity was more credible than advertising for new fast-moving consumer goods. Celebi (2007) also examined the difference between publicity that included a promotional endorser, and advertising that included a promotional endorser, based on credibility. The results revealed that publicity that included a promotional endorser had higher levels of credibility than advertising that included a promotional endorser.

A few researchers (Ibelema and Powell, 2001; Greer, 2009) have also examined the effects of age, gender and income on advertising credibility. Some (Celebi, 2007; Multani *et al.,* 2013) have suggested that the level of credibility varies from person to person based on their demographic profile. Ibelema and Powell (2001) found that men with high social economic status found advertising in newspapers more credible, while women with low social economic status found advertising on television more credible. Shavitt *et al.* (1998) found that non-white consumers with less education and income, and aged between 18 to 34, found advertising more credible than other groups. These findings were validated by Multani *et al.* (2013). In contrast, Liu (2002) suggested that better-educated individuals strongly believed in the credibility of advertising and did not show much difference than compare to least-educated indviduals, while Celebi (2007) and Greer (2009) failed to show any difference between consumers based on their age, education, gender and income.

Despite these studies on advertising credibility, there is little evidence available on the effects of similar credibility constructs on brand and corporation (Kim *et al.,* 2014; Ghotbivayghan *et al.,* 2015), which also suggests that advertising credibility can bring a positive effect on these constructs. Firms that use credible advertising influence consumers' attributes and evaluation of the association between the advertising and brand and corporation (Kim *et al.,* 2014; Ghotbivayghan *et al.,* 2015). Advertising credibility helps in creating and conveying positive consumer opinions towards the credibility and image of the brand (Kim *et al.,* 2014; Ghotbivayghan *et al.,* 2015). The characteristics of credible advertising are also able to confer credibility on the corporation and enhance its overall image (Magnini *et al.,* 2010; Kim *et al.,* 2014; Ghotbivayghan *et al.,* 2015). In sum, higher investments made through credible advertising lead to a higher level of brand credibility, brand image, corporate credibility and corporate image, while lower level of advertising credibility can badly damage their credibility and image (Sen0 and Lukas, 2007; Spry *et al.,* 2011). Despite

the significance of advertising credibility for brand credibility, brand image, corporate credibility and corporate image, there is a very little evidence in the literature on the importance of these effects.

Therefore, the purpose of this study is to examine the effects of advertising credibility on brand credibility, brand image, corporate credibility and corporate image. The study employs signalling theory as its theoretical underpinning. It uses advertising credibility as a signal and examines its effects on all four constructs. Previous studies on credibility constructs have suggested that credible sources, such as advertising credibility, are used to positively evaluate connected sources, such as brand and corporation (Erdem and Swait, 1998; Bairrada *et al.,* 2018; Karanges *et al.,* 2018; Pecot *et al.,* 2018). Investments made through credible advertising express that the quality, consistency, clarity and marketing strategies of a brand or corporation are truthful and dependable (Bairrada *et al.,* 2018; Karanges *et al.,* 2018; Pecot *et al.,* 2018). These signals also give consumers confidence that the corporation and brand are highly credible and have a positive image (Bairrada *et al.,* 2018). Despite the importance of this topic, very little research on it has been carried out. The purpose of this study is to examine the effects of advertising credibility as a signal on the credibility and image of the brand and corporation. For this purpose, a qualitative approach has been used, whereby interviews and focus groups were conducted with managers, advertisers, academics and consumers to understand these phenomena in detail.

[Table 1 Here]

Defining advertising credibility

Previous researchers have defined advertising credibility in various ways. Lutz (1985) and Prendergast and Wong (2009) defined it in terms of whether the claims made about brands or products were perceived to be truthful. MacKenzie and Lutz (1989) defined it as the extent to which the consumer perceived claims made about the brand in the advertising to be truthful and believable. Pavlou and Stewart (2000), Chowdhury *et al.* (2006), Kim and Han (2014) and Zimand-Sheiner *et al.* (2019) defined it as consumers' perception of the truthfulness and believability of advertising. Daugherty *et al.* (2008) described it as an expression of consumers' expectations regarding the fairness and factualness of advertising. A few (Liu and Gupta, 2011) have explained it as the extent to which a consumer perceives the company to be a credible source of information, which in turn assures the consumers of the company's

reputation, integrity and goodwill; while others (Yakoop *et al.,* 2013) have defined it as the extent to which the consumer believes or trusts in the media or advertising claims.

Based on the explanations from the previous research and the findings of the current study, this study has defined advertising credibility on the basis of terms like accurate, caring, competent, complete, convincing, ethical, honest, impressing, reliable and warranted; and on the basis that it delivers what it promises about the products/services.

Methodology

A qualitative research method was used for this study, owing to the lack of previous research on advertising credibility and its effects on brand credibility, brand image, corporate credibility and corporate image (Priporas *et al.,* 2017). Eleven interviews and four focus groups were conducted with academics, advertisers, marketers and consumers. Previous researchers have suggested that these numbers are adequate (De Ruyter and Scholl, 1998; Priporas *et al.,* 2012; Foroudi *et al.,* 2017), indicating that the use of a small sample is acceptable. According to past researchers (Hellstrom, 2008; Priporas *et al.,* 2012), the value of qualitative samples depends on the ability of the interviewees to provide insightful information, because they are representative of larger groups. The involvement of selected academics, advertisers, marketers and consumers was the best choice for this study, owing to their relevancy, knowledge, expertise and usage influence in both the decision-making and buying processes based on advertising. The relevancy of the target audience is important, as the purpose of qualitative analysis is to see things through the eyes of participants (Bryman and Cramer, 1990; Priporas *et al.,* 2012). This approach helped the researchers to gain a richer and deeper understanding of the topic from the point of view of the marketers, advertisers, academics and most importantly the consumers – especially given that a limited number of qualitative studies on the effects of advertising credibility are found in the literature (Priporas *et al.,* 2017). In addition, previous researchers (*i.e.* Saunders *et al*., 2018) have suggested that interviews and/or focus groups should be conducted until data saturation is achieved. In this study, the researchers stopped the interviews and focus groups when they started receiving similar comments again and again (Saunders *et al*., 2018).

Academics, advertisers, marketers and consumers were all involved in the process to ensure a full understanding the topic. The use of multiple methods was to lower the pitfall of bias, to increase robustness, to complement the findings, to understand the phenomena from multiple perspectives and to enhance the credibility of the findings (Lambert and Loiselle,

2008; Roy and Sanyal, 2017). Researchers (*i.e.* Foroudi *et al*., 2014; 2017) have suggested including marketing practitioners, scholars and consumers in the research to gain in-depth views. They have further suggested that each of them have different mindsets and it is essential to collect data from each of them (Foroudi *et al*., 2014; 2017).

A semi-structured interview guide was created, based on the existing literature and with the help of other researchers and academics. The guide was pre-tested for readability and content relevancy in relation to the research questions (Priporas *et al.,* 2017). Its focus was to ask participants how they defined advertising credibility, and what effects they thought it could have on brand credibility, brand image, corporate credibility and corporate image. In addition, there were questions on participants' age, gender, ethnicity and income, as shown in Table 2 and Table 3. Participants were asked about any credible advertising they had in their minds, and follow-up questions on the brand and corporation were linked to similar advertising.

The participants were contacted by phone, email or post, and were sent a brief to inform them about the topic. The academics, advertisers and marketers were individuals with outstanding work in their fields, while the consumers were general consumers. All of them were chosen based on a convenience sampling and snowballing technique. Their ages ranged between 18 and 50. They were chosen to represent different ethnic backgrounds, genders and social classes, and were based in the London area. The interviews and focus groups were held in locations convenient to the participants. The interviews were conducted face-to-face. All the focus group participants were encouraged to speak so collective views could be gathered on the topic (Smithson, 2000). The interviews and focus groups lasted between 24 minutes and more than an hour. All of them were recorded to increase the accuracy of the data and minimise bias. The participants were selected using a snowballing sampling method. They had different ages, ethnicities, incomes, genders, *etc*., to keep the sample mixed and representative of the very mixed demographic of London (Roy and Sanyal, 2017). Details of the interviews and focus groups, with information on the participants, durations and topics, are given in Table 2 and Table 3.

[Table 2 Here]

[Table 3 Here]

Before each interview and focus group, the participants were informed about the purpose of the research. It was explained that participation was voluntary and that the purpose was to learn their thoughts and feelings. The participants were informed that the interviews and focus groups would be audio recorded and would be used only for the purpose of the research, and that their identities would not be revealed. They were also informed that the researcher was interested in their honest opinions, and that they could withdraw from the research at any stage. An encouraging and favourable environment was provided for the respondents, to enable them to feel comfortable in expressing their opinions and beliefs (Bryman and Bell, 2007). Overall, ethical considerations such as anonymity, informed consent, the avoidance of personal questions and personal details, the exploration and exploitation of personal details, and the principle of the research causing no harm, were kept central (Priporas *et al.,* 2017).

The interviews and focus groups were recorded to increase the accuracy of data collection, permit a verbatim record, and facilitate the process of content analysis. The participants' names were replaced with coded numbers to help with the analysis and also to ensure anonymity. The data was analysed using thematic analysis. The information gathered from the interviews and focus groups was processed into themes, and all six steps of thematic analysis as suggested by Braun and Clarke (2006) were used: (i) become familiar with the data, (ii) generate initial codes, (iii) search for themes, (iv) review the themes, (v) define and name the themes, and (vi) produce the final report. Coding at the initial stage was done manually, when the researchers went through the transcripts line-by-line. The researchers also used NVivo to code the data. This was found to be useful for "mapping out the themes of the interviews diagrammatically and assisted researchers in viewing the whole text, enabling inter-relationships of the codes to be seen at a glance, and thus more apropos for data storage and retrieval" (Foroudi *et al*., 2016, p. 246). These multiple methods for coding increased the trustworthiness of the data, and also met the criteria of reliability and validity (Foroudi *et al.,* 2016).

In this study, theoretical thematic analysis was used, which means that the researcher focused only on a particular feature in the data while coding it. In addition, contextualist thematic analysis was used, which sits between the two poles, *i.e*. it lies between essentialism and constructionism (Braun and Clarke, 2006). The term critical realism has been coined for this approach, which recognises the way people make meanings of their experiences, and how the broader social context impinges on those meanings, while retaining a focus on the

material and other limits of reality (Braun and Clarke, 2006). In the final stage of the themes, an additional qualitative researcher was approached to gain his agreement on the identification of codes. This whole procedure is termed as content analysis, which is a technique to make replicable and valid inferences from data about its context. Content analysis therefore increased the reliability of the qualitative data obtained in this research. Furthermore, to ensure validity, a copy of the analysed data was sent to the interviewees to confirm its authenticity (Bryman and Bell, 2008).

Findings

The findings of this study are in line with those of previous studies (Lutz, 1985; Kim and Han, 2014). These findings suggest that advertising credibility is defined on the basis of terms like accurate, caring, competent, complete, convincing, ethical, honest, impressing, reliable and warranted; and on the basis that the advertising delivers what it promises about the products/service. The study further suggests that advertising credibility has a positive effect on brand credibility, brand image, corporate credibility and corporate image. However, these effects can vary in different situations. For example, when the brand and corporation have different names, the effect of advertising credibility is lower than when the brand and corporation have similar names, as it can be harder for consumers to link the brand and corporation when they have dissimilar names. Dissimilar names can be of some benefit when brands are in crisis. In such situations, most consumers are unable associate a corporation with the brand, limiting the negative effects on the corporation. Overall, the study supports the findings of other research based on signalling theory (Erdem and Swait, 2004; Spry *et al.*, 2012; Leischnig *et al.*, 2012). It confirms that advertising credibility can be used as a signal to enhance brand and corporate credibility, and to increase the overall image of a firm.

Definition of advertising credibility

The definition of advertising credibility that emerged from the qualitative findings is highly consistent with the definitions given by previous researchers (Lutz, 1985; MacKenzie and Lutz, 1989; Kim and Han, 2014; Tran, 2017). The exploratory study suggested that advertising credibility was defined by the participants on the basis of the need for the claims made by advertisers and marketers to be honest, reliable, open and trustworthy. Participants mentioned that advertisers should provide realistic and detailed information regarding the product and the brand, and should not include any information which was not true or did not

reflect the real meanings of the brand. They further suggested that consumers would only trust the advertising if, when they bought the brand, they found similar attributes to those advertised; if the final experience was not similar to what had been shown in the advertising, there could be negative effects for both the brand and the firm. Some of the academics, advertisers, marketers and customers stated:

> "Whatever is being advertised, [if] it's alright, they're telling the truth and it's showing the right picture, and the reality is going to be same as it is advertised, I think that advertising will be credible for me." (Interviewee 7)

> "Advertising is very important, yes. I think advertising is the way that corporations or brands communicate, so credibility is really important. I am trying to think how else you can communicate with me, so there is no other way really. I need to trust your advertisement." (Interviewee 9)

> "Advertisements need to be credible, because I buy products based on what I liked and what I saw, and I won't be testing them beforehand. [For example] Alpesso shampoo, the 'German engineering for your hair': I had a friend, I recommended it, 'Why don't you buy it? You're German, it works.' And he did." (Participant 2, Focus Group 4)

Effects of advertising credibility

Effect of advertising credibility on brand credibility

The participants suggested that advertising credibility and brand credibility were associated, with advertising credibility having a positive effect on brand credibility. They further suggested that advertising was a sort of window that showed the brand and related products, creating the first impression of a brand, and suggesting what the brand is, what it does and how it is different from other brands. Their comments highlighted that firms need to be mindful of the possible consequences when they advertise the product, as one wrong move can have a negative impact; and that credible advertising can help enhance consumers' perception of the credibility of the brand, which further encourages them to buy or use it.

These findings are consistent with the outcomes of previous studies (Choi and Rifon, 2002; Koslow *et al.*, 2006), where researchers using similar constructs proved this positive

effect. Choi and Rifon (2002) examined the effect of advertising credibility on brand attitude and suggested significant outcomes. Goldsmith *et al.* (2000) and Lafferty *et al.* (2002) examined the effects of attitude towards the advertisement on attitude towards the brand, and found a positive effect. Feiz *et al.* (2013) examined the impact of attitude towards advertising on brand attitude and suggested a positive effect. Buil *et al.* (2013) examined the effect of attitude towards advertising on brand equity and suggested that it had a positive influence. The results of this study are a step forward, as they demonstrate the effects of advertising credibility on brand credibility, based on the participants' views, some of whom stated:

> "Advertising credibility [affects] brand credibility, yes of course. As the brand appears in the advertisement, that advertisement plays an important role for stakeholders and in general for customers. Yes it has an effect, because advertisements are media you use as a promotional tool, used by marketers to send or deliver a message, sometimes to customers or sometimes to stakeholders in general, potential customers, *etc*. Therefore it is a very sensitive tool we use, and it plays an important part in affecting brand credibility." (Interviewee 8)

> "If I don't think advertising is credible, I will view the brand negatively, and that's how I am going to change how I view the brand. You cannot change how I view the brand: you project how you want me to view your brand, but I still decide how I view the brand, if I add all these components together." (Interviewee 9)

> "Yes, depending on your advertising: if your advertising is ridiculous, then your brand is ridiculous too." (Participant 4, Focus Group 3)

Effect of advertising credibility on brand image

Participants suggested a positive effect of advertising credibility on brand image. They said credible advertising provided the first impression of a firm, which they used to build up a strong brand image. They also highlighted that credible advertising suggested what the brand stood for in the eyes of consumers, and was the one of the first things that firms used to create a positive image. Previous literature using similar constructs has produced consistent results. Koslow *et al.* (2006) found a positive effect of advertising on increasing brand image, while Nagar (2015) examined the effect of attitude towards advertising on

brand and found a positive and significant effect. The results of this study minimise the gap in the literature by examining the effect of advertising credibility on brand image. According to the participants:

"It comes back to what I was saying before – your advertisement credibility is your first impression, and up to the higher degree the brand image you are trying to build up, because it depends how you define it – if it's a sort of active announcement of who you are and what you do, whether it's a small account on something on Twitter or Facebook or wherever. But it has an effect." (Interviewee 6)

"They should first of all think how they want their brands to be considered in the minds of customers or stakeholders. Advertising should be designed based on that, so it is a very sensitive process for me and very important, because advertising is a very costly promotional tool – the most expensive one in fact, and therefore [advertisements] could have a negative impact if they don't apply or don't use the right message, which explains what their brand is or how they want their brand to be in customers' minds." (Interviewee 8)

"I think so, although I don't think Coca-Cola is probably ever going to have a credible advertisement – it's so bad for you and kids' health. But yes I think the more credible the advertisement is, the more impact it has on the brand." (Participant 2, Focus Group 1)

Effect of advertising credibility on corporate credibility
Participants suggested that advertising credibility had a direct effect on corporate credibility. They said that if the advertising was credible, it suggested that the corporation was credible too, while if the advertising lacked credibility, it could have a direct negative effect on the credibility of the firm. These findings are consistent with the previous literature (Cotte *et al.,* 2005; Yakoop *et al.,* 2013), where researchers using similar constructs demonstrated the positive effect of advertising on corporate credibility. Cotte *et al.* (2005) showed that a positive relationship existed between advertising credibility and corporate attributions. Yakoop *et al.* (2013) confirmed the positive effect of advertising credibility on attitude towards the firm. Wang *et al.* (2009) found positive effects of advertising on a firm's assets

and suggested that they were sustainable and accumulative, and supported the asset characteristics of advertising expenditures. Other results have suggested that advertising has a positive effect on a firm's performance (Peterson and Jeong, 2010) and value (Luo and de Jong, 2010). According to the participants:

"Advertisements are a company's first impression and there is really no getting it back. If you see one negative advertisement from the company, that will probably stay with you, whether it's subconsciously [or otherwise]. It's a risk and it might only be in the short term that it has a negative impression." (Interviewee 6)

"They feed each other, don't they? I don't think that I can ever think of an advertisement and disassociate it from the actual corporation or the brand or the image. I can't do that, because it's top down […] so all these components definitely have an effect." (Interviewee 9)

"Yes, you always find out the lead, the source. If it's bad, you will already recognise the brand, it actually projects." (Participant 2, Focus Group 3)

Further findings suggest that if a firm and brand have dissimilar names, or are not associated with each other, the advertising will not have the same effect as when the firm and brand have similar names. These findings are consistent with those of previous researchers (*e.g.* Keller and Aaker, 1997; Milberg *et al.,* 1997; Goldsmith *et al.,* 2000; Berens *et al.,* 2005).

Participants also suggested that this scenario could also be beneficial owing to the nature of one construct's effects on the other. As these constructs have a direct effect on each other, it can be suggested that negative advertising credibility can have a negative effect on corporate credibility. These findings are consistent with those in the literature, where researchers have suggested the effect of one negative construct on others (Till and Shimp, 1998; Doss, 2011). One participant expressed this in the following way:

"In some cases, organisations use product branding and they do not involve the organisation's name in the product brand. For example, you talk about UniLever: if we talk about Lux, one of their brands, or Ariel, they don't associate their

organisation's name with their product names, which could create problems in associating the brand with the firm. However, in that case, there can be some benefit for the organisation, such as that if something turns negative for the product, it may not hurt the credibility of the organisation as a whole to that extent. If we compare that with the organisations which use their own names in their products, for example Gillette or Nike, if the image of anything goes wrong, it may hurt the image of the organisation as a whole." (Interviewee 7)

Effect of advertising credibility on corporate image

This study also suggests that advertising credibility has a positive and direct effect on corporate image. According to the participants, corporate image is perceived from the consumers' perspective, and advertising credibility could play a role in changing consumers' perceptions. However, if advertising credibility is low, then it can cause harm to the overall image of the corporation. These findings are consistent with those of previous researchers (Reid and Buchanan, 1977; Ashikali *et al.,* 2017), who have confirmed that advertising plays an important role and is one of the most efficient means of conveying the image of the corporation. According to the participants:

"I think [advertising credibility and corporate image] are definitely related. Corporate image is perceived from the consumers' perspective, and ad credibility could change corporate image, because people relate to the last thing that has happened. The ad can definitely cause harm to corporate image." (Interviewee 4)

"I think [advertising] brings out the truth of what the company started on, the basis of what the company started on, so I guess yes." (Participant 5, Focus Group 3)

Conclusions

The findings suggest that advertising credibility is defined on the basis of terms like accurate, caring, competent, complete, convincing, ethical, honest, impressing, reliable and warranted; and on the basis that it delivers what it promises about the products/service. The findings also suggest that advertising credibility has positive effects on brand credibility, brand image, corporate credibility and corporate image. These effects are lower when the brand and corporation have different names than when the brand and corporation have similar names, as

it can be harder for consumers to link the brand and corporation when they have dissimilar names. The findings also suggest that dissimilar names can be of some benefit, especially when brands or firms are faced with a crisis. In such a situation, most consumers are unable to link the associated firm with the brand and there are fewer chances of the negative effect moving from the brand to the firm or *vice versa*. Hence, the harmful effects can be less than when the brand carries a similar name to the firm. The study also confirms the findings of previous research based on signalling theory (Erdem and Swait, 2004; Spry *et al*., 2012; Leischnig *et al*., 2012), and confirms that advertising credibility can be used as a signal to enhance brand and corporate credibility and to increase the overall image of the firm. These findings are presented in a model shown in Figure 1, which illustrates the effect of one construct on the others and also explains the conditions in which these effects can be different. This model could be further examined quantitatively by future researchers. This is one of the first studies to examine the effects of advertising credibility on brand credibility, brand image, corporate credibility and corporate image. The findings not only minimise the gap in the literature but also have a number of managerial implications, including helping managers to specifically understand the effects of credible advertising on the brand and corporation.

[Figure 1 Here]

Theoretical and managerial implications

This study has both theoretical and managerial implications. In terms of the theoretical contribution, it provides a number of new insights. Firstly, it has explored the topic using a qualitative method. Most previous researchers (Cotte *et al.,* 2005; Okazaki, 2004; Okazaki *et al.,* 2013; Yakoop *et al.,* 2013) have examined this topic using quantitative methods, and there is very little evidence exploring advertising credibility based on qualitative research. The use of qualitative research in this study has helped in understanding the feelings and attitudes of participants towards advertising credibility and its effects.

Secondly, this research has helped close a gap in the literature by understanding the meaning of advertising credibility on the basis of qualitative research. Again, most researchers (Cotte *et al.,* 2005; Okazaki, 2004; Okazaki *et al.,* 2013; Yakoop *et al.,* 2013) have conducted quantitative studies, and there is very little evidence exploring the definition

of advertising credibility using qualitative research. The explanations and definitions found by this study are largely in line with the definitions given by prior researchers (Okazaki, 2004; Okazaki *et al.,* 2013; Yakoop *et al.,* 2013).

Thirdly, this study has minimised a gap in the literature by examining the effects of advertising credibility on brand credibility, brand image, corporate credibility and corporate image. The results show that advertising credibility has a positive effect on each of them. These results are consistent with most of the previous findings, where researchers (Cotte *et al.,* 2005; Wang *et al.,* 2009; Ashikali *et al.,* 2017) have examined the effects of similar constructs. Most previous studies have examined these effects using a quantitative research method, and there has been little use of qualitative research. Again, this is the first study to explore the effects of advertising credibility on brand credibility, brand image, corporate credibility and corporate image using a qualitative research method.

Finally, this study confirms earlier findings based on signalling theory, suggesting that one credible source can enhance the credibility of other connected sources and improve their overall image (Erdem and Swait, 2004; Spry *et al.*, 2012; Leischnig *et al.*, 2012). These results again support the previous findings on other credibility constructs and confirm the importance of credibility sources in signalling theory (Erdem and Swait, 2004; Spry *et al.*, 2012; Leischnig *et al.*, 2012).

Alongside these theoretical contributions, this study also makes managerial contributions. First and foremost, it enables managers and practitioners to gain a more detailed understanding of advertising credibility, and to understand the term equally from the perspectives of academics, advertisers, marketers and consumers. This could help them to understand the key assets in creating credible advertising, which can be highly beneficial for sound and healthy communication.

Moreover, the findings could also help managers to understand the role that advertising credibility can play in having a positive effect on brand credibility, brand image, corporate credibility and corporate image. The findings illustrate that credible advertising has a positive effect on each of the other constructs, while advertising that lacks credibility damages the credibility and image of the brand and corporation. A high level of advertising credibility could help a firm to spread its message strongly and quickly, and could bring more consumers to the business. Marketers and advertisers should understand the importance of credible advertising and should take steps that could enhance the credibility and image of their brands and corporations.

These findings could further help managers in understanding the different effects of advertising credibility on the brand and corporation, where these have similar and dissimilar names. These findings could help practitioners to know the different effects in the two situations, *i.e.* that if a brand has a similar name to that of the corporation, there is a stronger effect than if the brand has a dissimilar name. Furthermore, this study could also help them to recognise that in cases when the brand behaves unethically or gains negative publicity, the effects on the corporation will be stronger in cases where the two have similar names than when the two have different names. This could help practitioners to understand the merits and demerits of having similar and dissimilar names for brands and corporations. Based on these findings, practitioners would be able to use the correct strategies by taking into consideration the pros and cons of similar and dissimilar brand names.

Limitations and suggestions for future research

This study has several limitations, opening up avenues for future research. Firstly, as this study uses a qualitative research method, a future exploration of this topic based on empirical research using a quantitative research method would help in increasing generalisability and validity – an example is given in the form of the model in Figure 1. Secondly, a future study could examine the effects of boundary conditions. Future researchers could examine the effects of various types (humour, guilt, *etc.*) of advertising (product, corporate, financial, *etc.*) and methods (television, radio, news, print, online, *etc.*), and could examine their effects on the brand and corporation. Furthermore, a future study could examine the effects of advertising credibility levels (*i.e.* high, moderate and low) on other constructs.

Next, a future study could examine the effects of different types of advertising appeals, *i.e.* those using fear, humour, rationale, bandwagon, *etc.*, and different types of advertising media, *i.e.* newspapers, magazines, display ads, social media ads, event marketing, *etc.* A future study could also examine the effects of advertising credibility on the credibility and image of global versus local brands and corporations. Previous studies have suggested that global brands and corporations have higher levels of power and value than local brands, owing to their global presence (Alden *et al.*, 1999; Akaka *et al.*, 2010). Global presence can also enhance the credibility and image of brands and corporations (Alden *et al.*, 1999; Akaka *et al.*, 2010). Credible advertising in such a situation can strengthen the credibility and image of the brand and corporation (Alden *et al.*, 1999; Akaka *et al.*, 2010). Despite the importance of this area of research, little evidence is found on it. Therefore, a

future study could examine the effects of advertising credibility on brand credibility, brand image, corporate credibility and corporate image based on global versus local brands. The effects of advertising credibility on brand credibility, brand image, corporate credibility and corporate image in different cultures could also be studied.

Furthermore, a future study could also examine the effects sequentially, *i.e.* the effects of advertising credibility on brand credibility and brand image, followed by the effects of brand credibility and brand image on corporate credibility and corporate image. While the aim of this study was limited to examining the effects of advertising credibility on the four constructs at once, a future study could examine the effects based on the sequential relationships.

Finally, future studies could examine the effects of advertising credibility on other attitudinal and behavioural constructs, *e.g.* the effects of advertising credibility on attitude towards brand, attitude towards corporation and purchase intention.

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Table 1: Literature on advertising credibility

Researchers	Purpose	Findings	Methodology
Mackenzie *et al.* (1989)	The study examined the effects of advertising credibility, advertising perceptions, attitude towards advertiser, attitude towards advertising, and on ad attitude.	The study found that advertising credibility, advertising perceptions and attitude towards advertising had an effect on ad attitude. However, attitude towards advertiser had no effect on ad attitude.	Structure equation modelling
Flanagin and Metzger (2000)	The study investigated people's perceptions of the credibility of various categories of internet information compared to similar information provided by other media.	Overall, the respondents reported that they considered internet information to be as credible as that obtained from television, radio and magazines, but not as credible as newspaper information.	ANOVA
Choi and Rifon (2002)	The present study explored antecedents and consequences of online advertising credibility and examined the effects of (1) website credibility, (2) ad relevance, and (3) advertiser credibility on advertising credibility, advertising attitude, brand attitude and product purchase intentions.	The results suggested that source credibility was vital to understanding web advertising effectiveness.	Structure equation modelling
Greer (2003)	The study investigated participants' views on advertising when the news and story were surrounded by a high credibility source compared to a low credibility source.	Participants did not show any difference on advertising when the news and story were surrounded by high or low credible sources.	ANOVA
Cotte *et al.* (2005)	The study examined whether the consumers' evaluations of an advertising credibility could enhance, and perceptions of manipulative intent can disrupt, the emotional response intended by the advertiser. The study also investigated the effects of these two variables on attitude towards the advertising and corporate attributions, including attitude towards the sponsor of the advertising. It examined a commonly employed emotional tactic – the guilt appeal.	The results suggested that credible guilt advertisements that were not overtly manipulative induced guilt feelings and positive attitudes. However, when consumers inferred manipulative intent by the marketer, they did not feel guilty, but did have negative attitudes toward the sponsor of the advertisement and the advertisement.	Correlation
Haghirian *et al.* (2005)	The study examined the effects of message content (*i.e.* entertainment, informativeness, irritation and credibility), message exposure, attitude towards privacy and age of consumers on advertising value of mobile marketing.	The results indicated that the message content, message exposure, attitude towards privacy and age of consumers had greatest relevance for the perceived advertising value.	Regression analysis
Chowdhury *et al.* (2006)	Based on the existing literature about attitudes toward advertising and consumer behaviour models, a research	The findings showed that if mobile advertisers could present mobile ads pleasingly, with appropriate	Structure equation modelling

	framework was constructed to illustrate the factors (*i.e.* entertainment, informativeness, irritation and advertising credibility) affecting consumer attitudes toward SMS-based advertisements in Bangladesh.	information, consumers would not be annoyed and there was a fair possibility that they would gradually like the ads. Furthermore, advertising credibility, a construct of this study, found to be the most significant of the factors affecting respondents' attitude toward mobile ads.	
Celebi (2007)	The purpose of this study was to investigate the credibility of advertising vs. publicity; to examine the credibility of advertising including a promotional endorser (APE) and publicity including a promotional endorser (PPE); to compare the credibility of advertising across the different demographic segments; and to explore the important factors affecting consumers' shopping considerations of new fast moving consumer goods (FMCGs) in Turkey.	Advertising was found to be more credible by the participants with higher income. Respondents' shopping decisions regarding new FMCGs were affected by price and quality more than the other factors. Consumers tended to rely on publicity more than advertising; more than APE; and more than PPE. They also tended to regard PPE as more credible than APE.	T-test and Pearson chi-square
Drossos *et al.* (2007)	The research investigated the significance of a number of factors *i.e.* location, interactivity, incentive, advertising credibility, appeal, product involvement and attitude towards mobile advertising, on attitude towards advertising, attitude towards brand and purchase intention.	The findings indicated that incentive, interactivity, appeal, product involvement and attitude toward SMS advertising in general directly influence attitude toward the advertisement, attitude toward the brand and purchase intention.	ANOVA
Haghirian and Inoue (2007)	The paper discussed the relevance of advertising on the mobile internet as a marketing tool and investigated the antecedents of Japanese consumer attitudes towards the new advertising channel. The elements of consumers' attitude included in this study were entertainment, informativeness, irritation and credibility.	The outcomes suggested that all the elements of consumers' attitude had a positive effect on the consumers' attitudes towards the advertising.	Structure equation modelling
Moore and Rodgers (2007)	The purpose of the study was to examine differences in consumers' perceptions of advertising credibility for five media, *i.e.* newspapers, television, radio, magazines and the internet – and the moderating role of persuasion knowledge in those perceptions.	The results indicated that advertising credibility was highest for traditional media and lowest for the internet. Advertising scepticism was highest for new media and lowest for print media. Moreover, knowledge about advertising influenced scepticism towards advertising in radio and newspaper, while, suspicion of advertising affected credibility of advertising in each media. The findings were congruent with the persuasion knowledge model of information processing and supported the position that	Regression analyses

		individuals used their persuasion knowledge when making judgments about advertisements.	
Xu (2007)	The study investigated the factors, *i.e.* entertainment, informativeness, irritation, credibility and personalisation affecting consumers' attitude towards mobile advertising in China.	The outcomes suggested that all the factors in the study affected the attitude and intention towards mobile advertising.	Structure equation modelling
Prendergast *et al.* (2009)	The aim of the research was to identify for which types of products and services consumers found advertising to lack credibility, and in which media this effect was most serious. The association between self-esteem and scepticism towards advertising was also explored.	The results showed that ads for weight-loss products were considered the least credible. The broadcast media (radio, broadcast television and cable television) were considered the most credible advertising media, while direct mail and the internet were considered the least credible. Self-esteem was found to be positively related with scepticism towards advertising.	Multiple regression
Yaakop *et al.* (2013)	The paper aimed to examine the online factors (such as perceived interactivity, advertising avoidance, privacy and advertising credibility) that influenced consumers' perceptions and attitude towards advertising on Facebook.	The results suggested that there were three online factors that significantly influenced consumers' attitudes towards advertising on Facebook: perceived interactivity, advertising avoidance and privacy. However, advertising credibility was not proved to be a significant factor in predicting consumers' attitude towards advertising on Facebook.	Multivariate analysis
Kim and Han (2014)	The study suggested a comprehensive advertising model that combined a web advertising model, personalisation and flow theory in understanding the antecedents of purchase intention and influence processes in the context of smartphone advertisements.	The results showed that personalisation had a positive association with informativeness, advertising credibility and entertainment of the advertising message, while having a negative association with irritation. Purchase intention was increased by advertising value and flow experience. Advertising value had a positive relationship with advertising credibility, entertainment and incentives. Flow experience was positively associated with advertising credibility, entertainment and incentives. Irritation negatively affected flow experience but advertising value.	Structure equation modelling
Delafrooz and Zanjankhah (2015)	The study examined the factors (*i.e.* entertainment, informativeness, advertising credibility, personalisation, irritation, permission and risk acceptance) affecting consumers' attitude towards mobile advertising. Further, the study also examined	The results of data collected by structural equation modelling (path analysis) indicated that consumers had a positive attitude toward mobile advertising; moreover, subjective norms and perceived behaviour control also affected the intention of using mobile	Structure equation modelling

	the effect of factors (*i.e.* attitude towards mobile advertising, perceived behaviour control and subjective norms) on the intention of accepting mobile advertising.	advertising.	
Aydin (2016)	The study examined the factors (*i.e.* perceived informativeness, perceived entertainment, advertising credibility and irritation) that have a positive effect on attitude towards advertisements in digital channels.	The results based on regression analysis suggested that all the relations were significant except those of irritation on attitude towards advertising in digital channels.	Regression analyses
Martins *et al.* (2018)	The study examined the effects of advertising credibility on perceived advertising value and flow experience.	The results suggested that advertising credibility had a positive effect on both perceived advertising value and flow experience.	Structural equation modelling

Table 2: Interviews

Interviewee number	Profession	Age	Gender	Approximate duration
1	Marketer	36	Male	54 minutes
2	Academic	33	Male	50 minutes
3	Academic	36	Female	34 minutes
4	Marketer	29	Female	37 minutes
5	Academic	45	Female	30 minutes
6	Academic	47	Male	70 minutes
7	Marketer	36	Female	25 minutes
8	Marketer	26	Female	50 minutes
9	Advertising	31	Female	35 minutes
10	Advertising	24	Female	26 minutes
11	Marketer	24	Male	25 minutes
Topics discussed				
- The definition of advertising credibility				
- The effects of advertising credibility on brand credibility				
- The effect of advertising credibility on brand image				
- The effect of advertising credibility on corporate credibility				
- The effect of advertising credibility on corporate image				

Table 3: Focus groups

Focus group number	Number of participants	Age range	Gender	Duration	Profession of customers
1	5	20-45	Mixed	35 minutes	1 student, 1 sports person, 1 office worker, 1 retail worker and 1 nurse
2	6	23-41	Mixed	30 minutes	2 students, 3 retail workers and 1 musician
3	6	19-47	Mixed	30 minutes	2 students, 1 housewife and 3 retail workers
4	6	18-34	Mixed	38 minutes	2 students, 3 office workers and 1 retail worker
Topics discussed					
- The definition of advertising credibility - The effects of advertising credibility on brand credibility - The effect of advertising credibility on brand image - The effect of advertising credibility on corporate credibility - The effect of advertising credibility on corporate image					

Figure 1: The research model

Brand credibility

Advertising credibility has a positive effect towards brand credibility. It creates the first impression regarding the brand and suggests what the brand is, what it does and how it is different from other brands.

Brand image

Advertising credibility has a positive effect towards brand image. The outcomes suggest that advertising credibility enhances the image of brand significantly.

Advertising credibility

The effect of advertising credibility on corporate image is higher when the brand has a similar name to the corporation. Dissimilar names can be of some benefit, especially when brands or firms are faced with a crisis. In such situations, most consumers are unable to link the brand to the corporate or *vice versa* and there are fewer chances of the negative effect moving from the brand to the corporation or *vice versa*.

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