

ABSTRACT

The services advertising literature has called for additional studies of the type of tangible cues and advertising appeal that reduce the intangibility of services. This research proposes that the display of service attributes, as tangible cues, that consumers can easily link to personal values in services advertising messages may enable consumers to mentally visualise a service's benefits, and thus facilitate the evaluation process. The study draws on principles of the means-end chain and Berry and Clark's (1986) recommendations for tangibilising services during advertising. Together these perspectives lead to the proposition that advertising messages reflecting important personal values enhance perceptions of tangibility (visualisation strategy) and lead to more positive consumer attitudes.

Financial services were chosen as the service category because they are characterised by a high degree of intangibility. In an experimental study involving fictitious bank ads resembling magazine advertisements, participants were allocated to one of eight treatment groups created by manipulating type of product, type of appeal and type of service provider. A total of 468 questionnaires were collected, and tests were carried out using multivariate analysis of covariance and structural equation modelling. Findings supported the proposed conceptualisation, indicating that when consumers are able to make means-end linkages between physical representations of tangible cues and personal values satisfied by the service, there is a positive impact on perceived tangibility, attitude towards the advertisement and attitude towards the brand. The main theoretical contribution of this research to the knowledge base is that the study demonstrated that perceived tangibility and advertising effectiveness were enhanced by activating personal values important to consumers, which facilitate consumers' visualisation and evaluation of service-related benefits. Understanding how consumers mentally linked the different means-end elements stimulated from tangible cues in advertisements will help managers of service firms develop more effective advertising strategies to create the desired brand image.

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GLOSSARY OF TERMS

Advertising appeal:	An approach where message elements are manipulated to influence consumers' perceptions, attitudes and behavioural intentions toward a product, service or event.
Attitude:	A general and enduring positive or negative feeling toward or evaluative judgment of some person, object or issue.
Brand identity:	Description of the image of the brand that the marketer wants to create in the mind of the consumers.
Corporate advertising:	The integration of words, colours, symbols and slogans; and consistent application of these elements will deliver a clear and cohesive message to consumers.
Corporate branding for services:	Consumers' attitudes toward a service name that are associated with functional and symbolic meanings across different products or services embedded in a service brand.
Corporate image:	Attitudes and feelings consumers have about the nature and underlying reality of the company.
Elaboration likelihood:	The chance or prospect that a message receiver will elaborate on a message by thinking about and reacting to it and comparing it with his or her pre-existing thoughts and beliefs regarding the product category, the advertised brand, and competitive brands.
Emotional appeal:	Designed to generate positive emotions including subjective, evaluative properties.
Intangibility of services:	Consumers' increased difficulties of mentally picturing the attributes and features of services, due to the lack of physical properties.
Involvement:	A person's perceived relevance of the object based on inherent needs, values and interests.

Means-end chain connectivity	A mental process where the strength of connections/linkages between attributes to consequences, and to personal values, triggered by tangible cues related to specific personal value(s), facilitates consumers to recognise the advertised service as personally-relevant to reach their inner self-goals.
Mental intangibility:	The lack of a clear, mentally tangible representation of a service, especially if consumers lack experience with the service.
Perceived tangibility:	The degree to which consumers can visualise mental representations of a service's attributes and features in their minds.
Personal relevance:	The degree that consumers believe a product is related to their inner-self values or it is instrumental to satisfy their personal goals and values.
Personal value:	An enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence.
Rational appeal:	Advertising characterised by objectivity and designed to be thinking advertisement, containing direct factual information presented in a straightforward manner.
Religious commitment: (Religiosity)	The degree to which a person adheres to his or her religious values, beliefs and practices and uses them in daily life.
Strength of means-end connectivity	The perceived strength of means-end connections between attributes, consequences and values made in the minds of the consumers that are related to the salient features of a product or service.
Tangibilise:	The process of making a service's components appear more concrete in the minds of consumers.
Tangible cues:	Physical evidence that represents direct or peripheral components of a service.
Visualisation:	Creation of a vivid, mental picture of a service's benefits or qualities.

CHAPTER 1

INTRODUCTION

An Overview of Chapter 1

Intangibility is one of the central issues that have been widely discussed in relation to the marketing of services. Many authors have highlighted the challenges of marketing services due to the lack of physical form, resulting in difficulties for consumers in service evaluation and the higher level of perceived risk associated with a purchase. Advertising is one of the strategies used to counteract intangibility of services, as tangible cues in advertisements assist consumers to grasp key dimensions of a service offerings, facilitate their information-processing and decision-making and reduce the level of perceived risk associated with services (Abernethy & Butler, 1992; Cutler & Javalgi, 1993; George & Berry, 1981; Pickett, Grove, & Laband, 2001). Stafford (1996) reported that manipulation of tangible cues improves advertising effectiveness, and Legg and Baker (1987) found that tangible objects, concrete language and dramatisation in advertisements aid consumers to identify potential service providers. However, the existing literature provides only limited insight into the drivers of advertising effectiveness for services.

The broader consumer behaviour literature recognises that consumers' decisions are guided by personal values and thus advertisements that only seek to improve the physical tangibility of services may only enhance tangibility and consumer evaluation to a limited degree. This research seeks to extend our understanding of the factors that drive advertising effectiveness in a services context, with a particular focus on financial services. The thesis proposes that effective advertising of services should facilitate a consumer visualisation strategy that assists elaboration of message content such that consumers are able to relate the attributes and benefits of a service to the achievement of their end-goals.

The primary purpose of this research is to evaluate the importance of linkages between service attributes and personal values in driving advertising

effectiveness for financial services. Specifically, a proposed conceptual framework to enhance advertising effectiveness for services (refer Figure 9 in p.88) featuring “means-end chain connectivity” is the thrust that serves to facilitate consumers’ evaluations of services. It is expected that a psychological process of connecting means-end elements and realisation of personal relevance occurred simultaneously in the minds of the consumers that created mental representations of a service’s benefits. Greater comprehension and conceptualisation of service features improve perceived tangibility, and in turn, generate favourable consumer attitudes.

Consumers’ cognitive process of making means-end chain connectivity triggered by advertising stimuli is likely to vary in different context. Thus, the proposed conceptual framework was examined and compared across different experimental conditions to determine if consumers are able to make means-end linkages from advertising cues and perceive personal relevance that a service is instrumental to satisfying personal values. The thesis, therefore, compares how facilitating a visualisation strategy by enabling consumers to make means-end chain connectivity impacts on advertising effectiveness for:

- two types of advertising appeal that differ in terms of tangible cues,
- two types of financial service that differ in terms of product complexity,
- two types of service provider that differ in terms of corporate brand values.

The conceptual framework for this research draws on two broad strands of research, namely, the literature on intangibility and services advertising and the literature on the means-end chain model. The concept of visualisation (Berry & Clark, 1986) plays a key role in the development of the conceptual framework. A visualisation strategy, which involves creating a mental picture of a service provider’s benefits or qualities, can increase service tangibility and thus improve advertising effectiveness. In particular, it is argued that a visualisation strategy, which relates the benefits of a product to consumers’ personal goals, assists consumers to elaborate on message content of services. When message content associated with a visualisation strategy successfully taps into personal

values important to consumers, perceived tangibility of a product is believed to be improved and this subsequently enhances advertising effectiveness.

Intangibility and Services Advertising

Intangibility has often been discussed as the lack of physical properties, mainly stemming from early studies that sought to contrast physical goods and services. Hirschman (1980) explained that consumers pass judgments on product attributes through their senses as there are tangible representations of physical goods. Drawing on this notion, Breivik, Troye and Olsson (1998) described physical intangibility as “inaccessibility to the senses”, and Laroche, Bergeron and Goutaland (2001) suggested that mental intangibility, described as the lack of a clear, mentally tangible representation of a service, is a direct result of physical intangibility. Consumers find it difficult to evaluate services because the physical intangibility of the service act and delivery process can create a high degree of mental intangibility. Consequently, this research recognises the need to address this problem by suggesting an alternative to improve perceived tangibility of services.

Financial services, characterised by non-physical action directed at consumers' intangible financial assets (information-processing service), are selected as the service category for investigation. Financial services are highly intangible as financial products lack physical representation and the service act of a financial service provider is always “inaccessible to the senses”. Additionally, marketing of a financial product is always coupled with the corporate brand (an intangible). Some studies reported that among the different categories of services, financial services are often perceived by respondents as more intangible (both physically and mentally) compared to other services like haircuts, travel or dining services (Bielen & Sempels, 2003; Laroche et al., 2001; McDougall & Snetsinger, 1990). Thus, there is arguably a particular need to “tangibilise the intangibles” of financial services. Shostack (1977, p.80) opened up on the discussion that “effective media representation of intangibles is a function of establishing non-abstract manifestations of them”.

One strategy to improve the tangibility of services is advertising, where demonstration of important tangible cues help consumers to evaluate the key feature of a service, facilitate their decision making and lower the level of perceived risk often associated with services. As a result of the importance of tangible cues during advertising to assist consumers' evaluation of a service, this research focuses on investigating the impact of personal values, translated as tangible cues which serve to activate personal relevance, on perceived tangibility and advertising effectiveness of financial services. Perceived tangibility refers to "the degree to which consumers can visualise mental representations of a service's attributes and features in their minds".

Some researchers proposed message-based persuasion (rational appeal) and feelings-based persuasion (emotional appeal) as a means to improve perceived tangibility and enhance advertising effectiveness for services (Albers-Miller & Stafford, 1999a; Matilla, 1999). The use of rational and emotional appeals denotes the type of concrete evidence to be included in advertisements for services; the typical rational appeal contains more information during advertising to allow consumers to base their evaluation on logical, objectively verifiable descriptions of service features, while an emotional appeal aims to induce consumers to develop preference and desire for a service by appealing to their feelings and emotions. Additionally, an appropriate advertising appeal is believed to facilitate consumers' evaluation of tangible cues displayed in advertisement of services. However, it remains unclear which type of message is most able to serve as a tangible cue and contradictory results on effectiveness of advertising appeal have been reported.

Thus, a review of literature relating to advertising of services suggests that there is a real need for further research to understand what makes an effective services advertisement and in particular to understand the relative merits of rational versus emotional appeals. Financial services provide a potentially interesting context for such research because they are characterised by high levels of physical and mental intangibility.

The Means End Chain

The means-end chain forms the second component in this research, as it explains consumers' motivation to elaborate on message elements. The means-end chain is a model which proposes that product consumption decisions are based on satisfying specific internal-oriented personal values important to consumers. Gutman (1982) put forward the framework of the means-end chain, explaining that the consumers' motivation to consume certain products is derived from the personal relevance of the product to achieve desired goals. The author proposed that consumers' perceived personal relevance of a product is an internal state of hierarchical process, triggered by connections from product attributes to perceived positive consequences (benefits), and to personal values important to consumers. Reynolds, Gengler and Howard (1995) explained that product attributes are the "means" for consumers to achieve their "end" state of existence associated with satisfaction of personal values. The implication of the means-end chain for this research is that when consumers are able to visualise a product's benefits, the hierarchy of the means-end chain will function to improve perceived tangibility and may positively impact on advertising effectiveness.

Recognising many calls for additional research to investigate message strategies and the effectiveness of rational and emotional appeal on advertising effectiveness (Hill & Gandhi, 1992; Padgett & Allen, 1997; Stafford, 2005; Tripp, 1997), this research focuses on investigating the role of personal values in tangibilising services and advertising effectiveness. Previous studies examining the type of tangible cues and advertising appeal to tangibilise services and advertising effectiveness mainly focused on the impact of physical representations of services on the effectiveness of advertising, and excluded the importance of personal values that drive consumers' motivation to elaborate the message content included in advertisements. This research puts forward the proposition that consumers' realisation of personal values is an alternative to tangibilise a highly-intangible service category and enhance advertising effectiveness.

Research Objectives and Contribution

There are four core objectives underpinning this research:

- 1) to determine the impact of means-end chain connectivity related to specific personal values on perceived tangibility and advertising effectiveness of financial services.
- 2) to evaluate the relative merits of rational and emotional appeals as a means of tangibilising a financial service and enhancing advertising effectiveness.
- 3) to provide further understanding on the role of personal values in advertising effectiveness between different types of financial services.
- 4) to examine the impact of religious value on advertisements of Islamic banking.

The first objective of this research is to determine the impact of means-end chain connectivity concerning with specific personal values on perceived tangibility and advertising effectiveness for financial services. The research proposes that key attributes and benefits of services displayed as tangible cues in advertisement trigger a psychological process of means-end chain connectivity enhances greater visualisation of mental representation of services which, subsequently, tangibilise services and enhance advertising effectiveness. There is therefore a need to investigate the impact of personal values on tangibilising financial services and advertising effectiveness. As consumers are believed to make different means-end linkages in different conditions, this research investigates advertising outcomes by comparing the effects of advertising cues in different context of financial services.

The second objective of this research is to evaluate the relative merits of rational and emotional appeals as a means of tangibilising a financial service and enhancing advertising effectiveness. In the context of a means-end chain, personal values may be activated by either a rational appeal or an emotional one. These different appeal types may differ in their capacity and ability to facilitate consumers to visualise mental representations of a financial product and enhance advertising effectiveness.

The third objective of this research is to provide further understanding of the role of personal values in advertising effectiveness between different groups of financial services. In the family of financial services, there are numerous products catering to the needs of consumers; savings products (different level of liquidity), investment products (varying level of financial risk, additional financial resources and time commitment involved) and credit products to fund current consumption. Two different financial products (simple vs. complex financial products) are included to make comparisons of advertising effectiveness because of the difference in the level of perceived tangibility and complexity. Additionally, financial services based on principles of operations, conventional vs. Islamic banking, are included to make further comparisons of advertising effectiveness, as the former operates on the basis of interest and equity while the latter operates on the foundation of interest-free banking offering financial products in tune with one's religion. Characteristic differences among the varying financial products (for instance, investment products offer a higher financial return, but involve higher financial risks compared to a savings product) and mode of operations represent different end-goals to different consumers. Therefore, the impact of personal values on the effectiveness of message strategy and advertising appeal may be different according to the type of financial product and principles of banking operation; this calls for an investigation in these subject areas.

The final objective of this research aims to examine the impact of religious value on advertisements of Islamic banking. Some researchers argued that an Islamic bank appealing to consumers on the basis of religious factor is not sufficient to entice Muslims to become customers of an Islamic bank. No study has, however, directly examined the impact of personal values on advertising effectiveness. This research hopes to shed some light on the relationships between personal values and advertising effectiveness.

There are several important contributions of this research. Firstly, the research suggested means-end chain connectivity is the key driver that creates mental aspects of services in the minds of consumers, which ease their evaluation of services. Empirical evidence suggest that the higher the degree of means-end

chain connectivity, consumers are more willing to devote cognitive efforts to elaborate on advertising message and which has positive effects on advertising effectiveness for services. Findings denote that tangible cues in advertising strategies of services should depict elements related to personal values that consumers seek to realise, while advertising appeal should be utilised based on the objective of the advertiser. The research also provides an insight that the means-end chain is made up of several dimensions, where a specific personal value is expected to consist of two dimensions: strength of means-end connectivity and realisation of personal relevance.

Secondly, this research demonstrates the consequences of means-end chain connectivity on advertising effectiveness, as an alternative to the widespread use of laddering technique that seeks to understand how and why consumers link salient attributes of products into meaningful associations with desired consequences and personal values. The current study examines the impacts of means-end chain connectivity, stimulated from advertising cues, is a demonstration of an application of the means-end chain on influencing advertising effectiveness and attitude-formation. Thirdly, this research is an empirical examination of Berry and Clark's (1986) recommendations for tangibilising services during advertising, providing implications that improving advertising effectiveness of services is a product of enabling a visualisation strategy. The study demonstrated that tangibilising services may be a combination of any of Berry and Clark's communication strategies.

Finally, Tripp (1997) pointed out that most research carried out on message strategies and effectiveness of advertising appeal was conducted in the professional service industry which requires specific message content. This research was conducted for financial services - a highly intangible, non-professional service industry where there is limited empirical research on advertising effectiveness. Empirical evidence of the importance of personal values on tangibilising services provides indications about message content that can enhance advertising effectiveness – a subject matter which has been identified as in need of further research (Padgett & Allen, 1997; Stafford, 2005; Stafford & Day, 1995; Tripp, 1997).

Thesis Structure

This chapter has provided an introduction to the research and has outlined the research objectives and the significance of the study. Chapter 2 is a long chapter which provides an extensive review of the various literatures pertaining to intangibility of services, financial services' advertising and the means-end chain. Following a review of the relevant literatures, personal values important to the financial consumers are identified, leading to a conceptual framework proposed to improve perceive tangibility and enhance advertising effectiveness of financial service. A conceptual framework and research questions are developed in this chapter, by integrating the diverse set of literatures that have been examined. Chapter 3 discusses the methodology adopted for this research, explaining several steps involved in testing the proposed hypotheses. An experimental study was undertaken by this study where respondents were allocated to one of the eight experimental groups, where they were exposed to advertising stimuli manipulated by type of product, type of appeal and type of service provider. Different instruments were utilised to measure the various constructs, and unidimensionality and construct validity of these measurement were established, to test the hypotheses with multivariate analysis of covariance and structural equation modelling. A quantitative approach was undertaken and the data was collected by self-administered structured questionnaires. Results of the data analyses are provided in Chapter 4, categorised according to the approach of data analysis and research questions. Finally, discussions, implications and limitations of the research, and directions for future research are provided in Chapter 5.

CHAPTER 2

LITERATURE REVIEW

An Overview of Chapter 2

This chapter reviews the existing literature from a range of related research area in order to gain a comprehensive understanding of existing knowledge about the ways in which advertising strategy may render services more concrete in the eyes of the consumers. Based on the review of relevant literature, research questions are identified and a conceptual framework to enhance advertising effectiveness for services is proposed.

Intangibility of services is often conceptualised as the lack of physical attributes leading to difficulty of evaluating service features and benefits. Consumers' increased difficulty in conceptualising service arises from the intangible service process (delivery and performance), resulting in mental intangibility – the lack of a clear, tangible representation of a service in the minds of consumers. There is therefore a need to improve perceived tangibility of services, and one of the strategies is that of visualisation strategy through advertising. Tangible cues in advertising shape consumers' expectation of services while advertising appeal facilitates consumers' evaluation of service features and benefits.

A review of relevant literatures provides insights into the message elements and structure of advertisements that may tangibilise a highly-intangible service category, making it appear more concrete to consumers. This research draws on a range of different literatures which are then integrated in the development of a conceptual framework. For clarity, the various literatures are reviewed individually in this chapter and then drawn together in a conceptual framework towards the end of the chapter.

The main body of the literature review is organised in the following manner: Section 2.1 (p.12) argues that intangibility remains a key issue in the literature of services marketing, often resulting in increased difficulty of service

evaluations and a heightened level of perceived risk associated with services; but it is also noted that the intangible characteristic of services does not exist for all services. It is more notable for non-physical services directed at consumers' minds or their intangible asset. Thus, tangible cues of service quality and performance become increasingly important to assist consumers during their evaluation of these services. Section 2.2 (p.25) addresses the question of whether specific cues in rational and emotional appeals help tangibilise service features and facilitate consumers' evaluative criteria of services. However, findings in previous studies revealed contradictory results on the effectiveness of advertising appeals to improve perceived tangibility of services. This is likely to be due to differences on the service process of the service categories included for investigations. The research selects financial services as the category for investigation, as consumers always perceive intangibility to be higher in financial services compared to other service categories, making it more difficult to evaluate from the consumers' point of view.

To determine the appropriate tangible cues in advertising strategies of financial services, the principles of means-end chain provide important implications. Section 2.3 (p.50) is a review of the means-end chain which explains that recipients will devote cognitive efforts to elaborate on advertising messages when they perceive a service as personally relevant to achieve important personal goals. Identifying key means-end elements related to a service helps determine the type of tangible cues to be included in an advertisement to activate recipients' perceived personal relevance of the service to satisfy their personal goals. Section 2.4 (p.67) explains the principles of Islamic banking, a form of financial service that prohibits interests in any financial transactions. Islamic banking differs from mainstream banking where the latter operates on the basis of equity and interest. Because of differences in corporate values, advertising strategies between conventional and Islamic banking are likely to differ, entailing different tangible cues and advertising appeal to activate consumers' personal relevance

Building on a review of relevant literatures in services marketing (more specifically, intangibility), services advertising, principles of the means-end chain and Islamic banking, Section 2.5 (p.77) provides an explanation of the main research problem conceived from a primary concern of tangibilising services through advertising. Figure 8 (p.80) presents a summary of the relevant literatures leading to the main research problem and Section 2.6 (p.81) identifies existing gaps in the knowledge base. A conceptual framework to enhance advertising effectiveness for services is developed in Section 2.7 (p.84), and two structural models in the context of financial services are proposed to verify and test the robustness of the conceptual framework to enhance advertising effectiveness for services. Finally, Section 2.8 (p.103) specifies a series of research questions and hypotheses to address the main research problem.

2.1 The Central Issue in Services Marketing: Intangibility

The study of marketing formerly focused on a goods-centred, manufacturing-based model of economic exchange since early 1950s has expanded to one where new marketing paradigms are shifting towards a customer-oriented, service-dominated concept (Vargo & Lusch, 2004a; Webster, 2005). A shift from the traditional goods marketing literature to one dominated by a service perspective began when service marketing scholars called for services marketing to be a sub-discipline of the marketing field. Berry and Parasuraman (1993) argued that rapid expansion, deregulation and intense competition of the service industry play important roles in the growing demand for knowledge in services marketing, while institutions and universities, marketing scholars, conferences and journal publications advocated expansion of the services marketing field.

Early marketing theories from 1900 to the 1950s placed priority on marketing functions and strategies that organisations could adopt to add values to commodities during the Industrial Revolution (Vargo & Lusch, 2004a). Then, in the 1950s and 1960s, doctoral students began research on marketing of services which sparked interests in marketing circles. Early doctoral students developed new knowledge specifically for marketing of services, but they

faced criticism about the conceptualisation of services marketing in their research area. The majority of the literature during that period focused on developing conceptual definition of services and delineation of the services characteristics (Fisk, Brown, & Bitner, 1993).

By the late 1970s, service-scholars argued that goods-based marketing was no longer suitable for marketing of services. The underlying basis was the distinction between physical goods and services, and the unique characteristics of services: intangibility, heterogeneity, perishability and inseparability, calling for marketing of services to be a sub-discipline of mainstream marketing. Berry (1980) made a distinction between physical goods and services, where the author defined a physical good as “an object, a device, a thing”, while a service represents “a deed, a performance, and an effort”. Enis and Roering (1981) explained that marketing of physical goods and the marketing of services are similar in context as they offer consumers a bundle of benefits. However, specific marketing strategies associated with marketing physical goods and services are different due to the degree of intangibility and simultaneous production and consumption of services.

Intangibility was often discussed in the literature of services marketing as it gave rise to the other service characteristics, and marketers find it more difficult to promote services because of the lack of physical property of services. Service researchers proposed several marketing strategies to tackle issues related to intangibility of services. Before elaborating on related issues of intangibility and the need to reduce intangibility of services, this research shall briefly discuss the definition of service, characteristics of service and several marketing challenges faced by managers of service organisations.

Definition of Service

Services marketing scholars often agree that service is made up of processes consisting of a series of activities creating benefits; and that marketing concepts applicable for manufactured goods are considered to be inappropriate for services due to the presence of activities or processes surrounding services. Some well-known definitions of services highlight that service is an act or

process creating benefits to consumers that may solve their immediate consumption problem, and the process is mainly intangible activities involving both service providers and consumers. Some definitions of service are:

“An act or performance that creates benefits for customers by bringing about a desired change on, or behalf of the recipient” (Lovelock & Wright, 2002, p.6).

“Service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems” (Gronroos, 2000b, p.46).

“An act or performance offered by one party to another, and although the process may be tied to a physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of production” (Lovelock, Vandermerwe, & Lewis, 1999, p.6).

Although some definitions implied that a service is different from a physical good mainly because of service characteristics, in most cases, both physical goods and services co-exist with each other to create a bundle of benefits to consumers. Some researchers pointed out that attributes of physical goods and services are not mutually exclusive: some physical goods possess some intangible components and services also contain some physical goods elements, but the relative proportion of each differs (Lovelock, 1996; Rushton & Carson, 1985; Shostack, 1977). Grove and Fisk (1983) explained that both goods and services provide benefits to consumers, but marketing strategies differ due to the intangibility, and simultaneity of production and consumption of services.

The service process highlighted earlier in some definitions of service refers to a particular method of operation or a series of actions, involving several steps in a defined sequence. Vargo and Lusch (2004b, p.326) argued that service is essentially made up of processes and activities which aim to deliver benefits to

some entity, and that individual and organisation resources create benefits to society, where the authors explained that “service is the application of specialised competences (skills and knowledge), through deeds, processes and performances for the benefit of another entity or the entity itself”.

Fisk et al. (1993) explained that between 1953 and 1979, the main characteristics of services emerged – intangibility, inseparability, heterogeneity and perishability of services. This also results in the acknowledgement that services marketing is a sub-discipline of the marketing literature. Each service characteristic comes with specific marketing problems, but they are believed to arise mainly due to intangibility of services. The next section highlights the four characteristics of services and the specific problems related to marketing of services.

Service Characteristics and Marketing Challenges

Reviews of the services marketing literature by Edgett and Parkinson (1993) and Zeithaml, Parasuraman and Berry (1985) highlighted that by the late 1970s the literature was dominated by studies citing intangibility, heterogeneity, perishability and inseparability as the distinguishing factors between physical goods and services. Although there may be a variety of characteristics that differentiate services from goods, the four characteristics of services are accepted by service researchers and often cited in marketing textbooks, publications, events and conferences.

The intangibility, heterogeneity, perishability and inseparability characteristics of services are defined and conceptualised by scholars in analogous context (Edgett & Parkinson, 1993; Rushton & Carson, 1985; Zeithaml et al., 1985). Service researchers often describe the characteristics of services as lacking the properties of physical goods, and Vargo and Lusch (2004b, p.326) summarised them as:

1. Intangibility: lacking the palpable or tactile quality of goods;
2. Heterogeneity: the relative inability to standardise the output of services in comparison to goods;

3. Inseparability of production and consumption: the simultaneous nature of service production and consumption compared to the sequential nature of production, purchase and consumption that characterises physical products;
4. Perishability: the relative inability to inventory services as compared to goods.

Service researchers argued that service characteristics gave rise to numerous marketing challenges for service managers which are not addressed by the goods marketing literature. Researchers asserted that the four characteristics of services made significant impact on marketing of services as they required different sets of treatments to “fix” specific issues. Fisk et al. (1993) explained that from 1986 onwards, the services marketing literature paid special attention to specific problems of service businesses, such as managing quality due to the heterogeneity of the service experience, designing and controlling intangible processes, managing supply and demand in capacity constrained services, and organisational issues stemming from the overall marketing and operations functions. The same authors also argued that the growth of studies pertaining to specific marketing problems is likely to be stimulated from Zeithaml et al. (1985)’s study which identified the difficulties often encountered by service managers as a consequence of the individual service characteristics.

Balin and Giard (2006) summarised the four characteristics of services from a process-oriented perspective, highlighting conceptions of individual characteristics at the early stage, to issues related with service characteristics to current discussions in the literature base. Balin and Giard’s (2006) summary of service characteristics from a process perspective are included in Appendix 1 (p.321). The four primary characteristics of services are often discussed by service researchers as:

Intangibility

This research has earlier discussed that the intangible property of service is the most cited characteristic of services, and is often explained as the distinguishing factor that sets services apart from physical goods. Early works

of services marketing argued that services lack physical attributes, rendering it more difficult to evaluate compared to physical goods, such as those of Rathmell (1966) and Shostack (1977). In one of the earliest studies on intangibility of services, Bateson (1977) explained intangibility as:

“Services by their very nature are physically intangible, they cannot be touched, tasted, smelt or seen. This contrasts with the physical substance or tangibility of goods. In addition to their physical intangibility, services can also be difficult for the mind to grasp and thus can be mentally intangible”.

Intangibility illustrates that physical ownership of a service does not exist; it is experienced by both service providers and recipients of services. The lack of material substance often meant that it is difficult to conceptualise services, rendering it physically intangible, as well as mentally intangible (Bateson, 1979; Rushton & Carson, 1985). Thus, marketing of a service has to accommodate intangibility of services by making service offerings appear more tangible to consumers (Berry, 1980; George & Berry, 1981; Shostack, 1977), as opposed to marketing of physical goods. Intangibility of services often results in increased difficulty of evaluating a service (Zeithaml, 1981) and increasing challenges are faced by managers to tangibilise services.

Heterogeneity

Service personnel and consumers are always involved in the delivery and consumption process of a service, leading to a tendency of variability in service performance and experience of services (Rathmell, 1966; Zeithaml et al., 1985). It is often explained that the quality of a service varies between different service providers, customers, and even among the same producer and customer at different times (Hill & Gandhi, 1992). Consequently, consumers are likely to receive a different set of service experiences (Gabbott & Hogg, 1994), resulting in difficulty in managing service quality, as there is no pre-produced quality to control prior to the consumption and sale of the service (Gronroos, 2000b).

Variability among service personnel led to the conception that developing realistic standards of performance is extremely difficult (Rushton & Carson, 1985). It is harder to control service output compared to the manufacture of tangible products, and marketers recognised that lack of homogeneity in services led to a higher level of perceived risk prior to purchasing a service. Some strategies to counter variability among service providers include standardising service output, implementing service quality standards, reducing consumers' perception of risk and controlling service encounters.

Inseparability

Inseparability of service production from consumption is another distinctive feature of services. Bell (1981) explained that service is a performance delivered to a consumer in real time, and the simultaneity of production and consumption of a service determined by the interaction between the service personnel and customer affects the overall service experience. Customers' presence in the service process may affect service delivery and performance. Gabbott and Hogg (1994, p.313) explained that "consumer can alter both the way in which the service is delivered, as well as what is delivered, which has important implications for the process of evaluation". In many circumstances, inseparability means that the customer has to be physically present at the 'service factory', and this has a significant effect on the overall service experience. Consequently, there is a need to improve consumers' service experience, integrate consumers during the production process and control service encounter.

Perishability

The perishability of services demonstrates the real time nature of services. Rushton and Carson (1985, p.23) explained that one of the main issues due to perishability is that "services cannot be produced before required and then stored to meet demand. If a service is not used when available then the service capacity is wasted". Managers find it increasingly difficult to synchronise demand and supply, especially during fluctuating peak seasons or periods of low demand (Parasuraman, Zeithaml, & Berry, 1988). The inability to stockpile and achieve flexibility in a fluctuating demand for services can have

serious consequences to service managers (Edgett & Parkinson, 1993). A recommendation to meet demand during a high season is to make use of appropriate pricing strategy to offset demand and supply, determine a suitable level of automation and manage capacity restrictions.

This research will not elaborate on the marketing challenges related to the individual service characteristics, as they have been extensively documented in several studies (Edgett & Parkinson, 1993; Gabbott & Hogg, 1994; Rushton & Carson, 1985; Zeithaml et al., 1985) and are well-known to most service researchers. Table 1 (p.9) summarises the attentions required by service managers in some specific research areas to deal with issues of individual characteristics of services. For instance, due to the intangible nature of services, competitive advantage could be created by increasing tangibility of a service offerings through the use of cues, image or brand development. Researchers may focus on this specific problem area by controlling consumer's interaction process during service delivery or by exploring effective communication strategies to improve service tangibility.

Some service researchers identified additional characteristic differences between physical goods and services. For instance, Lovelock, Vandermerwe and Lewis (1999) explained additional service characteristics, such as: customers do not obtain ownership of services; greater involvement of customers in the production process; other people may form part of the product; the time factor is more important and the service delivery systems may involve both electronic and physical channels. In explaining the relationships between customers and service providers, Gronroos (2000b) illustrated eight characteristic differences between physical goods and services, but the primary difference lies in the processes involved in services. Some services journals and textbooks may demonstrate variations in distinguishing characteristics between physical goods and services, but most service researchers agree that marketing of services is different from that of physical goods. Discussions of issues related to marketing of services generally focus on the four characteristics of services as they are widely accepted by researchers. The services marketing literature base continues to grow with numerous research

studies conducted across service sectors, and several established service concepts form part of mainstream marketing texts.

Table 1: A summary of specific subject matters needed to overcome issues stemmed by the unique characteristics of services

<p>Intangibility</p> <p><i>Management needs to</i></p> <ul style="list-style-type: none"> ▪ increase the degree of tangibility ▪ develop cues, images and brands ▪ control the delivery phase ▪ ensure access and availability of distribution system ▪ overcome consumer difficulties in evaluating quality <p><i>Researchers need to determine how to</i></p> <ul style="list-style-type: none"> ▪ enhance client relationship ▪ control the consumer interaction process ▪ develop appropriate price/quality relationships ▪ develop effective communication strategies 	<p>Inseparability</p> <p><i>Management needs to</i></p> <ul style="list-style-type: none"> ▪ address instantaneous production and consumption ▪ address consumer involvement in production ▪ develop service quality standards ▪ coordinate demand and supply problems ▪ address internal marketing issues ▪ manage continuous and immediate consumer feedback ▪ address issue of sales and production people being one-in-the-same <p><i>Researchers need to determine how to</i></p> <ul style="list-style-type: none"> ▪ integrate consumers in the production process ▪ market a service before the consumer experiences it ▪ control the service encounter ▪ overcome the international/cultural problems
<p>Heterogeneity</p> <p><i>Management needs to</i></p> <ul style="list-style-type: none"> ▪ address quality control issues ▪ determine proper balance between humans and machines ▪ control output <p><i>Researchers need to determine how to</i></p> <ul style="list-style-type: none"> ▪ standardise service offerings ▪ develop performance standards ▪ reduce consumer's perception of risk ▪ control the service encounter ▪ integrate internal marketing ▪ develop multi distribution channel 	<p>Perishability</p> <p><i>Management needs to</i></p> <ul style="list-style-type: none"> ▪ determine appropriate pricing strategy to offset demand and supply problems ▪ determine appropriate level of automation ▪ deal with lack of inventories <p><i>Researchers need to determine how to</i></p> <ul style="list-style-type: none"> ▪ deal with demand fluctuations ▪ manage capacity restrictions ▪ develop international markets ▪ develop a level of efficiency ▪ develop barriers to entry ▪ address distribution restrictions

Source: Edgett, S., & Parkinson, S. (1993). Marketing for service industries - A review. *The Service Industries Journal*, 13(3), p.32.

There have been some criticisms of the service characteristics. Some researchers argued that intangibility, perishability, heterogeneity and inseparability, as distinctive characteristics of services from physical goods, do not form sufficient grounds to establish marketing of services as a sub-discipline of marketing discipline (Enis & Roering, 1981; Middleton, 1983; Wyckham, Fitzroy, & Mandry, 1975). Recently, Lovelock and Gummesson (2004) and Vargo and Lusch (2004b) examined the four primary characteristics of services and argued that there is insufficient evidence to delineate services as uniquely different from physical goods. The authors discussed that in reality, services share several features with physical goods. For instance, Lovelock and Gummesson (2004) explained that some manufactured products are packaged in such a way that consumers find it difficult or impossible to evaluate before purchase. They explained that these products shared the same feature as services – difficulty in evaluation – which contradicted the notion that services are more difficult to evaluate compared to physical goods. Additionally, the authors pointed out that many services possess tangible elements during delivery which allow services to be evaluated before usage or purchase.

This research acknowledges the existing criticisms of service characteristics and discussions are emerging in the literature base that marketing is heading towards a service-oriented paradigm (Grove, Fisk, & John, 2003; Gummesson, 1998; Vargo & Lusch, 2004a; Webster, 2005). This is taken into consideration, however, in the huge amount of research carried out in services marketing for the past 50 or 60 years and many service concepts are well-accepted in the literature: service research is likely to be a continuous process of research expansion based on service characteristics. Thus, the main characteristics are services are likely to be developed and expanded by service researchers. One of the main focal point of this research is on the lack of physical form of services, which result in some difficulties for marketers. The next section provides further elaboration on this topic of discussion.

2.1.1 Intangibility of Services

This research acknowledges that individual service characteristics gave rise to specific challenges for service managers, and these characteristics are widely researched in the service literature. Further elaborations shall be made primarily on intangibility of services. Appendix 1 (p.321) highlights that many authors raised concerns on the intangibility of services, ranging from defining intangibility as the lack of material representations to difficulty in conceptualising the mental aspects of services and to the notion that intangibility is a continuum dimension of both physical goods and services. Rushton and Carson (1985) explained that it is important to examine the impact of intangibility on services because: (i) it directly influences consumers' evaluative criteria of services; (ii) it affects the marketing of product benefits; and (iii) it has direct impact on marketing techniques and practices.

Intangibility of services is recognised as the fundamental factor that differentiates between a physical good and service (Lovelock, 1981; Shostack, 1977). Bateson (1979) explained that intangibility is the primary property of services that gave rise to the other service characteristics, while Zeithaml et al.'s (1985) review of the services marketing literature identified intangibility as the characteristic that most researchers cited in their studies on services marketing. Marketing researchers are often familiar with Shostack's (1977) tangible-intangible domain where the relative proportion of tangibility of a product may be approximated by looking at the scale. Items located towards the left-hand side of the continuum represent products with high degree of tangibility, while the opposite end of the continuum denotes products with high degree of intangibility. In general, physical goods are located toward the left of the tangibility-intangibility continuum while services tend to fall towards the right end of the continuum. Shostack's (1977) degree of tangibility domain also illustrates that both physical goods and services contain some degree of tangible and intangible features, but the difference lies in the relative proportion of tangibility.

Some empirical studies found that consumers perceived physical goods to be more tangible compared to services on a tangibility scale continuum (Laroche et al., 2001; McDougall & Snetsinger, 1990), and that services also contain some tangible elements. Before discussing differences in degree of intangibility between physical goods and services, it is important to make clear the concepts of intangibility and perceived tangibility in this research. Studying the impact of intangibility on perceived risk associated with services, Bielen and Sempels (2003) pointed out that despite the widespread use of the term *intangibility of services* in the literature, there appears to be lack of consensus on the intangibility concept. It is essential that terms like: *intangibility of services*, *perceived tangibility*, *tangibilise*, and *tangible cues*; that are used throughout the thesis were clearly defined. Thus, definitions of the above terms are provided in the following paragraphs.

Early conceptions of intangibility were derived from contrasting services from physical goods, where it came to the well-accepted notation that intangibility is almost synonymous with the impalpable, immaterial or cannot be sensed by physical senses. Intangibility of services, thus, is often associated with the lack of physical attributes, in contrast to physical goods where consumers can pass judgments on physical products as they can be touched, seen, tasted, felt or smelt. Bateson (1977) is possibly the first author to suggest that there exist two dimensions of intangibility: **physical intangibility** (lack of physical substance) and **mental intangibility** (difficult for the mind to grasp). Similarly, intangibility was conceptualised by Berry (1980, p.17) as “which cannot be touched, impalpable” and “which cannot be easily defined, formulated or grasped mentally”. It is important to distinguish between physical intangibility and mental intangibility, as the lack of physical attributes often results in difficulty of picturing attributes and benefits of a service in the mind of consumers.

Physical Intangibility

Intangibility has often been defined as lacking physical properties, mainly derived from early studies that seek to explain the differences between physical goods and services. Breivik et al. (1998) described *physical intangibility* as

“inaccessibility to the senses”, derived from an earlier work of Hirschman (1980) who explained that consumers are able to evaluate product attributes through their senses, as there are physical associations to the product (tangible product attributes) on which consumers can pass evaluations. In other words, consumers are unable to pass judgments on service attributes as the lack of physical representations did not allow consumers to evaluate service features through their senses. Hirschman (1980) proposed that some products lack physical representations and consumers are not able to sense these products physically; but instead an intangible product attribute “comes from” the mind of the consumer and is then projected to the product. Inaccessibility to the senses led to the notion that as services lack physical forms and could only be sensed by the consumers, service features are mentally formed and processed in the mind of consumers – signalling a direct relationship between physical intangibility and mental intangibility.

Mental Intangibility

The lack of physical features of services naturally leads to mental difficulty during evaluation of services, that is, difficulty in picturing or visualising features and benefits relating to services. Bateson (1979, p.139) discussed that “the crucial point about services is that they are doubly intangible; they are impalpable – they cannot be touched by the consumer, and they are difficult for the consumer to grasp mentally”. Zeithaml (1981) suggested that the characteristics of services, in particular, physical intangibility made it more difficult to (mentally) evaluate services compared to physical goods. The author explained that this is because most services are high on experience and credence qualities (hard to evaluate even after consumption). Rushton and Carson (1985, p.30) added that “physical intangibility often leads to difficulties in conceptualising the product which means the product becomes mentally as well as physically intangible”. Sharing a similar viewpoint, Laroche et al. (2001) defined and explained *mental intangibility* as a direct effect of physical intangibility, resulting to *the lack of a clear, mentally tangible representation of a service, especially if consumers lack experience with the service*.

This research acknowledged that *generality* has been described as another dimension of intangibility (Breivik et al., 1998; Dubé-Rioux, Regan, & Schmitt, 1990; Laroche et al., 2001). *Generality* refers to the level of concreteness (accessibility to the senses) or specificity (identifiable descriptions) associated with a service and has effects on a cognitive representation of service. For instance, Laroche et al. (2001) elaborated that services are perceived as specific if they generate numerous clear-cut definitions, features, and/or outcomes in the consumers' minds. On the other hand, services are considered general if consumers are unable to identify definitions, features and attributes and/or outcomes of services. It was found that the more general a service is perceived to be, consumers find it harder to evaluate as they do not have specific representation of the service (Breivik et al., 1998).

By conceptualisation, it appears that there is not a clear-cut distinction between generality and mental intangibility. Dube-Rioux et al. (1990) pointed out that services may differ on levels of concreteness or specificity, but consumers' mental efforts on service representations are the dominating factor on the concept of intangibility. The authors also recognised that the lack of material substance did not allow consumers to describe services in highly specific terms, even between individual brands or service providers. Hill, Blodgett, Baer and Wakefield (2004) explained that due to physical intangibility, consumers often lack the ability to distinguish between different service providers and will perceive services in the same category as somewhat similar to each other.

Both generality and mental intangibility are results of the lack of physical representations of services and consumers have to devote mental efforts to evaluate services. Consumers tend to generalise among a class of service, and this implies that the lack of specific descriptions of a service means mental intangibility, since consumers are not able to perceive clear tangible representations of a service. Bielen and Sempels (2003) questioned the conception of generality as a separate dimension of intangibility and, in their study, the authors found that intangibility is made up of only two dimensions: physical and mental components. Due to the similarity in conceptual

distinctions between generality and mental intangibility and the findings by Bielen and Sempels (2003), this research identifies generality and mental intangibility to be conceptualised as a single dimension of intangibility.

Rushton and Carson (1985) explained that the service ‘act’ is an intangible, as there is no ‘object’ for consumers to examine physically and evaluate before they get to know about a service act. This illustrates the dominance of mental intangibility in services. Therefore, this research takes note that services are widely accepted as physically intangible. According to the definition of service, it is an act, process or performance aim at delivering some benefits to consumers. A service performance is rarely “tangible”, unless some concrete evidence supplements the service act. Take for instance, in two service scenarios: a waiter delivering food to the customer on a tray or a bank teller printing the latest statement for a customer. The tray and bank statements in the above examples are the props used to tangibilise the service acts of a waiter sending food to the customer and a bank teller attending to a specific need of a customer.

Following the above explanations concern about physical intangibility, subsequently led to the dominance of mental intangibility of services in the mind of the consumers; and thus, it becomes more crucial to reduce the intangibility of services. On the basis that services are concerned with intangible performances, mental intangibility becomes the central subject discussion matter in the subject area that concerns on intangibility of services. After a review of some definitions and previous studies, like Bateson (1979), Breivik et al. (1998), Larcoche et al. (2001), McDougall and Snetsinger (1990), Zeithaml (1981), in the context of this research, *intangibility of services* refers to “*consumers’ increased difficulties of mentally picturing the attributes and features of services, due to the lack of physical properties*”. Closely-related to the above term is perceived tangibility which was frequently used in this thesis. Adapting the above term, in the context of this research, *perceived tangibility* is defined as “*the degree to which consumers can visualise mental representations of a service’s attributes and features in their minds*”.

As a consequent of the intangibility of services, many studies explained that the increased difficulties of picturing service attributes and related-benefits led to consumers' perceptions that services are more difficult to evaluate and are often associated with a higher level of perceived risk. In response to the abstractness of services, consumers will avoid brand switching, rely on personal information sources and assess service quality based on price or the physical facilities of a service provider. Zeithaml (1981) argued that, compared to physical goods, it is more difficult to evaluate services because of experience and credence qualities. Services lack search qualities – attributes that a consumer can see, feel or touch, which make it easier to evaluate a product before purchase. Services are dominated by experience and credence qualities – making them less absolute, more conditional, less concrete and more intangible than tangible products with search qualities. This led to the argument that services are often associated with uncertainty and difficulty of evaluation before a purchase decision.

Mental intangibility is thus, believed to be the dominating factor in services, and based on the argument that a service performance is inaccessible to the senses, resulting in difficulty in conceptualising service features and benefits. Not all services, however, are perceived to be riskier and more difficult to evaluate compared to physical goods. This follows from the discussions by Lovelock and Gummesson (2004) who argued that intangible service performance does not exist in all service categories. The argument that different service categories possess a different degree of intangibility, heterogeneity, inseparability and perishability made by the above authors is discussed in the next section.

2.1.2 Intangibility across Service Categories

The preceding section highlighted that mental intangibility of services raised concerns about the difficulty of evaluating service performance which results in a higher level of perceived risk with services. Lovelock and Gummesson (2004) pointed out that the characteristics of services are not generic across all services, and they exist only under specific circumstances and situations. The authors argued that different service categories have a different level of

specific service characteristics, where the type of service characteristics that exist are dependent on whether the service performance is physical or non-physical, and if the service act is directed towards consumers or their belongings. These observations are subsequent to Lovelock's (1983) classifications of services that segment services into clusters sharing certain relevant marketing characteristics.

Lovelock (1983) classified services according to service processes to make strategic insights into the nature of service that may have an effect on marketing tasks of service providers. Four service processes are identified by the author: (i) People-processing: physical actions directed at the customer's body. Customers have to be physically present throughout service delivery in order to receive the desired benefits of the services. Some examples of people-processing services include passenger transportation, healthcare and lodging; (ii) Possession-processing: physical actions to an object belonging to the consumer. The customer does not need to be present when the service is performed on a consumer's belonging. For instance, freight transportation, repair and maintenance and storage; (iii) Mental-stimulus processing: non-physical actions directed at the consumer's mind. The customers have to be present mentally, located either in a specific service facility or in a remote location connected by broadcast signals or telecommunication linkages. Mental-stimulus processing services include education, management consulting, information services and concerts; and (iv) Information-processing: non-physical actions directed at data or intangible assets; including insurance, accounting, banking and consultation. In this type of service, little direct involvement with the customer may be needed once the service was initiated.

Lovelock and Gummesson (2004) are of the opinion that the service characteristics do not necessarily exist across Lovelock's (1983) service categories. Table 2 (p.18) displays only the extent of the intangible characteristic for Lovelock's (1983) category of service process. The information in Table 2 illustrates that services categorised as "mental-stimulus processing" and "information-processing" hold the intangible characteristic of services. Examples of these services include entertainment, broadcasting,

education, information services, Internet banking, insurance, legal services, accounting, investment services and research. Lovelock and Gummesson (2004) also elaborated that the intangible property is less significant in “people-processing” and “possession-processing” service categories, as these service processes may be transformed to be highly visible when a service act is directed towards a customer’s body or possession, and which may bring about a permanent physical change. The arguments put forward by Lovelock and Gummesson (2004) signalled that service acts that are categorised to be highly intangible stemmed from the lack of material elements which led to mental difficulty of evaluating these non-physical actions directed at the consumer’s mind or their intangible assets.

Table 2: Intangibility in Lovelock’s (1983) four categories of services

Service Type	People Processing	Possession Processing	Mental Stimulus Processing	Information Processing
Nature of act	Physical actions to the consumer’s body	Physical actions to an object belonging to the consumer	Non-physical actions directed at the consumer’s mind	Non-physical actions directed at data or intangible assets
Examples	Passenger transport, health care, lodging, beauty salons	Freight transport, repair, maintenance, warehousing, laundry and cleaning	Entertainment, news, education, consulting	Internet banking, insurance, accounting, research
Intangibility	Misleading - performance is ephemeral, but experience may be highly tangible and even result in physical changes	Misleading - performance is ephemeral, but may physically transform possession in tangible ways	Yes	Yes

Source: Lovelock, C. H., & Gummesson, E. (2004). Whither services marketing? In search of a new paradigm and fresh perspectives. *Journal of Service Research*, 7(1), p.31.

Some studies reported that respondents perceived different degree of intangibility with different products (Bielen & Sempels, 2003; Laroche et al., 2001; McDougall & Snetsinger, 1990). This research summarised the results of the above studies as bar charts (according to authors), where different products are placed on a continuum according to the means of degree of perceived tangibility (see Appendix 2). The graphical illustrations of different products by degree of perceived tangibility in Appendix 2 (p.323) are similar to Shostack's (1977) tangible-intangible continuum of product classification, with products at the left perceived by respondents to be more tangible compared to those allocated at the right-hand side of the continuum. It should also be noted that the degree of intangibility was measured on different measurement scales and dimensions in the above-mentioned studies.

The studies by Bielen and Sempels (2003), Laroche et al. (2001) and McDougall and Snetsinger (1990) indicated that physical goods were perceived by respondents to be more tangible compared to services. For instance, shampoo was perceived to be more concrete compared to mortgages, while a savings account was reported to be more intangible compared to coloured television and jeans. Laroche et al. (2001) revealed that different products exhibit a different degree of physical and mental intangibility, and that some physical goods were perceived to be more intangible compared to services. For instance, respondents rated a haircut to be physically intangible compared to a pizza dinner, but was rated as more mentally tangible compared to a pizza dinner; as a whole, the mean of perceived tangibility for haircut was found to be more tangible compared to a pizza dinner.

Another insight from the bar charts in Appendix 2 is that different services exhibit varying level of intangibility. For instance, information-processing services (for example, insurance and savings account) appear to possess a higher level of intangibility compared to people-processing services (like haircuts and travel service). McDougall and Snetsinger (1990) and Bielen and Sempels (2003) also illustrated that simple financial products (for instance, savings and current accounts) are more tangible compared to complex higher-end financial products, such as insurance and mortgage.

The above studies demonstrated consistency with Shostack's (1977) proposition that different products possess different degrees of intangibility, illustrating that, as a whole, physical goods are more tangible than services. This is because the tangible attributes of physical goods allow respondents to evaluate the features of physical goods, while the lack of physical property for services makes it more difficult for respondents to pass evaluation on intangible features of services. The studies measuring the degree of perceived tangibility between different products provide insights into Lovelock and Gummesson's (2004) arguments that intangibility may not exist in all service categories, as findings indicated that mental-stimulus (medical consultancy) and information-processing services (financial services) are more intangible compared to people-processing services, such as travel service and haircuts.

If the intangible characteristic is not applicable across all service types, it implies that not all services may be perceived by consumers as riskier and more difficult to evaluate compared to manufactured goods. Where a service act is non-physical and directed at either a consumer's mind or intangible assets, only then will the notion that services are more difficult to evaluate and possess a higher level of perceived risk compared to physical goods exist. As a result of intangibility, many researchers suggested that provision of tangible cues help reduce the level of intangibility for services; this is discussed in the following section.

Tangible Cues to Reduce the Intangibility of Services

The above discussions explained the dominance of mental intangibility of services and which gave rise to some marketing issues due to the difficulty of conceptualising tangible representations of service features. Consumers find it hard to evaluate service quality or make comparisons among different service providers (Fryar, 1991), and services are rarely "returned" to service providers after consumption or purchase (Zeithaml, 1981). On the basis of difficulty during evaluation of services, many researchers argued that this led to a higher level of perceived risk. For instance, Murray (1991) and Murray and Schlacter (1990) found that consumers often associate services with a higher level of perceived risk because they find services to be harder to evaluate, and tend to

be more variable compared to physical goods, while Turley and LeBlanc (1993) reported that consumers perceived financial and quality risks to be more significant with services. In a study investigating the impact of intangibility on level of perceived risk, Laroche, Bergeron and Goutaland (2003) came to the conclusion that mental intangibility has significant impact on perceived risk while physical intangibility did not have any significant impact on perceived risk. The findings from the above studies suggested that mental intangibility is the primary factor that results in difficulty in conceptualising services and that higher levels of perceived risk are associated with services in the mind of consumers.

Consequently, the services marketing literature often suggests that marketers should increase the level of tangible cues to reduce the intangibility of services. Berry and Clark's (1986) defined *tangible cues* as "***the physical evidence that represents direct or peripheral components of a service***", and in the context of this research, it is the application of appropriate tangible cues that may assist consumers to conceptualise intangible features of services. In one of the earliest work dealing with the issue of intangibility of services, Shostack (1977, p.78) asserted that "service marketers should be focused on enhancing and differentiating realities through manipulation of tangible clues"; suggesting that managers of service firms should move marketing of services away from the widely-accepted marketing concepts applicable for physical goods. The author proposed that service managers should make use of more tangible cues to inform existing and potential customers of service offerings.

Some service process, consumption behaviour and performance outcome are perceived to be more tangible than others (Lovelock & Gummesson, 2004), and findings in some studies revealed that some service categories like people-processing and possession-processing services were perceived by consumers to be more tangible compared to mental-stimulus processing and information processing services. There exist differences on the level of intangibility between different services, but some physical elements that form part of the components of the service will have no significance unless they fit the service process (Gronroos, 2000a). Thus, it is important to ensure that the appropriate

tangible cues are selected in order to fit a service process or delivery to allow improvements on tangibility of service features. As a result, the use of tangible cues is believed to be crucial to tangibilise those services characterised as highly-intangible to facilitate consumers' evaluation of services. It has been discussed by some researchers that the use of appropriate tangible cues helps tangibilise services; allowing consumers to make better judgments on service features and benefits. Thus, it is the use of tangible cues that help *“tangibilise”* services, and which refers to *“the process of making a service's components appear more concrete in the minds of the consumers”*.

Many authors argued for inclusions of tangible cues to help consumers determine the nature, component or composition and the relative benefits of a service (Rushton & Carson, 1985). Increasing the degree of perceived tangibility of services is important because consumers develop specific evaluative criteria based on tangible cues in their consideration of a service purchase or consumption. Crane and Clarke (1988) reported that respondents evaluated the abstractness of services from the presence of service personnel, other customers, and the appearance of facilities, to pass judgments on the quality of service. Additionally, Murray (1991) found that consumers tend to seek more information as the level of perceived risks for a service category increases, while George and Berry (1981) suggested that because consumers tend to perceive service purchases to carry a higher level of perceived risk compared to physical goods, they search for tangible evidences of a service's quality to determine the level of service performance. Managing tangible cues, therefore, is important to assist consumers during their evaluation of service quality and to lower their heightened level of perceived risk associated with services.

Parasuraman, Berry and Zeithaml (1991) pointed out that stressing evaluative cues of a service organisation may be in the appearance of physical facilities, equipment, contact personnel or communication materials. Physical representations (such as facilities, equipment and service personnel) surrounding a customer when he or she is physically present at the 'service factory' help deliver cues on service performance and quality, and may

enhance the customer's satisfaction with a service provider. Nevertheless, Abernethy and Butler (1992) discussed the fact that most studies in the services marketing literature mainly focused on examining strategies to improve tangible evidence in order to ease consumers' evaluation of service quality and enhancing their satisfaction with a service provider once the consumers have "come in the door". The authors argued that fewer studies are carried out on the effectiveness of tangible cues in services advertising.

As an alternative to tangibilise services when consumers are not physically present at a service provider, services may be made more vivid through mass communication. This option is especially important when consumers are not familiar with the offerings of a service provider or if they have never visited a particular service provider. Consumers tend to perceive service components to be a key indicator of quality and satisfaction (Parasuraman et al., 1988). Tapping into this perspective is important as service providers who successfully communicate relevant service components through tangible cues in service advertising may enhance consumers' expectation of service performance and quality. Communicating tangible features of a service in advertisements is important to educate consumers of service offerings and may reduce intangibility of a service characterised as highly intangible, especially if potential consumers are unfamiliar with a particular service provider.

According to Gronroos (2000b), advertising has a direct role in influencing consumer's expectation of a service. This is because when consumers are unsure of a service's performance and quality, they are reported to be more attentive to physical evidence in service advertising in search of clues about the service. It would result in the formation of expectation of a service provider before consumers come "in the door". Devlin, Gwynne and Ennew (2002) confirmed that explicit service promises (advertising, promotion and communication) play a role in the tangible expectations of service quality. These indications draw attention to the use of service advertising to reduce the intangibility of services, deliver pre-conceived perceptions of service quality and performance of services and assist consumers in their search for more information pertaining to a service provider.

The issue of intangibility has been discussed by many service researchers as special attention is required when demonstrating or display of intangible service features during communication strategies. Several authors argued about the need to increase the use of tangible cues during service advertising to counteract the intangibility of services (Abernethy & Butler, 1992; Cutler & Javalgi, 1993; George & Berry, 1981; Hill & Gandhi, 1992). Managing cues in service advertisements assists consumers to grasp the key dimensions of service offerings, facilitate their information processing and decision making, and may also reduce the level of perceived risk (George & Berry, 1981; Pickett et al., 2001).

Specific tangible cues included in advertisements of services are reported to enhance advertising effectiveness (Stafford, 1996). For instance, Legg and Baker (1987) found that tangible objects, concrete language and dramatisation in advertisements aid consumers to identify potential service providers. In instances where consumers are unfamiliar with a service provider, Abernethy and Butler (1992) suggested that new customers may be acquired through advertising while concrete evidence at the point of a service provider, such as quality contact personnel and physical environment, help enhance customer satisfaction. The above authors stressed that tangible evidence in service advertisements counteract consumers' heightened level of perceived risk and facilitate their evaluations of service components and quality.

Up to this point, this research highlighted that the distinctiveness of service characteristics: intangibility, heterogeneity, inseparability and perishability have significant impacts in the literature of services marketing, evident by the huge amount of literature on managing service experiences and service encounters, controlling intangible service processes and performances, managing and controlling service quality and developing appropriate price/quality relationships to smooth demand of services. However, the service characteristics that are widely discussed and examined by service researchers have been criticised as hindering developments in the knowledge base of services marketing (Lovelock & Gummesson, 2004; Vargo & Lusch, 2004b).

Lovelock and Gummesson (2004) argued that not all services possess the four unique characteristics of services simultaneously, and pointed out that intangibility is likely to be more prominent in mental-stimulus processing and information-processing services. This is likely to be attributed to the difficulty of mentally conceptualising services owing to intangible actions directed at consumers' intangible assets or towards the consumers' minds. The intangible property of services affects technique and practices of service marketers because it has direct influence on consumers' evaluation and purchase decisions, and marketing of service benefits. Managing effective tangible cues in mass communication is a strategy to counteract the impact of (mental) intangibility on consumers' difficulty during service evaluation and heightened level of perceived risk associated with services. In cases where consumers are unaware of the offerings of a service provider, advertising serves as an alternative to "tangibilise the intangibles" to consumers.

As a result of the many issues arising from mental intangibility in marketing of services that are highly intangible, tangible cues in advertisements have often been described by service researchers as being particularly important to influence perceptions and expectations of services, especially for those perceived to be highly intangible in the mind of consumers. The next section highlights some relevant services advertising literature which raises concerns on the type of message content and advertising appeal to include in advertisements of services to improve perceived tangibility and advertising effectiveness. Two approaches, informational content analysis and advertising appeals, are commonly adopted by researchers to investigate the impact of tangible cues on effectiveness of services advertising. More information of the two approaches is discussed in the next section.

2.2 Services Advertising: Message Content and Advertising Appeal

The previous section argued that because of the lack of physical evidence for highly-intangible services, marketing communication plays an important role in transmitting information about service features and benefits to consumers. Tangible cues of service features in communication strategy are recognised as one of the strategies to make services appear more concrete in the eyes of

consumers. Service managers have to be innovative in communication strategies to increase the level of perceived tangibility of services, aimed at assisting consumers' evaluation of service offerings and reducing the level of perceived risk associated with services during advertising. Additional emphasis should be placed on services which are believed to be highly intangible, that is, mental-stimulus processing and information-processing service categories.

Marketing communication is the most visible element of the marketing mix and is never managed in isolation from the overall marketing concept (Puth, 2000). Kotler and Keller (2006) described marketing communication as representing the 'voice' of a brand and is a platform to establish dialogue and build relationships with consumers. A good communication strategy by a service provider helps consumers gain a better understanding of the level of service performance and quality offered by the organisation. As Lovelock (1996, p.376) pointed out, "effective communication makes tangible what might otherwise be an ephemeral product". Donnelly, Berry and Thompson (1985) explained that, except for radio advertising, the other advertising channels are visual to consumers, so providing tangible evidence of a service's offering which compensates for the lack of physical evidence of services.

Services may be made more concrete by stressing tangible cues during advertising or word-of-mouth communication (Hill & Gandhi, 1992; McDougall & Snetsinger, 1990). Some researchers reported that while advertising may display physical evidence of facilities and service personnel, or associate services with concrete, specific language and symbol to increase tangibility of services, consumers tend to perceive word-of-mouth to be more credible and reliable compared to advertising because it give access to other consumers' experiences of the service. Friedman and Smith (1993) and Murray (1991) found that consumers considering the purchase of a service tend to rely on personal sources more often than non-personal sources of information.

However, Abernethy and Butler (1992) argued that it is difficult for service managers to direct word-of-mouth to potential customers and that word-of-

mouth is often slow to attract new customers. The authors elaborated that although personal referrals are often more effective on influencing consumers' choice of service, advertising is directly controlled by the service manager while word-of-mouth is beyond access of service managers. There may be some advantages of word-of-mouth communication over advertising, but advertising is more important to tangibilise services as it allows demonstration of tangible cues; while consumers are not directly exposed to tangible cues related to a service's offerings during personal referrals. Thus, this research considers advertising as having a slight advantage over word-of-mouth communication, due to the potential of communicating tangible evidence to a mass audience.

Recognising that characteristic of services gave rise to differences between advertising strategies of physical goods and services, researchers agree that the message content and type of service features to be included in service advertisements are different from those of physical goods. To investigate the type of concrete evidences to include in advertisement of services, researchers often make use of content analysis and advertising appeal to investigate differences in advertising content and message appeal between physical goods and services. Some examples of tangible cues that may reduce the level of perceived intangibility in service advertising include: display of the service facilities and equipment, portray the service encounter and experience, use imagery, promote service personnel, emphasise factual information like price, employee training, guarantees and warranties, location, service availability, and documentation of performance. These are some tangible cues that may present a service as more concrete through advertising. However, it is unclear what kind of tangible cues are more effective in specific service categories. To address the message content and advertising appeal related to service advertising, service researchers often explore and analyse this subject matter by: (i) informational content analysis, or (ii) rational versus emotional appeal.

Informational content analysis of advertisement examines the type of information cues according to a set of predefined criteria to measure the evidence found in certain media type, such as, television, radio, magazines,

newspapers, and catalogues. Kassarian (1977, p.10) defined informational content analysis as “a scientific, objective, systematic, quantitative and generalisable description of communications content”. This type of method analysis classifies the type of information that advertisers send to the target audience. By analysing advertisements, researchers gain insights into advertising strategies carried out by service organisations. However, content analysis of informational attributes may overlook emotional elements that some service advertisers include in their communication strategies.

Advertising appeal is an approach where message elements are manipulated to influence consumers’ perception, attitude and behavioural intention towards a product, service or event. Rational and emotional appeals are the two advertising appeals that have been commonly adopted to investigate their effects on advertising of physical goods or to make comparisons between advertising of physical goods and services. However empirical evidence on the effectiveness of rational and emotional appeal in advertising of services is lacking in the literature. In addition, contradictory findings are reported on the type of appeal that is most effective for advertising of services. These may be attributed to differences on service processes or methodologies adopted by service researchers. To provide better understandings on message content and advertising appeals effective for services advertising, the next two sections provide further details on informational content analysis and advertising appeals in the literature of services advertising.

2.2.1 Informational Content Analysis of Services Advertising

Informational content analysis of advertisements has often been used to make comparisons between physical goods and services advertising. There is less evidence of this approach carried out within and across the service industry. Tripp (1997) explained that this is mainly due to researchers, while trying to establish the differences between physical goods and services advertising may have overlooked the need to investigate the effectiveness of message content and advertising appeals for services advertising. Besides the frequent use of content analysis to examine differences between physical goods and services

advertising, Taylor (2005) reported that informational content analysis is the most common approach adopted in international advertising research.

It was earlier discussed by this thesis that because of mental intangibility of services, consumers have a higher tendency to seek additional tangible cues and information about service quality and performance, in the hope of minimising the risk of wrong service consumption or purchase. Therefore, it is assumed that more information of service offering and benefits should be included in service advertisement, because there is a greater need to transmit service information to help consumers' evaluation of services. In a meta-analysis of informational content analysis, Abernethy and Franke (1996) reported that services and institutional advertising contain less information compared to advertising of manufactured goods. This finding contradicts the theoretical proposition that services should contain more information to improve tangibility of services. The authors also found that the type of informational cues commonly used in advertisements include performance, availability, components, price and quality and that more than eighty-four percent of the advertisements included in their study exhibited at least one of these informational cues. Another finding was that the amount of informational cues varied according to the type of advertising media and its usage by local versus national advertisers.

Abernethy and Franke (1996) noted that Resnik and Stern (1977)'s informational cue criteria are commonly applied in many informational content analyses to examine the type of informational cues included in advertisements across different products, media, and countries. Likewise, Stafford (2005) also observed that Resnik and Stern's (1977) guideline of content analysis criteria has been adopted in many studies to investigate the differences in informational content of advertising across countries. Despite the widespread use of Resnik and Stern's (1977) criteria, it was criticised by Abernethy and Franke (1996) for its limited categorisation of information type; while Grove, Pickett and LaBand (1995) commented that these criteria tend to be biased as information on taste, packaging, nutrition and other cues are not directly applicable for services. In a separate study, Ha (1998) examined the Resnik

and Stern informational criteria, and is of the opinion that emotional components displayed in advertisements of services are not taken into consideration, and at times, the effect of affective response in advertisements may be equally or even more important than cognitive response, especially for a product or service reaching the mature stage of the product life cycle.

Other researchers have justified the use of Resnik and Stern's (1977) informational cues criteria. One of the justifications is that the Resnik-Stern classification scheme has been popularly used and widely-accepted as a method for content analysis of advertisements. Any subsequent and newer results based on this approach will allow comparisons with earlier studies and help maintain consistency in examinations of content analysis for advertisements. Adopting Resnik and Stern's (1977) criteria, Abernethy and Butler (1992), Abernethy, Gray and Butler (1997) and Mortimer (2000) found that services advertising contain less factual information compared to advertisements of physical goods. This may be attributed to the tendency of service advertisers to make use of more imagery and transformation of service experiences in advertisements as a strategy to enhance likings, or enable consumers to better relate themselves to the advertised services. These evidences are indications of the importance of affective components during services advertising.

A different set of criteria has also been used in content analysis of advertisements. These criteria of informational content analysis are those proposed by Puto and Wells (1984) which involve four types of informational cues: (1) price, (2) guarantees/warranties, (3) documentation of performance, and (4) availability. Grove et al. (1995) and Pickett et al. (2001) reported that services advertising contain a greater amount of factual informational cues in newspaper and television commercials compared to advertising of physical goods. This finding contradicts Abernethy and Franke's (1996) findings that physical goods advertising contains more informational cues compared to services advertising. The difference in findings is likely to be due to the type of informational cue criteria utilised in the above studies. Puto and Well's (1984) four criteria of analysing contents in advertisements are those details that

consumers tend to look for when they are search for information in their consideration of a service purchase.

Although informational content analysis is often taken on by many researchers to examine the type of tangible cues included in services advertising, this research shall not adopt this approach because:

1. It underscores the need to better understand what the receiver wants from advertising and, ultimately, the type of advertisements that will create the desired results (Stern & Resnik, 1991);
2. Taylor (2002) added that the descriptive nature of content analysis provides information on the frequency of techniques or cues used, but does not provide any indications of effectiveness of advertising strategy; and
3. Informational content analysis does not provide insights on whether the informational cues in advertisement represent the “right” tangible cues that facilitate consumers’ evaluation of service features and benefits, or alleviate the increased level of perceived risk associated with services.

The alternative approach which tries to explain the type of tangible cues aims at reducing intangibility of services, and provides indications on consumers’ perceptions and attitudes toward the advertised service, is rational and emotional appeal. Effectiveness of tangible cues in advertising may be enhanced with the “right” appeal. The next section discusses some relevant literature pertaining to rational and emotional appeal for services, revealing some inconclusive findings of rational and emotional appeal to tangibilise services and advertising effectiveness. Calls from several researchers for additional studies on advertising strategies for services are also discussed in the next section.

2.2.2 Rational and Emotional Appeals in Services Advertising

The implications of advertising appeal for service providers are important. Clary, Snyder, Ridge, Miene and Haugen (1994) explained that messages are persuasive when they “spoke” to the recipient and engaged them in some form

of psychological function upon exposure to the advertisement. Advertising appeals conveying relevant messages to recipients may enhance understanding of the advertised product, allow recipients to evaluate product information and influence their perception, attitudes and behaviour. Dean and Broderick (2001) pointed out that advertising stimuli have an impact on consumers' cognitive processing of information which subsequently positively influences attitudinal and behavioural responses. Thus, it is crucial that the "right" message elements communicated in the most appropriate advertising appeal was used to stimulate consumers to respond positively to advertising cues.

Rational and emotional advertising are the two types of appeals often discussed in the literature, and the principles behind advertising appeal offer important implications for the type of cues that may deliver services as appearing more concrete in advertisements. Some researchers discuss message-based persuasion (rational appeal) or feelings-based persuasion (emotional appeal) as a mean to improve tangibility of services in advertisements. Rational and emotional appeal stemmed from earlier propositions that individuals purchase products for either rational or emotional purposes (Albers-Miller & Stafford, 1999a). The principles of rational and emotional appeal emerged from the information-processing and affective response models respectively, and are widely discussed in the advertising literature to examine effects on perception, attitude and behaviour of consumers toward the advertisement.

The information-processing model of decision-making explains that consumers' evaluations of products are based on logical, objectively verifiable descriptions of tangible product features, while the affective response model suggests that consumers' preferences for products are derived from emotional and subjective impressions of intangible aspects of the product in advertising (Holbrook, 1978). Vakratsas and Ambler (1999) explained that consumers may develop product preferences based on liking, feeling and emotion induced from the advertisement or familiarity triggered by mere exposure to the advertisement, rather than information about product attributes.

Rational appeal, sometimes also known as informational or functional appeal, elaborates on factual information of a product or service in advertisements, especially for products perceived to be highly functional or important to the target consumers (Johar & Sirgy, 1991; Puto & Wells, 1984). Some elements included as part of rational appeal include comfort, convenience, ease of use, economy, good taste/flavour, health, multiple-use, profitability, quality, reliability, safety, timesaving and variety of choice (Moriarty, 1991). It is believed that rational appeal generates preferences and attitudes when consumers are attached to the cognitive representations of product properties and benefits.

The rational school suggests that consumers are rational and try to maximise total utility by buying products based on the functional benefits of the product. Using a reason-based approach, consumers identify reasons and explain choices in term of the balance of “for” and “against” alternatives (Vitt, 2004). Albers-Miller & Stafford (1999a) explained that rational advertising emerged from the informational-processing model where consumers are motivated to process information in advertisements on the basis of logical and rational decisions. Thus, rational advertising providing factual information of products is likely to appeal to consumers who are willing to devote cognitive efforts to expand on product information. Rational processing in the mind of the consumers is the key towards the success of rational appeal for advertisers. In short, logic and reason rule in this form of communication strategy (Kotler & Keller, 2006). On the other hand, cognitive factors are seldom effective as consumers may associate imagery, fantasy, fun and emotions with some products (Holbrook & O'Shaughnessy, 1984; Zajonc & Markus, 1982). Consumers, when evaluating among alternatives, may expand affections as well as cognitions. The emotional school suggests that consumers' motives are emotional and experiential in nature, and on many occasions they use personal and subjective criteria such as enjoyment, pride, desire for adventure and desire for expressing themselves when considering purchase of products or services.

Burke and Edell (1989) treated the terms “emotions” and “feelings” as synonymous, where emotional appeal generates feelings after an individual is exposed to an advertisement. This type of appeal is sometimes also described as transformational appeal. Puto and Wells (1984) defined transformational appeal as an advertisement that tries to associate the consumers with some form of experience gained from service usage, by triggering some psychological characteristics in the mind of the consumers. Emotional appeal is normally associated with adventure, contest, duty, fear, humour, romance, sensuousness and status (Moriarty, 1991), allowing consumers to relate themselves to the advertised product or service. The aim of emotional appeal is to influence or motivate consumers to purchase products based on their feelings and emotions, after exposure to a non-product related benefit or image of the product in advertisements.

Understanding the principles of rational and emotional appeal helps to explain the effects of message content on consumers’ perception, attitude-formation or behavioural intentions. Vakratsas and Ambler (1999) discussed the relationship between message appeal and the choice of the advertised product. This is because advertising has some mental effect (for instance, awareness, preference, memory, attitude toward the brand or product) leading to consumers’ choice of product consumption. Some researchers suggested that the type of advertising appeal should be congruent with the product; rational appeal should be used for utilitarian products while emotional appeal may be more effective for products that are affective in nature (Johar & Sirgy, 1991; Vaughn, 1986). An appeal-by-product interaction has also been explained by some academics, but different opinions on the type of appeal effective for services advertising have emerged (Cutler & Javalgi, 1993; Golden & Johnson, 1981; Matilla, 1999; Stafford & Day, 1995).

Consumers are believed to seek more information to determine the level of service performance and quality in order to reduce uncertainty associated with the service outcome. By emphasising important information on services’ features and benefits, consumers are believed to be able to better evaluate intangible aspects of a service (denoting improvement on level of perceived

tangibility), which serves to reduce perceived risk associated with services. Thus, providing consumers with factual information on service attributes suggests a rational approach (“reason-why”) to reduce perceived intangibility and enhance favourability towards a service provider. On the other hand, to overcome difficulties in displaying intangible features of services and to allow consumers to “experience” or associate themselves with the transformed service in advertisement, emotional (“feeling-based”) appeal is preferred. This is achieved by stimulating positive affections by use of peripheral cues and images in advertisements to enhance concreteness of a service and increase its likeability. However, there is a difference of opinion about the use of advertising appeal for services, and some researchers debated on the type of appeal that may be more effective to render services more tangible in advertising.

Contradictory Findings

Tripp (1997) reported that rational appeal is more evident in advertising of services compared to emotional appeal, and also noted that most studies focus on one particular industry, that is, the professional service industry. The professional service industry requires specific instructions and additional information in the advertising message, which is likely to result in the increased level of informational cues included in advertisements. Thus, it remains inconclusive that services advertising are dominated by rational appeal. In fact, studies on advertising of other service categories are under-represented in the literature. Among a handful of studies that are not carried out in the professional industry, the findings are contradictory.

Analysing the informational content of advertisements, Abernethy and Butler (1992) reported that service advertising contains less information than advertisements of physical goods across several leading newspapers in the United States. The authors attributed this primarily to the lack of price, components and availability information in services advertisement. In a separate study, Abernethy et al. (1997) found that services and product/service combination radio advertisements contain significantly more information compared to magazine and television advertisements. Comparing the use of

informational cues in magazine advertisement of manufactured goods and services, Mortimer (2000) found that less information is available in services advertising compared to advertisements of physical goods.

The lack of informational cues in service advertisements does not necessarily mean that services are not tangibilised in advertisements. This could possibly be due to the increasing use of imagery to transform intangible service features to facilitate consumers' evaluative criteria and allow them to visualise and associate themselves with the advertised service. For instance, Cutler and Javalgi (1993) concluded that services tend to make use of more emotional advertising, and Zinkhan, Johnson and Zinkhan (1992) reported that service managers employ more transformational appeal to convert service experiences into a set of positive psychological characteristics during advertising to reduce consumers' perceived risk.

Examining advertisements across different cultures, Albers-Miller and Stafford (1999b) and Albers-Miller and Straughan (2000) revealed that rational appeal is more readily adopted in advertisements of physical goods compared to services. From another perspective, Spears, Paswan and Kahla (2006) found that service advertisers make use of more verbal presentations for services dominated by maximal-self context (services that consumers have a strong sense of attachment with), while higher proportions of visual presentations are used for minimal-self context service (those that consumers do not have a strong attachment with) advertisements. The findings from some informational content analysis revealed that service managers employ different strategies to communicate important service features and benefits to consumers.

Among the few experimental studies with advertisement exposures that made comparisons between effectiveness of rational versus emotional advertising, Golden and Johnson (1981) found that thinking advertisements are perceived by respondents to be better-liked, provided additional and useful information, and generated higher level of purchase intentions compared to feelings advertisements. Likewise, Stafford and Day (1995) examined and compared the effect of advertising appeal for fine-dining restaurant and photo-processing

service and concluded that rational advertising generated a higher level of positive attitude towards the advertisement for both types of services, but no significant effect was found on attitude towards the brand. The authors also added that service type is less important on the type of advertising appeal required to enhance attitude towards the advertisement. In a separate study on hotel advertisements, Matilla (1999) reported that as a whole, emotional appeal is more effective in creating a positive attitude towards the advertisement, attitude towards the service provider, service expectations and future purchase intention. Findings from the above studies illustrated some inconclusive findings on whether elaboration of factual information to expand consumers' mental efforts, or transformations of service attributes into a set of positive experiential cues, led to a higher level of perceived tangibility or favourability towards the advertised service.

Thus, there are concerns about the type of tangible cues needed to improve perceived tangibility of services and effectiveness of message elements and advertising appeal for services. The research approach (such as, content analysis and experimental studies) adopted by service researchers, and several key variables like service category (Ha, 1998; Johar & Sirgy, 1991), level of involvement (Vaughn, 1980, 1986), service attributes (Hill & Gandhi, 1992), advertising stimuli (Stafford, 1996) and media type (Abernethy et al., 1997) contribute to the contradictory findings on the amount and effectiveness of tangible cues in services advertisements. Service characteristics are likely to have a significant impact on advertising effectiveness, which gives rise to differences in the use of tangible cues applicable for services. As explained by Lovelock and Gummesson (2004), the four service characteristics do not exist across services – some characteristics are more significant in certain service categories. Services with a high level of perceived intangibility require extra emphasis of tangible cues to make known service features to consumers in advertisements.

Dubé-Rioux et al. (1990) argued that many studies seek to explain intangible differences between physical goods and services, and overlook the variability in intangibility that exists in services. A study focused on investigating

message content and structure of advertisement for services with intangible differences in a single service industry may highlight some important findings relevant to advertising strategies for the service industry. The underlying reasons are that within a single service industry, different levels of intangibility may exist, and each may require specific advertising strategies to tangibilise them. For instance, higher-end financial products (like insurance and mortgage) are perceived by consumers to be more intangible compared to simpler financial products (such as savings and current account), long-distance higher-learning is believed to be more intangible compared to one where students have to physically attend lectures at a university, while luxury hotels are often perceived to be more intangible compared to budget hotels. Because of the difference in the level of intangibility that exists in a service industry, findings on advertising strategies may be too generic to be applied across the industry.

This research aims to determine the type of message content applicable to enhance perceived tangibility and advertising effectiveness for services. Financial services are selected on the basis that varying degree of perceived tangibility and complexity exist in the family of financial services which may require different advertising strategies. After a review of some relevant literatures in the next sections, a conceptual framework to enhance advertising effectiveness for services was proposed by this research (further explanation provided in Section 2.7, p.84). The research seeks to examine the robustness of the proposed conceptual framework to enhance advertising effectiveness for services, by applying it in the context of financial services because it is a service category that is often perceived to be highly intangible by consumers. The conceptual model may also enhance further understanding on advertising strategy to tangibilise service offerings and improve advertising effectiveness for financial services. The next section provides some relevant literature on financial services advertising, highlighting the importance of corporate advertising for financial services.

2.2.3 Financial Services Advertising

Financial services are normally characterised by a high degree of intangibility because of the difficulty of presenting or demonstrating an intangible financial

product, and at the same time, creating or maintaining a positive brand image in the mind of consumers. Financial services are grouped under the “information-processing” service category with a different degree of intangibility at the product class level. This section begins with some descriptions of financial services and the different types of financial products, followed by the importance of corporate advertising for financial services.

Financial services have always been perceived by consumers to be more intangible and difficult to evaluate compared to physical goods and other services, evident from the information included in Appendix 2 (p.323). With reference to Lovelock’s four categories of services in Table 2 (p.18), the service performance of financial services is an intangible action that is performed on consumers’ financial assets which often lack tangible representation. In many cases, consumers may not see “physical money” during transactions but they experience a service delivered to their financial assets. This makes financial services more intangible compared to other services such as restaurants, beauty salons, transportation, dry-cleaning and theatre performances. On some occasions, consumers may visit a bank (tangible physical outlet of financial services) to transform intangible financial assets into physical cash or seek financial advice from bank consultants. In these circumstances, financial services may spill over into the “possession-processing” (i.e. physical actions by frontline staff transforming an intangible asset to physical form) or “mental-stimulus processing” (i.e. non-physical actions by frontline staff directed at a person’s mind) grid. But, Lovelock (1983) explained that the core service act itself should be confined to one of the four categories. As a whole, financial services are believed to be grouped under the “information-processing” service category, that is, non-physical actions directed at consumers’ intangible financial assets.

Higher levels of intangibility associated with financial services means that consumers have to devote more cognitive efforts to evaluate the intangible aspects of financial services, making them more complex (compared to other services) in the mind of consumers. Harrison (2000) explained that complexity of a financial product relates to the relative ease with which consumers are able

to understand a financial product, and intangibility of financial services may lead to difficulties in mentally conceptualising a financial product, affect their search for information and evaluation of financial services. Thus, from the consumers' point of view, different types of financial services are perceived with varying levels of complexity because of intangibility. McDougall and Snetsinger (1990) found that among four different types of financial products, respondents rated life insurance to be the most intangible, followed by mortgage, car loan and savings account. This finding indicates that the higher the level of intangibility, the more complex a financial product is in the eyes of consumers. For instance, complex financial products (like investments and insurance) are likely to be perceived as more complex compared to simple financial products (e.g. credit cards and current accounts). The study by McDougall and Snetsinger (1990) also reported that respondents who have never taken a car loan or obtained a mortgage tend to perceive these products to be more intangible compared to those who had previous experience with these financial services.

Zeithaml's (1981) continuum of the degree of product evaluations provides an understanding of the relative ease of evaluating different products and services. Products are placed on a continuum ranging from "easy to evaluate" at the left end of the continuum to "difficult to evaluate" at the other end of the continuum. The continuum illustrates that services are generally more difficult to evaluate, with some services perceived to be more complex than others. According to Zeithaml (1981), most services lack search qualities, that is, attributes that consumers can determine prior to purchasing a product. Physical features like shape, style, colour or texture provide potential consumers with some evidence of the product prior to purchase. Physical goods are normally high in search properties. However, as services lack physical properties for consumers to form evaluative criteria, they become more difficult to evaluate compared to physical goods.

Products with experience qualities are those that cannot be evaluated prior to purchase, such as holiday vacations, visits to the orchestra or haircuts. Credence qualities are products with properties that consumers may find

impossible to evaluate confidently, even after purchase and consumption. These include dental procedures, hire of financial or legal advisor or repair of one's automobile. Financial services are often characterised as high in *experience* and *credence* qualities, where consumers face difficulty evaluating a financial product, even after purchase (Ha, 1998; Harrison, 2000). They also find it more problematic and difficult to evaluate some complicated financial products, like investments and cash management accounts which are highly intangible and come with deferred benefits in the future. In such cases, consumers are unsure of the optimal performance of the fund or the reliability of advice offered to them by front line personnel. Therefore, it led to the notion of complicated financial services to be high on credence qualities (Davies, 1996; Devlin, 1998).

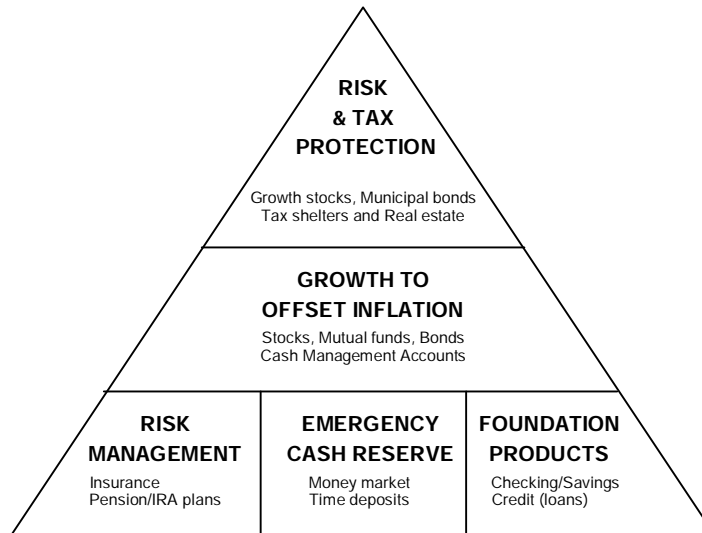
Type of Financial Products

The "Pyramid of Financial Independence", also known as the hierarchy of financial needs is an approach adopted by financial institutions related to stages of the family cycle for financial products (Kamakura, Ramaswami, & Srivastava, 1991). The hierarchy illustrates the type of financial products available in the financial market place, dependent on consumers' resources (time and financial commitments) and financial risk associated with a financial product.

The Pyramid of Financial Independence illustrated by Figure 1 (p.42) is a hierarchy of consumers' financial commitment over time. It was explained by Kamakura et al. (1991) that the financial consumers often start at the base of the pyramid and move upwards to fulfil their financial needs and objectives. A typical financial consumer is likely to possess simple financial products at the base of the pyramid (like savings account, time deposits and insurance). When one has satisfied the basic needs of fund allocation, he or she will place financial commitments in financial products at a higher-order of the hierarchy (such as mutual funds, equity or real estate). Over time, the financial consumers move upwards from financial products characterised with lower financial risk and higher liquidation to those with higher level of financial resources and risk and lower liquidation (Harrison, 2000). The hierarchy of

financial products illustrates that the financial consumers have to understand a financial product before making commitments, especially for those products that come with a higher level of financial risk, financial and time commitment.

Figure 1: The Pyramid of Financial Independence



Source: Kamakura, W. A., Ramaswami, S. N., & Srivastava, R. K. (1991), "Applying latent trait analysis in the evaluation of prospects for cross-selling of financial services," *International Journal of Research in Marketing*, 8(4), pp. 332.

Consumers are likely to perceive financial products at the base of the hierarchy as simple financial products, as they are most likely to hold at least one of this financial product, possess fair amount of product knowledge and understood the financial risk of these financial product is lower compared to those financial products at a higher level of the pyramid. Moving upwards the pyramid of financial independence are financial products with higher degrees of complexity, and they are characterised as financial products that require the consumers to possess greater amount of product knowledge, understood the required financial commitment and higher level of financial risk, and that these products are less liquid and thus, more difficult to comprehend and evaluate. Therefore, these financial products are often perceived as complex financial products from the consumer's viewpoint. The hierarchy of financial products also indicates that products at the lower level of the pyramid are more tangible

than those of more complicated financial products, influenced by relative easiness of understanding and conceptualising the financial product.

In the context of this research, the relative ease of evaluating a financial product represents the degree of conceptualising mental benefits of a financial product in the mind of consumers. Simple financial products are relatively easy to evaluate as they are associated with a lower level of perceived risk and consumers tend to have a fair amount of product knowledge. On the other hand, complex financial products are more difficult to evaluate (high on credence qualities) since they require a greater amount of product knowledge, financial resources and time commitment. Understanding consumers' evaluation process of financial services and the hierarchical structure of financial products are important for this research. This research assumes that simple financial products are more tangible compared to complex financial products based on findings by some studies (see Appendix 2, p.323).

Differences in the degree of intangibility may affect advertising strategies of individual financial products, where complex financial products (which are highly intangible) may require more tangible cues in advertisements to inform and educate consumers about a product's attributes and benefits, compared to simpler financial products. In the literature of financial services advertising, corporate advertising is highly important as advertising a financial product is almost never isolated from corporate advertising. Further explanations are made in the next section.

The Role of Corporate Advertising for Financial Services

Corporate branding has an important role in financial services advertising, as advertising a financial product is always integrated together with the corporate brandname. Firstly, it is important to understand the literature behind corporate branding for financial services, and secondly, because of the importance of corporate branding, financial service providers always make use of corporate advertising during promotions of financial products. Schultz and de Chernatony (2002) discussed the idea that corporate branding has been conceptualised as a metaphor, a conceptual framework, a management process,

a strategic tool-kit and a communication facilitator. Given the various concepts behind corporate branding in the literature, the explanations provided by de Chernatony (2002) have important implications for this research. de Chernatony (2002, p.115) stressed that service managers always place significant importance on corporate branding, and the author defined the term *corporate branding* as “*the strategic process of leveraging the equity in the corporate name across an expanding array of products or services*”. Service organisations often adopt this approach as consumers tend to view all components of a service organisation as a single brand name. The service organisation as a brand becomes increasingly significant because of the intangible nature of service delivery and performance (Diefenbach, 1992).

Corporate branding is especially important for financial services, as a financial service provider offers an array of financial products, ranging from a basic savings account to one requiring a high level of consumers’ time and financial resources (especially investment products). These financial products are offered to consumers in the financial market under a single brand name. With lack of physical attributes to evaluate service performance and quality, compounded with difficulty in differentiating services, consumers often identify service organisation with its brand name; where they tend to view all service components of a company as a single brand (Berry, Lefkowitz, & Clark, 1988).

In the same notion, Gronroos (2000b) explained that the terms “brand” and “brand image” do not exist in isolation of services. This is because services cannot be created without the presence of consumers. The author argued that individual brand messages of a service organisation are psychologically embedded in the minds of consumers, and over a continuous period of time, these messages led to the formation of a brand image. Gronroos (2000b, p.287) maintained that “the brand as a concept is always an image [...] brand and brand image are synonymous”. Consumers may not relate or may not attempt to differentiate among the different type of services offered by a service organisation because of the complexity involved in service evaluation. Instead, they are likely to rely on the corporate brand image to evaluate service

offerings. The indication that consumers tend to place more emphasis on the corporate brand name of a service provider to evaluate different services offered by the service provider means that the corporate name/corporate brand/brand image becomes increasingly important for service organisations.

There is a need to provide some understandings of the terms *brand image* and *corporate brand* relevant for services in this research. The brand image is always external of a service organisation and is formed in the consumer's mind. Davies and Chun (2002, p.145) defined *corporate image* as "*attitudes and feelings consumers have about the nature and underlying reality of the company*". In a more specific context for services, Padgett and Allen (1997, p.50) explained the *service brand image* as "*including the attributes and functional consequences and the symbolic meanings that consumers associate with a specific service*" because of the functional and symbolic values offered by a service brand. Taking into consideration the different concepts of corporate branding and brand image, this research identifies *corporate branding for services* as referring to *consumers' attitudes toward a service name that are associated with functional and symbolic meanings across different products or services embedded in a service brand*.

The implications of corporate branding for services are two-fold. Firstly, when consumers identify a service organisation by its corporate brand, communication efforts become increasingly important to implement brand identity in the mind of the target audience. *Brand identity* here refers to *the description of the corporate brand that the marketer wants to create in the mind of the consumers*. The continuous "bombardments" of messages to the target audience may produce the type of image that a service provider would like to be associated with in the minds of consumers. Secondly, the most appropriate message associated with a corporate service brand may result to differentiation effect from other service providers that offer similar type of services. When benefits of a service brand are made clear to the consumers through advertising, they are in a better position to relate to the services offered by a service provider on fulfilling their needs and goals.

Brand identity, brand personality, corporate reputation and corporate brand management are widely discussed in the research area of financial services marketing. This study acknowledges the vast amount of literature pertaining to these subject areas, but will focus primarily on corporate advertising as it provides important implications on message content and advertising strategies for financial services.

The above discussions denote the importance of corporate advertising for financial services. *Corporate advertising*, also known as image advertising, is “*the integration of words, colours, symbols and slogans, and the consistent application of these elements will deliver a clear and cohesive message to consumers*” Berry et al. (1988, p.30). Corporate branding of a financial service provider is likely to be enhanced in the mind of consumers through constant communications of elements associated with a brand. If consumers do not distinguish between corporate/brand name and corporate/brand image, it is inevitable that service advertisers make use of corporate advertising directed at consumers in a unifying theme to create positive attitude towards the brand. There is evidence that financial services advertisers tend to adopt corporate advertising to influence the brand image of the service organisation in the minds of consumers.

In the financial service market, consumers often identify the institutions by their brand name, rather than the product. This led to the wide use of corporate advertising in financial services. Gray and Smeltzer (1985) explained that corporate advertising is a main component of a *corporate-dominant strategy*; that is, managers believe that communication efforts should be aimed at reinforcing the brand image of a service brand. Therefore, corporate advertising is essential for financial service providers to deliver the relevant brand messages in order to achieve the desired brand image in the mind of the consumers. Corporate advertising is also believed to improve consumers’ evaluation process and helps reduce consumers’ perceived risks of financial services (Davies, 1996).

In today's financial marketplace, financial advertisers do not attempt to distinguish between product advertising and corporate advertising. Where financial services promote their financial products in advertising, the corporate name is always incorporated into the advertisement. This is due to the need to raise awareness of a financial product and also to build a positive brand image. Crane (1990, p.33) pointed out that the argument of whether product advertising or corporate advertising should come first is irrelevant in the financial marketplace as consumers nowadays "do not buy products or corporations, they buy benefits, value and satisfaction, and they must see all three in the products they buy and in the companies that supply them". Thus, this research recognises that advertising carried out by financial services is a blend of both corporate advertising and product advertising.

Devlin and Ennew (1997) argued that financial services are characterised as highly intangible and mentally complex for consumers to evaluate, and thus, organisational factors such as reputation, image and quality of service become increasingly important to add value to financial service providers. Another advantage of corporate advertising carried out by financial services is that it allows for product advertising, since the brand name normally carries the products offered by a financial service provider (Crane, 1990; Kessler, 1997). In the current marketplace place, financial service providers typically combine product brand and corporate brand during advertising, for instance, HSBC's Power Vantage Account, NatWest's e-savings Account and Halifax's moneyback Current Account.

However, some researchers also noted that financial services providers have been unsuccessful in projecting a unique or differentiated bank image through advertising. Ries and Ries (2003) suggested that consumers find bank advertisements to be overwhelming, confusing and undifferentiated between different financial service providers. Another downside is that advertising is believed to reinforce similarity among financial institutions and have a temporal advantage to the financial service advertisers (Balmer & Stotvig, 1997), while Devlin and Gerrard (2004) contended that brand image plays a

relatively unimportant role in consumers' choice of bank as consumers do not perceive meaningful differences between banks.

Although some researchers believe that corporate advertising lacks significant importance in influencing consumers' perception and attitude towards the corporate brand, the implications of advertising for financial services remain important. Corporate advertising serves as a platform for financial services to communicate the highly intangible service-based offerings to consumers and create the desired brand image. A favourable brand image may ease consumers' evaluations of financial products and alleviate their level of perceived risk associated with the financial products offered by a financial service provider.

This research recognises the importance of corporate advertising for financial services, where the brand name is always integrated into advertisements of financial products. It was discussed earlier that financial products come with varying levels of intangibility, which means that advertising strategies for the different financial products are likely to differ to create the desired effects. For instance, savings accounts are perceived to be more tangible and offer benefits that differ from credit products (like loans and mortgage). Thus, the type and effect of tangible cues are likely to differ between savings and credit products, and among different credit products in advertisements. Complex financial products (like investments and securities) are even harder to evaluate, and more emphasis is required to familiarise consumers with these financial products and enhance positive attitudes to build consumers' confidence with a financial service provider.

The above explanations pointed out the importance of corporate advertising for financial services to communicate tangible cues of products' attributes and benefits to aid consumers' evaluations of financial products and the corporate brand. Managing corporate advertising using appropriate tangible cues and advertising appeal may trigger and facilitate consumers' comprehension and evaluations of a service, because the "right" advertising appeal is more likely to deliver brand messages more effectively to the receiving audience.

Enhancing the corporate brand image may call upon affecting the feelings of consumers, which favours emotional appeal. Yet, because financial products are often thought of as a functional product, it is believed that rational appeal may be more appropriate for financial services. Thus, there is a need to investigate methods of enhancing corporate advertising for financial service provider, leading to a statement of the main research problem for this research. Further elaborations on the nature of the main research problem are addressed in Section 2.5 (p.77) of the thesis.

The term *financial services* used onward from Section 2.1.2 (p.16) through to the above discussions refers to consumer banking as previous studies are generally directed to the mass market to determine consumers' perception, decision-making process and behavioural intentions. Financial service organisations are those providers dealing with financial transactions including consumer and commercial banks, credit card companies, insurance companies, building societies and credit unions, foreign exchange and stock brokerages and investment companies. In the context of this research, financial services shall be narrowed down to consumer banking as the study is concerned about determining the impact of tangible cues on consumers' psychological cognitions and affections upon advertising exposures. Thus, in subsequent sections, the term financial services are used interchangeably with consumer banking.

There are numerous studies that explained the factors influencing consumers' decision to patronise financial services, however, these studies do not provide further understandings on how and why consumers consider certain factors as more influential on their decision-making. Bank selection criteria is a research area that has been extensively studied in the literature of financial services. From the 1980s to early 1990s, most of the empirical works were carried out in the United States of America, Canada and the United Kingdom (e.g. (Boyd, Leonard, & White, 1994; Javalgi, Armacost, & Hosseini, 1989; Kaynak & Whiteley, 1999; Laroche & Manning, 1984; Laroche, Rosenblatt, & Manning, 1986; Leonard & Spencer, 1991; Lewis & Bingham, 1991; Meidan, 1996). Thereon, these works expanded to Australia, some European countries, some

Islamic countries (e.g. Bahrain, Saudi Arabia, Jordan, Turkey and Malaysia) and a few oriental countries (like Singapore and Hong Kong) (e.g. (Denton & Chan, 1991; Erol, Kaynak, & El-Bdour, 1990; Gerrard & Cunningham, 1997; Haron, Ahmad, & Planisek, 1994; Holstius & Kaynak, 1995; Kaynak & Kucukemiroglu, 1992; Kaynak & Whiteley, 1999; Metawa & Almossawi, 1998; Naser, Jamal, & Al-Khatib, 1999; Zineldin, 1996). The findings from these studies revealed that some bank attributes are consistently more important on influencing consumers' decision to patronage a financial service. These factors include: "fast and efficient service", "friendliness of staff", "convenience of location", "interest charge on loan", "service charge", "confidentiality", "reputation" and "recommendations by family and friends".

The findings from bank selection criteria revealed that consumers placed extra emphasis on some bank attributes, above others. This is because they are likely to link these attributes with some specific benefits. After all, according to the definitions of services, it is the creation of benefits that entice end-users to consume or purchase a service. To explain why consumers consider certain bank criteria as more important than others and perceived benefits related to these attributes, the means-end chain provides important insights into the reasons why people will become customers of a particular financial service provider. The concepts of the means-end chain give better understandings on how consumers may conceptualise the intangible aspects of a financial service provider; and provide indications on the type of tangible cues that may facilitate consumers' evaluation of information in financial service advertisings.

2.3 The Means-End Chain

Section 2.1.2 (p.16) argued that because of the lack of physical form of services, consumers are faced with higher degree of difficulty in their conceptualisation of the intangible properties of services. Consequently, consumers react to services' intangibility by looking for additional concrete evidence to make judgement on service quality and performance. Thus, tangibilising service features by managing tangible representations of services becomes increasingly important to facilitate consumers' evaluations of a service's feature and which may enhance positive consumers' attitudes. Where

consumers are not physically present at a service factory, or are relatively unfamiliar with a particular service provider, advertising may have direct impact on perceived tangibility when consumers are exposed to the appropriate tangible representations of services displayed in advertisements.

Physical evidence representing direct or peripheral components of financial services that are displayed as tangible cues in advertisements may assist consumers to conceptualise attributes mentally, and the benefits related to financial products, and more importantly, embed a specific brand image in the minds of consumers. Some bank attributes are emphasised by consumers to be important criteria that influence their decision to purchase a financial product. Consumers are likely to link these important bank attributes to positive consequences related to product/service usage, which in turn satisfy their end-goals. The means-end chain describes the connections between attributes, positive consequences and personal values, providing insights into why consumers prefer and select certain products over others.

The means-end chain conceptual model illustrates that consumers form three types of knowledge: knowledge about product attributes, knowledge about positive consequences related to product consumption, and knowledge of the values offered by products which satisfy consumers' immediate needs (Peter & Olson, 2005; Reynolds et al., 1995). Attributes, consequences and values form the basic content of knowledge stored in memory and when the three components are linked in the minds of consumers, they provide understanding about preference, purchase or consumption of certain products. Marketers who are able to identify the benefits and values that consumers attach to products can develop better marketing strategies to satisfy consumers' desires to fulfil their end-goals and entice them to purchase their products.

Figure 2 (p.53) is an illustration of the means-end chain that has been described by some researchers (Antonides & Van Raaij, 1998; Gutman, 1982, 1991; Olson & Reynolds, 1983; Reynolds et al., 1995). The means-end chain is defined as a hierarchy of six levels of abstractions: attributes, consequences and values. According to the means-end chain, consumers identify products by

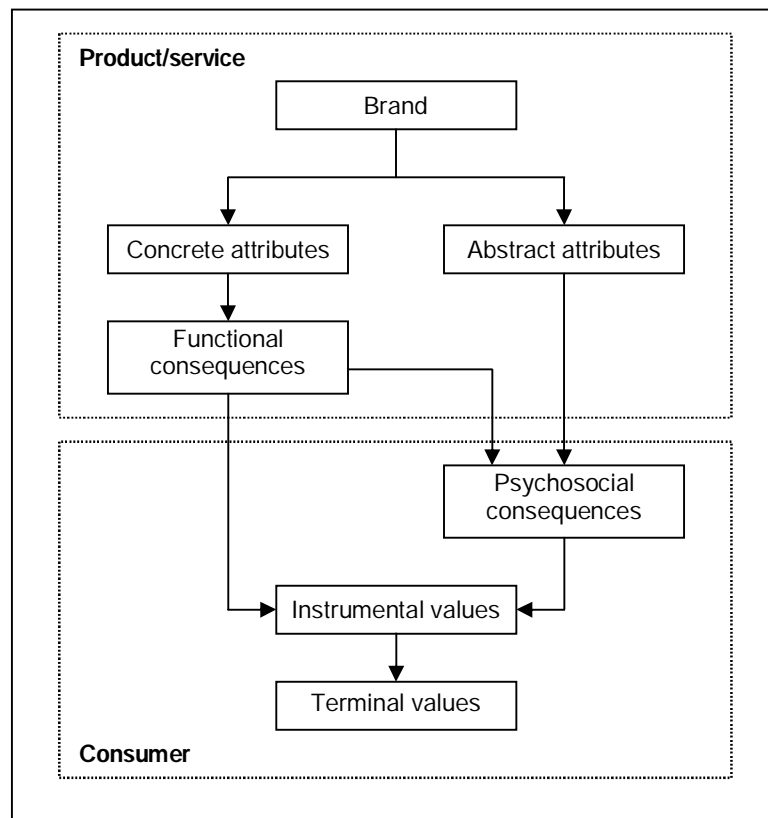
their physical or intangible characteristics. Concrete attributes are the tangible, physical characteristics of a product which are measurable in physical units, such as “colour”, “logo” or “cents per kilogram”. Abstract attributes represent intangible characteristics that are more subjective in nature, such as “smells nice” or “pleasant feeling”, related to a product. As an example, the logo of MasterCard imprinted on credit cards represents the tangible physical evidence of a credit facility (the corporate brand) while the convenience to purchase items on credit terms may be perceived by consumers as the intangible attribute of MasterCard. Product attributes are meaningful to consumers when they understand the benefits with product consumption or purchase.

At the next level of abstraction are positive consequences, that is, consumers’ personal meaning associated with product attributes. Peter and Olson (2005) explained that consumers identify both functional consequences (i.e. tangible outcomes of using a product) and psychosocial consequences (i.e. the psychological and social outcomes of product use) related to a product. A key importance of the means-end chain is that consumers view products as bundles of benefits (consequences), rather than bundles of attributes. In the example of MasterCard, consumers normally associate positive benefits with the credit card, for instance it is accepted in major retail outlets which eases their purchase of goods or services (functional consequence), and the purchase of a gift for a friend using MasterCard may fulfil an individual’s desire to make someone happy (psychosocial consequences).

Satisfactions of functional and psychosocial consequences lead to the realisation of personal values. Consumers are more likely to consume or purchase specific products that satisfy their immediate personal values; that is, the principles that guide their actions and behaviours (Young & O’Neill, 1992). Gutman (1982) incorporated Rokeach’s (1973) two levels of values into the means-end chain model: instrumental and terminal values. Instrumental values are modes of conduct to which one adheres in order to reach terminal values, while terminal values are concerned with an end goal, and occupy the dominant role with greatest abstraction in the means-end chain. Reynolds and Gutman (1984) explained that instrumental values reflect an external

orientation relating to how one is perceived by others and, terminal values are concerned on the internal values level, related to how one views oneself. In the means-end chain, personal values are discussed as having motivational impact on consumers' purchase of products (Vriens & Hofstede, 2000).

Figure 2: The different level of abstractions in means-end chain



Source: Antonides, G. and Van Raaij, W. F. (1998), *Consumer Behaviour: A European Perspective*: John Wiley & Sons, p. 145

Both instrumental and terminal values represent the most personal consequences people try to achieve in their lives (Peter & Olson, 2005). Going back to the MasterCard example, when the receiver of the gift expressed happiness toward the giver, the person who made the purchase may experience happiness and cheerfulness (instrumental values) and which, consequently, may satisfy their end-goals of establishing a warm relationship with others and a sense of belonging (terminal values). The chain of reactions in the MasterCard example illustrates that realisation of personal values and important goals led to the purchase or consumption of certain products, as

some researchers discussed that consumers' consumption of certain products is linked to their personal values (Beatty, Kahle, Homer, & Misra, 1985; Laverie, Kleine III, & Kleine, 1993; Pitts & Woodside, 1983).

The means-end chain illustrates the connections between (i) product attributes, (ii) consumers' perceived positive consequences, and (iii) personal values. Strong connections between the three components suggest that a product would be personally relevance to the realisation of individual desired goals, thus, explaining consumers' motivations to consume certain products (Gutman, 1982, 1997).

Conceptually, the components in the means-end chains are bonded by different levels of product attributes. Reynolds et al. (1995) discussed that product attributes are the "means" by which consumers reach out to achieve the desired "end" state of existence associated with value satisfaction. It is expected that those consumers who are able to perceive strong connections between the three elements of the means-end chain are more likely to perceive the product as important towards fulfilling their desired personal goals, that is, recognise the product as personally-relevant to themselves.

Reynolds and Rochon (1991) emphasised that researchers who focused only on product knowledge – usually attributes or consequences – are unable to fully understand consumers' product knowledge. In most cases, consumers purchase products to reach some greater benefits, rather than for the functional aspects of products (Kahle & Kennedy, 1989). Therefore, an advantage of the means-end chain model is that it provides a deeper understanding of consumers' product knowledge and their motivation to consume a certain product, compared to studies focusing only on a product's attributes or benefits. Additionally, Peter and Olson (2005) argued that the means-end chain represents the consumer-product relationship, illustrating how consumers relate certain product attributes to specific aspects of their self-related personal values. The indication here is that it is crucial for managers to identify product attributes and positive consequences important to consumers, in order to

develop specific marketing strategies targeted at stimulating consumers' perceived personal relevance of the product in fulfilling their desired end-goals.

Concepts of the means-end chain help marketers to understand the “means” that consumers feel is important in order to reach their “end-goals”, and knowledge on attributes, positive benefits and values that consumers emphasise during their product selection process helps marketers to determine appropriate marketing strategies directed at the end-consumers. Managers have to understand how and why consumers view some products to be more personally relevant to the self, compared to other products in the same category. The idea is that a product is self-relevant if consumers see it as instrumental to reach important consequences or values (Mulvey, Olson, Celsi, & Walker, 1994). Consumers are likely to be more involved in a product that is perceived to be personally relevant to them. The next sub-section discusses the implications of product knowledge and self-knowledge on the means-end linkages, which indicate how consumers' involvement with products affects their elaboration of message elements in advertising.

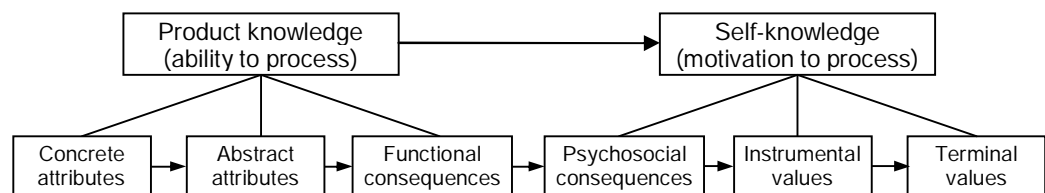
2.3.1 Involvement and Advertising

Involvement was defined by Mitchell (1981, p.25) as “*an individual level, internal state variable whose motivational properties are evoked by a particular stimulus or situation*”. In the means-end chain, the stimuli refer to product attributes which, when activated, may motivate consumers to perceive relevance of the product on satisfying their personal goals and values. The consumer's level of involvement with a product, situation or action influences their perception on product relevancy to the self, as discussed by Celsi and Olson (1988, p.211) “... a consumer's level of involvement with an object, situation or action is determined by the degree to which s/he perceives that concept to be personally relevant... and the personal relevance of a product is represented by the perceived linkage between an individual's needs, goals and value and their product knowledge”. The authors explained *personal relevance* as “*the degree that consumers believe a product is related to their inner-self values or it is instrumental to satisfy their personal goals and values*”. Thus, if consumers consider a product as personally relevant, activated by mental

connections between an individual's knowledge of a product and internal desire states, they are more likely to become involved with the product.

Figure 3 illustrates the effect of product knowledge and self-knowledge, which have direct relationships with means-end components, influencing the degree of personal relevance and which is positively associated with consumers' level of involvement with a product, situation or advertisement. The depiction of the impact of product knowledge and self knowledge on means-end elements in Figure 3 indicates that consumers' prior knowledge of a product affects their interpretation of products' physical and abstract attributes, while self-related knowledge motivates consumers to associate a product with positive consequences and personal values. It is the combination of consumers' knowledge of the product and themselves which affects their ability and motivation to elaborate and comprehend on related information upon exposure to advertisements. The higher the level of product knowledge and self-knowledge, the higher the likelihood those consumers will process the information displayed in advertisements.

Figure 3: Means-end knowledge and involvement



Source: Mulvey, M. S., Olson, J. C., Celsi, R. L., & Walker, B. A. (1994). Exploring the relationships between means-end knowledge and involvement. *Advances in Consumer Research*, 21(1), p.52

Mulvey et al. (1994) explained that a product is perceived to be personally relevant when consumers view that product consumption will bring about satisfaction of their desired end-goals. Personal relevance emerges when consumers are able to link product attributes to positive consequences, and to the attainment of their personal values. The stronger the links between attributes-consequences-values, the higher the likelihood that consumers would

perceive the product as personally-relevant to themselves, and thus devote more attention to comprehend and elaborate on product features and benefits. This means that they become more involved with a product or service. Mulvey et al. (1994) reported that highly-involved consumers are more likely to infer complete means-end association, that is, they understand and articulate specific meaning of attributes on reaching their end goals, compared to medium and low-involvement consumers.

Understanding the relationships between involvement and means-end chain elements has important implications for advertising strategy. Figure 3 illustrates that personal relevance of a product is determined by (i) the fact that consumers' ability to process salient information of product attributes is affected by their prior product knowledge, and (ii) consumers' motivation to elaborate on product-related information is a function of personal-relevant knowledge activated in memory in a particular situation. When consumers are able and motivated to process information, and have deemed the advertised product as personally-relevant to them, they are more likely to elaborate on advertised messages of product features and benefits to satisfy their personal goals. Thus, there are positive association between involvement and elements of the means-end chain Those consumers who perceive a product to be personally relevant are said to become highly-involved with the product, and thus, have the ability and motivation to elaborate and attend to product-related information in advertisements (Celsi & Olson, 1988).

Involvement towards a product is thus, recognised by this research as an important factor influencing consumers' cognitive associations of means-end chain elements and interpretations that a product is personally relevant to satisfying personal desires and goals. Graeff (1997) discussed that consumers with a higher level of product knowledge compared to their less knowledgeable counterparts are more likely to comprehend complete means-end associations during processing of product-related information in advertisements. This indicates that highly-involved consumers are able and motivated to link means-end associations in the message content of advertisements while less-involved consumers may lack the necessary

connections from attributes to consequences to values whilst interpreting product information.

The above discussions suggested that highly-involved consumers, who perceive personal relevance of a product as meeting their needs and personal goals, are more likely to devote cognitive attention to elaborate on product-related information. Equipped with prior product knowledge, they are able to expand their thoughts on product attributes laid out in an advertisement, and interpret these tangible features into positive consequences related to product usage. Upon mental comprehension of benefits related to the product, they are believed to recognise the relevance of the product as meeting their personal values and goals, influenced by self-related knowledge. Thus, there are important implications of means-end associations and personally relevant concepts on advertising strategy. Understanding how consumers associate attributes of financial services with positive consequences and personal values provides insights into why consumers are willing to devote and expand on product-related information in an advertisement of a financial service provider. This also provides explanations about consumers' comprehension on the intangible features of a financial service provider. The means-end chain concepts for financial services are discussed in the next section.

2.3.2 Means-End Chain of Financial Services

This section begins by identifying the main attributes of financial services that are important to consumers, namely, price of financial products and service-oriented quality, because these factors have high influence on consumers' decision to open an account with a retail bank. Next, financial security and social recognition are identified by this research as personal values that consumers normally associate with financial services. Finally, the means-end linkages between attributes, consequences and personal values for financial services, guided by principles of the means-end chain are illustrated in the remaining discussion in this section, and the information here pave ways to the conceptualisation of a model to enhance advertising effectiveness for services (further explanations are made in Section 2.7, p.84).

Studies on bank selection criteria which have been widely documented in the financial services literature make use of different sets of bank attributes to study the factors that influence consumers in their decision to select a bank. In most cases, the researchers include a wide range of choice criteria to determine salient attributes that consumers concentrate on when deciding to open an account or purchase a financial product of a retail bank. However, studies on bank selection criteria do not necessarily indicate personal values that are important to the financial consumers, and their attitudes toward a financial service provider. Studies on bank selection criteria demonstrate the bank attributes as the “means” that consumers identify with a retail bank, but do not necessarily indicate a higher level of means-end chain abstractions, which is the desired end-goals. Nevertheless, these studies provide partial indications of the means-end linkages related to personal banking.

In bank selection studies, questionnaires with structured scales are predominantly used to examine the relative importance of certain factors that consumers prioritise in their decision of selecting a bank. The following factors often emerged as significant attributes that consumers identify with personal banking: “fast and efficient service”, “friendliness of staff”, “convenience of location”, “interest charge on loan”, “service charge”, “confidentiality”, “image and reputation” and “recommendations by family and friends”. A review of consumer buying decisions for financial services by McKechnie (1992) and an analysis of emerging trends in bank selection criteria by Devlin and Gerrard (2004) provide key implications for this research. These studies highlighted the dominance of some key factors in the literature of bank selection criteria, which are: (i) **price of financial products** (for example, interest rates paid on savings account or charged for loans, incentives and service charges); (ii) **service-oriented quality** (service expectations) of financial services (such as courteous and friendly staff, fast and efficient service, and availability of credit and financial counselling); and (iii) **bank’s image and reputation**. These factors were also reported in some personal bank selection studies as important criteria affecting consumers’ choice of a retail bank (Boyd, Leonard, & White, 1994; Gerrard & Cunningham, 1997; Haron, Ahmad, & Planisek, 1994; Javalgi, Armacost, & Hosseini, 1989;

Kaynak & Harcar, 2005; Kaynak & Kucukemiroglu, 1992; Zineldin, 1996). Due to the extent of *price* of financial products and *service-oriented quality* impacting on consumers' decisions to patronise a bank, this research recognises the significant importance of the above-mentioned factors on the means-end linkages for financial services.

The current study associates the definition of *personal values* in line with Rokeach's (1973, p.5) as "*an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence*". Personal values, an element of the means-end chain, give indications of why consumers purchase certain products; their self-related knowledge activated from the values offered by a product stimulates consumers to perceive a product as personally relevant to them.

Kahle's (1984) List of Values (LOV) was derived from Rokeach Value Survey (RVS), Maslow's hierarchy of values and other personal value studies (Kahle & Kennedy, 1989). The LOV includes: warm relationships with others, self-respect, sense of accomplishment, fun and enjoyment, self-fulfilment, being well-respected, security, sense of belonging and excitement. Some of Kahle's LOV will be used by this research to identify personal values important to the financial consumers, as it is a parsimonious list which has personal relevance and influences consumers' decision-making and behaviours (Beatty et al., 1985; Bloemer & Dekker, 2003; Laverie et al., 1993).

Empirical evidence on satisfaction of personal values derived from bank attributes and benefits offered by a bank is relatively scarce in the literature. Using a laddering technique, an in-depth interviewing technique to understand how and why consumers interpret salient attributes of products into meaningful associations with desired consequences and values, Divine and Lepisto (1998) reported two types of personal values that consumers often associate with bank attributes. The first value pertains to handling of one's money to give consumers a peace of mind, that is, *financial security*. The study by Divine and Lepisto (1998) found that attributes significantly linked to financial security

include safety and reliability of a financial institution, accuracy of statements and payment of interest rates on deposits. The other value most relevant and important to financial consumers is that the bank *appreciates one's patronage*; with salient attributes like friendly and concerned staff, and ability of staff to solve problems, activating external-related values (i.e. being well-respected, sense of belonging, attachment and importance).

Divine and Lepisto (1998) suggested that bank attributes (for instance, speed of service, convenience of location) are essentially intangible, and are almost synonymous with consequences. The authors argued that the intangible attributes of banking services develop tighter linkages between attributes and personal values, and consequences as an element in the model might mediate the direct relationship between attributes and values. According to concepts of the means-end chain, consumers are likely to identify some bank attributes as more tangible and concrete, while other attributes are likely to be perceived as more psychological in nature as they may be intangible actions directed at consumers. This research believes that consequences have to be incorporated into the means-end linkages, as they are the “intermediary element” that consumers identify positive benefits with certain bank attributes, and which eventually lead to satisfaction of consumers’ end goals from purchase or consumption of a product.

In the analysis of means-end linkages for financial services, Divine and Lepisto (1998) did not categorise bank characteristics into concrete or abstract attributes, which as a result, did not allow for functional and psychosocial benefits to be identified with the relevant bank attributes. For instance, interest rates, accuracy of statements or service charges are considered to be more tangible compared to other attributes, and these elements are believed to represent tangible attributes translating to some form of functional consequences for consumers. On the other hand, attributes such as safety and reliability of institutions, fast and efficient services, courteous and friendly staff represent psychological attributes of the bank which may be translated as psychosocial consequences perceived by consumers. Cohesiveness of functional and psychosocial consequences contributes to realisation of personal

values that consumers aim to achieve and satisfy when patronising a particular financial organisation.

Among Kahle's (1984) List of Values (LOV), *being well-respected* and *sense of belonging* probably best represent consumers' desire for being appreciated by the bank for their patronage. These two personal values account for the majority of findings in bank selection studies where respondents put emphasis on friendly, courteous, helpful or polite staff as one of the main attributes that affect their decision to open an account with a bank. The other value – *financial security* – is closely represented by Kahle's (1984) security value. Therefore, this research identifies two key personal values most relevant to the financial consumers: **financial security** and **social recognition** (derived from *being well-respected* and *sense of belonging*).

Laverie et al. (1993) suggested that the List of Values is made up of three distinct factors: 'others' (sense of belonging, warm relationships with others, security and being well-respected), 'self' (sense of accomplishment and self-fulfilment) and 'hedonic' (fun and enjoyment and excitement), and which is also in line with Greenwald and Breckler (1985) motivational dimension of the self: public-self, private-self and collective-self, respectively. In another study, Bloemer and Dekker (2003) reported two dimensions of the List of Values: internal values (excitement, self-fulfilment, fun and enjoyment, self-respect and sense of accomplishment) and external values (sense of belonging, warm relationships with others, being well-respected and security) in a sample of employees and customers of several banks.

The studies by Bloemer and Dekker (2003) and Laverie et al. (1993) indicate that personal values related to financial services are external values in the mind of consumers, where emphases are placed on interaction and importance of others in the society. Bloemer and Dekker (2003) suggested that financial service providers should focus on external values and deliver services ensuring the creation of a sense of belonging, being well-respected and security for the consumers. As the personal values (financial security, being well-respected and sense of belonging) associated with financial services are external in the mind

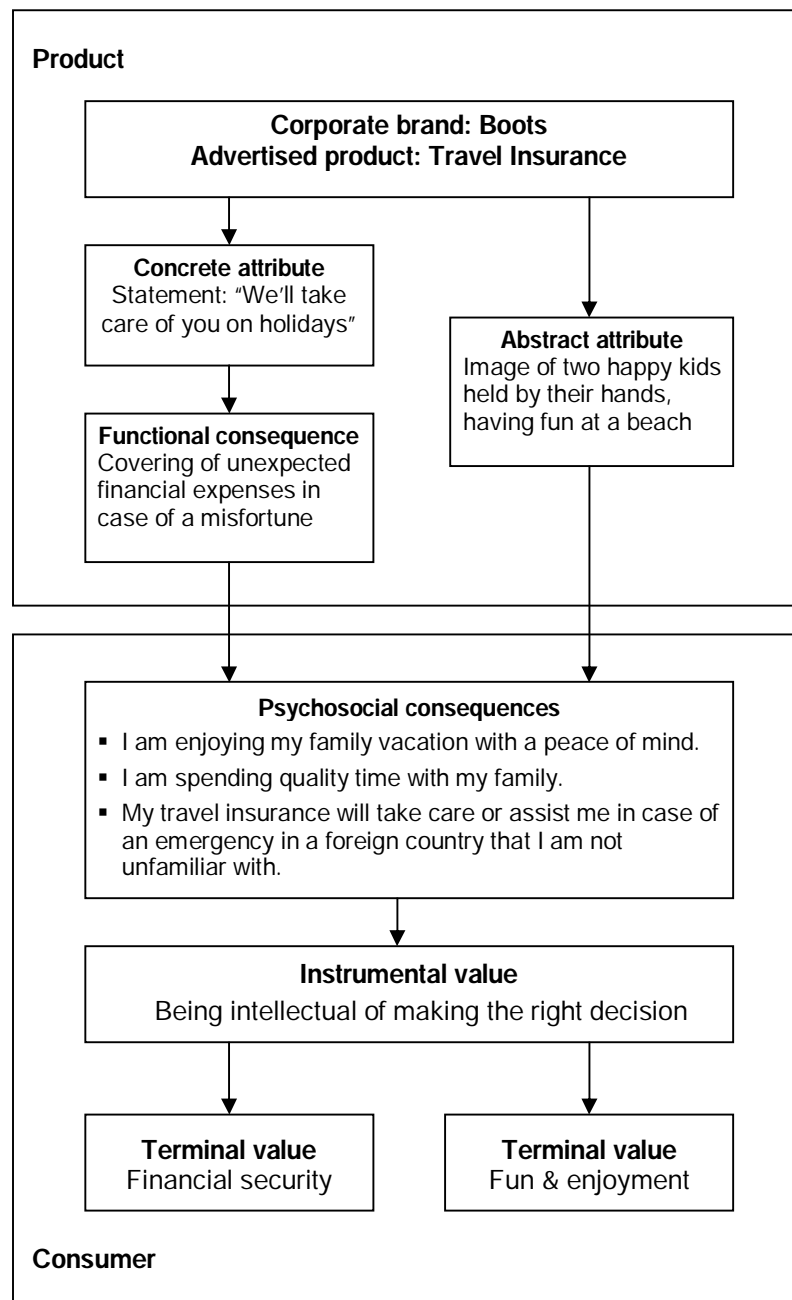
of consumers, it becomes increasingly important to communicate these values to consumers in order to create the desired brand image.

Means-end linkages for financial services may be formed in the minds of the consumers when they are exposed to appropriate elements in an advertisement. To illustrate this, hypothetical means-end linkages are created for an advertisement of travel insurance offered by Boots (shown in Figure 4, p.64), where the leaflet was collected from the pharmaceutical and beauty retail store. A hypothetical means-end chain for the travel insurance shown in Figure 4 was presented in Figure 5 (p.65). Means-end linkages began with the corporate brand name (Boots) offering Travel Insurance (the product). The corporate brand is a form of physical representation for a company (Mittal, 2002), and the advertisement of travel insurance in Figure 4 is a typical illustration of a service organisation making use of both corporate and product advertising to help consumers identify service components associated with the corporate brand.

Referring to Figure 4 (the advertisement for travel insurance) and Figure 5 (a hypothetical means-end linkages for the travel insurance), the statement: “We’ll take care of you on holidays” represents a tangible attribute of the ad and which may then be translated by recipients as a functional consequence, where any unexpected expenses caused by accidents or illness will be covered by the insurance company. At the same time, an image of two happy children held by their parents at a beach represents a family on holiday in a foreign country (abstract attribute). These attributes may be translated into positive psychological consequences, where the buyer of travel insurance perceives quality time spent with family members with peace of mind since any unforeseen circumstances in a foreign country will be handled by the insurance company. These perceived benefits may activate a sense of being intellectual in making the right choice of purchasing a travel insurance, which ultimately results to intimate satisfactions of financial security (financial coverage and assistance) and fun and enjoyment experienced from the vacation with family members.

Figure 4: An advertisement of travel insurance



Figure 5: Illustration of a hypothetical means-end chain for travel insurance

The above hypothetical means-end chain for travel insurance demonstrates that key attributes important to consumers may be interpreted as positive consequences which subsequently activate consumers' end-goals, allowing them to perceive the advertised product as personally relevant to them. The means-end associations in Figure 5 consist of two separate chains of reaction, activated by two different attributes: a functional attribute (being taken care of while on holiday) and an emotional attribute (image of a happy family). When

consumers are able to comprehend a complete means-end chain for a financial product, they are more likely to perceive relevance of the product to self-related values, and develop a favourable attitude towards the corporate brand.

There exist different types of bank attributes that may satisfy other personal values important to consumers, but as discussed earlier, the price of a financial product and service-oriented quality are the two key attributes that create positive immediate consequences and have important implications in satisfying consumers' goals of financial security and sense of being appreciated for one's patronage (social recognition). Therefore, this research identifies price and service-oriented quality as the main attributes for banks.

According to Divine and Lepisto (1998), the reputation of a bank is an important intangible attribute identified by respondents which determines consumers' need for financial security. This research acknowledges the importance of reputation/bank stability which is of importance to customers of financial services. It will not be further elaborated in the means-end chain of this research, however, because it is a personal value derived from long-term commitments of successful marketing campaigns that eventually led to a reputable financial brand in the eyes of consumers. Means-end linkages are expected to differ among various financial products, with longer and increased level of linkages associated with more complex financial services due to difficulty of evaluating performances of complex products. Understanding concepts of the means-end chain provides a bigger picture of consumers' motivation and decision-making on purchase or commitment of financial products, and it has further implications on advertising strategies for financial service providers.

The above discussions are based on Western-style banking, also known as conventional banking, which emerged from the dominance of numerous large and well-established financial organisations that are initially incorporated in several Western countries. Vast amount of studies on conventional banking are available in the literature, because of the importance of financial services on the individuals and households at the microeconomic level on the structure and

performance of an economy at the macroeconomic level, and most studies on financial services have been carried out in Western countries. Another type of financial service provider emerging in the financial marketplace is Islamic banking, operating on principles different from those of conventional banking. The values offered by Islamic financial services are different from those of conventional banking, because banking operations of Islamic bank lies on principles of Islamic laws, prohibiting interest.

Conventional banking and Islamic banking operate on different principles, offering financial transactional services and different values to consumers. Conventional banking is based on the equity and debts systems derived from interest, while Islamic banking functions on “interest-free” banking based on the teachings of Islam. On the basis of different mode of operations, the two types of financial services offer different product features and benefits to different segments of financial consumers. Thus, the research aims to test the conceptual framework to enhance advertising effectiveness of services, by extending investigations into this unique type of financial services. The next section introduces the basic principles of Islamic banking, and explained the “route” that Islamic banking should undertake to differentiate itself from conventional banking.

2.4 Islamic Banking: Prohibition of Interest

At the global financial arena, Islamic financial institutions are expanding in size, by the number of Islamic banks established and growing financial assets. By the end of 2003, there were more than 265 Islamic financial institutions operating in more than 25 countries, with financial investments worth over US\$400 billion, and US\$202 billion in deposits. The Islamic financial industry was estimated to be worth about US\$750 billion and is expected to grow at an annual rate of 15 to 20 percent (Shoaib, 2007). Islamic banking is recognised as having one of the fastest growths in the global financial industry. Increasing numbers of working papers, journal articles, conferences, published books and study centres of Islamic banking are available, discussing the concept of interest-free banking to developing innovative Islamic financial products to evaluation of their performance and their impact on the global financial

industry. Following the growth of studies pertaining to Islamic banking, this section begins by giving a brief history on the evolvement and explanation of the basic principle of Islamic banking, followed by the current status of the Islamic financial system, and finally discussions are made on the “different route” to be undertaken by Islamic banks.

History and Basic Principles

The starting point of interest-free banking evolved in the mid-1940s when Muslim scholars called for a banking system based on profit-sharing rather than interest. Ideas and concepts were developed and expanded by Muslim scholars and economists. By the early seventies, institutions and governments gave attention to the concepts of Islamic banking (Gafoor, 1995; Haron, 1995). Through involvements of institutions and governments, the first interest-free bank was established in 1975 – The Islamic Development Bank (IDB). The IDB acts as an inter-governmental bank established by the Organisation of Islamic Countries (OIC) with the objective of providing financial assistance to member countries on productive development projects. The operations of IDB are explicitly based on *Shariah* (Islamic law), free of interest.

Gradually, Islamic banks began to operate in several middle-Eastern countries, like the Dubai Islamic Bank (1975), the Faisal Islamic Bank of Sudan (1977), the Faisal Islamic Bank of Egypt (1977), the Kuwait Finance House (1977) and the Bahrain Islamic Bank (1979). The Islamic Finance House (1978) in Luxembourg was the first Islamic bank introduced to a western society (Haron, 1995). From the 1970s, Islamic banks have been growing in size and numbers. Today, well-known financial institutions like Citibank, HSBC and ANZ recognise the increasing concerns of Muslims, and the growing demands in the niche market of Islamic banking are offering financial products and services, in accordance with the *Shariah*, through their Islamic Units. Some conventional banks offer Islamic financial products through an *Islamic window*. This is a separate unit of a conventional bank which provides Islamic products and services to customers. For instance, a *Shariah*-compliant mortgage product is available to customers in the United Kingdom through an Islamic window at HSBC. Some countries have fully-fledged Islamic banks, offering financial

instruments wholly structured according to Islamic principles, operating alongside their conventional banking counterparts, for example, Malaysia, Brunei, United Arab Emirates, Jordan, United Kingdom and Indonesia.

The distinguishing characteristic of Islamic banking is that the financial products must not involve any form of interest; no interest should be charged to customers or offered as financial returns to customers. Islamic banks have to abide by the rules of the *Shariah* (Islamic law). The *Shariah* prohibits *riba*, defined as “an unjust return, interest or usury”. The term applies to: (a) financial gain by the lender as a condition of a loan, or (b) in a commodity trade, any disparity in quantity or time of delivery. Such transactions are illegal under Islamic law (Martin, 1997). Muslims are forbidden to take or give interest (*riba*) regardless of the purpose for which such loans are made and regardless of the rates at which interest is charged (Ariff, 1988). Financial instruments and operations of Islamic banks are based on the concept of participation in utilising funds at risk on a profit-and-loss sharing basis, by which a predetermined rate of return is not guaranteed. This is in contrast to conventional banks which operate on the equity and debt systems derived from interest.

According to principles of Islamic finance, Muslims are encourage to invest their money and to become partners in order to share profits and risks in the business instead of becoming creditors. The provider of capital and user of capital should equally share the risk of business ventures. In banking terms, the depositor, the bank and the borrower should all share the risks and the rewards of financing business ventures (Haron, 1995; Kahf, 1999). As Al-Lawati (2003) illustrates:

“Due to the Islamic prohibition of paying or charging interest, Islamic banks instead accept deposits on investment basis whereby depositors share in the banks’ actual realised returns on their investments. These banks provide financing to businesses on the basis of instalment sale, leasing, and/or equity participation. Thus, the bank and their depositors

share financial risk with the entrepreneurs and both then reap the benefits of investments”.

As in the case of their conventional counterparts, Islamic financial service providers offer facilities and services that contribute to the financial and economic development of societies. Islamic banks provide deposit facilities such as saving accounts, current and fixed deposits (known as investment deposits), extension of credit assistance and international trade facilities. Some of the more popular instruments in the Islamic financial markets which comply with the *Shariah* are *Murabaha* (trade with mark-up or cost-plus sale), *Ijara* (leasing), *Mudaraba* (profit-sharing agreement), *Musharaka* (equity participation) and *Wadiah* (savings account). Descriptions of the various Islamic financial products are included in Appendix 3 (p.325), outlining the different types of Islamic financial products where financing are based on a profit-loss-sharing basis and a predetermined rate of return is not allowed.

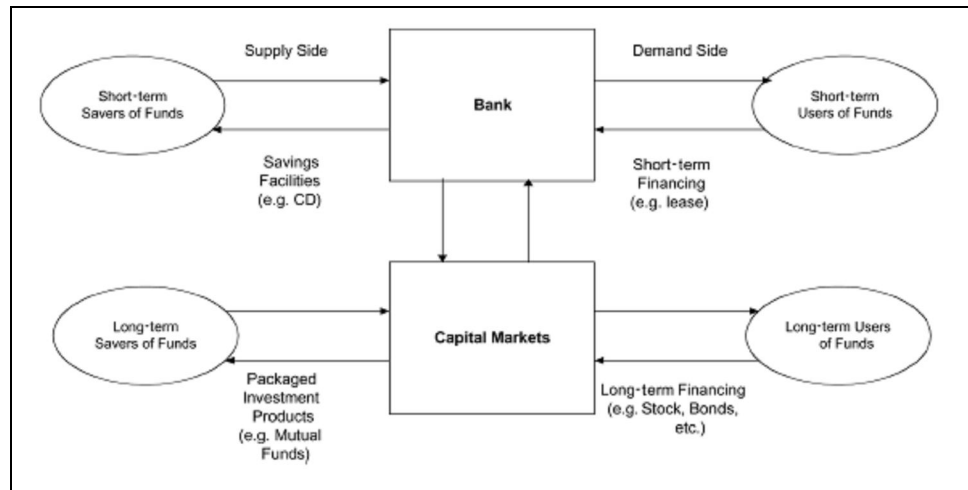
As Islamic banks are not allowed to pay or charge interest, there are some rules meant for investment and trade financing, and there are some debates about the degree to which some products are compliant to the *Shariah*. Gafoor (1995) explained that individual banks may differ in their operations because of the laws of the country, objectives of the different banks, individual bank's circumstances and experiences, and the need to interact with other interest-based banks. These institutions rely on *Shariah* advisors, who review financial products and investment targets, and decide whether they abide by the *Shariah* law, which is subject to interpretation.

The Islamic Financial System

The financial hierarchy structure is a complex system, made up of assets and liabilities in a system of banking and with the capital market in the configuration. Figure 6 (p.71) illustrates an advanced phase of a financial system in a two-tier financial structure, with banks and capital markets complementing each other in financial functionalities in a society. These banks and capital markets offer facilities and services to short- and long-term savers and users of funds. The interactions between the banks, capital markets, users

and savers of funds enhance the purpose of the whole financial system. It is suggested that the existence of a two-tier financial system increases investment efficiency in a society.

Figure 6: Advanced phase of financial system architecture



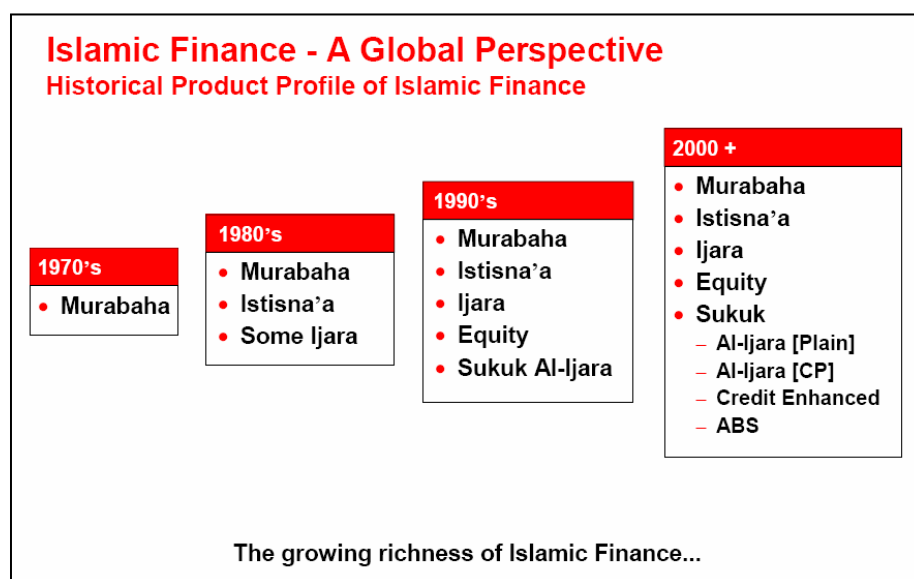
Source: Ebrahim, M. S., & Tan, K. J. (2001). Islamic banking in Brunei Darussalam. *International Journal of Social Economics*, 28(4), p.320.

Although the illustration in Figure 6 represents a two-tier Western financial system, it provides an understanding of the structure of an Islamic financial system. In 2007, new Islamic financial products, such as *Shariah*-compliant real estate funds, secured equity funds and hedge funds, were launched in the United States and United Kingdom (Shoaib, 2007), marking new achievements in the Islamic financial industry. Comparing the Islamic financial infrastructure to that depicted in Figure 6, the Islamic financial system has not yet reached an advanced stage. There may be several types of *Shariah*-compliant long-term investment products, mainly corporate *Sukuk* (Islamic bond) available in the market, but a strong well-structured Islamic capital market is yet to be established; possibly due to the ongoing discussions of what constitutes a financial product as fully in compliance with the *Shariah*.

The progress of the Islamic financial industry, illustrated by the development of Islamic financial instruments over three decades when it was first introduced to the Islamic society in 1970s to 2000s, are shown in Figure 7 (p.72). The

Islamic financial infrastructure started with a financing scheme – *Murabaha*: purchase of assets by an Islamic bank at a ‘mark-up’ price to the client. These financial instruments developed to one that offers *Murabaha*, *Istisna*, *Ijara*, equity and *Sukuk* to the global financial arena. This illustrates that the Islamic financial system, in its attempt to develop to one comparable with the conventional system, had grown by product types, size and complexity catering to an increasing number of customers around the world. The capital market is still in its infancy stage in the Islamic financial system. To date, there are only a handful of countries that operate on a two-tier Islamic financial system, alongside the Western financial system, offering both short- and long-term financial products to the domestic and international market. Most Islamic scholars agree that Malaysia is the pioneer in Islamic capital-related products.

Figure 7: Evolvement of Islamic financial instruments over time



Source: Khan, I. (2001). *Global Developments in Islamic Finance - Challenges & Opportunities*. Paper presented at the 8th Annual Symposium & Awards Program in Islamic Banking and Finance, Pasadena, California, United States of America.

Several international organisations are established to support and monitor the Islamic financial industry, such as: the Islamic Financial Services Board (IFSB), an international standard-setting organisation that issues global prudential standards and guiding principles for the industry, broadly defined to

include banking, capital markets and insurance sectors; the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), an Islamic international autonomous non-profit corporate body which prepares accounting, auditing, governance, ethics and *shariah* standards for Islamic financial institutions and the industry; and the Islamic International Rating Agency (IIRA), established to provide capital markets and the banking sector in predominantly Islamic countries with a rating spectrum that encompasses the full array of capital instruments and speciality Islamic financial products, and to enhance the level of analytical expertise in those markets (Shoaib, 2007). Iqbal (1997) and Shoaib (2007), however, noted that there still remain different degrees of transparency and consistency on bank practices and operations among Islamic banks across countries.

The “Different Route” of Islamic Banking

The basic principles of Islamic banking, where interest is prohibited in the marketplace, and the current structure of the Islamic financial industry were discussed in the previous section, and some explanations of the different Islamic financial products are given in Appendix 3 (p.325) of this research. To some extent, the Islamic financial instruments appear to be similar to those of conventional banks, but differ on the basis of absence of interest, operate on the basis of a profit-and-loss sharing concept, and help distribute wealth in a society.

Some Islamic scholars suggested that the Islamic banking system can operate as an efficient model in mobilising and allocating resources bringing benefits to both depositors and users of funds (Haron, 1995). Ariff (1988) explained that the Islamic banking is more efficient in resource allocations because of its distinctive features: (i) operating on the ground of interest-free; (ii) multi-purpose and not purely commercial; and (iii) strongly equity-oriented. According to Iqbal (1997), the Islamic financial system is expected to be stable owing to the elimination of debt-financing and enhanced allocation efficiency. Islamic banks were found to perform as well as conventional banks, and in some cases, better than conventional banks (Al-Lawati, 2003; Nienhaus, 1988).

In a study comparing the performance of Islamic banks with conventional types, Rosly and Bakar (2003) explained that the Malaysian Muslim jurists, to some extent, were unsuccessful in guiding Islamic banking practices away from practices of mainstream banking, and Iqbal (1997) argued that the Islamic banking regulations in some countries are adopted from the Western-banking model resulting in a lack of consistency in the practices among some Islamic banks. Other scholars such as Gerrard and Cunningham (1997) commented that traditional deposit and lending products available at conventional banks were “restyled” to satisfy the *Shariah* in Islamic banks, while Dixon (1992) wrote that Islamic banks complement, rather than replace, conventional banks.

The Islamic financial system faces some criticisms by some scholars and conventional bankers. For instance, Dudley (2001) in his article stated the following:

“Some conventional bankers argue that the entire concept is flawed and that behind it interest in effect exists. They point out that the management costs charged as an alternative to interest charges tend to rise and fall in line with what is happening in these markets. They say that the sale and repurchase of a commodity with a management fee cannot disguise the reality that it is usury by another name”.

In addition to some criticisms of the concepts of Islamic banking, several researchers discussed the suggestion that Islamic banks are risky in their operations. Ariff (1988) admitted that Islamic banks are subjected to a higher level of financial risk compared to conventional banks, because of the risk-sharing nature of all Islamic financial transactions. The author also pointed out, however, that Islamic banks minimise this risk by spreading their portfolios, deal with short-term trade finance which is the least risky and where funds are reserved in the event of a major loss. Iqbal and Mirakhor (1987) expressed concerns that the concentration of Islamic banks on short-term credits increased their risks and destabilise the asset portfolios. Edwardes (2000) also articulated that the lack of credit risk management skills and collateral may render Islamic banks to higher level of financial risk.

Islamic banks also face stiff competition posed by many well-established conventional banks. These conventional banks offer an array of attractive financial products to consumers. Thus, Islamic banks have to be innovative to compete efficiently with mainstream financial service providers by offering financial products which exceed the expectations of potential customers in order to entice them to become customers of the bank. Edwardes (2005) remarked that “given a choice between a pure Islamic bank and a highly-rated reputable international bank providing the same service, a client would choose the bank with a brand name rather than the Islamic-only services, without the brand name and rating”. Furthermore, Al-Mishari, Chief Executive of Bank Al-Jazira commented that customers will not accept an Islamic financial product if it is more expensive or less efficient than the conventional financial products. They seek financial products which are comparable with conventional products and having a *Shariah*-compliant product will not justify the sale of an Islamic financial product (see Dudley, 2003). The points-of-view of a practitioner and researchers indicate that the Islamic financial consumers behave in a rational manner, responding positively to a bank that offers favourable rates, superior services, innovative products and lower fees.

Both conventional and Islamic banking operate within the realms of the financial industry and with different banking practices, but they undertake “different routes to achieve the same goal” (Venardos, 2005). The “different route” taken by Islamic banks conforms to the *Shariah* during delivery of financial services to consumers, which led to some banking practices different from those of conventional banks. While the uniqueness of Islamic banking lies on the principles guided by the prohibition of interest, it appears that the functionality and usage of Islamic financial instruments are similar to those of conventional banking. Islamic banking was initially set up to meet Muslims’ demand for an interest-free banking mode, and some Islamic scholars argued that the Islamic banking system can operate as an efficient model delivering benefits to both depositors and users of funds (Ariff, 1988; Haron, 1995; Iqbal, 1997). From an Islamic bank manager’s perspective, a niche exists in the financial marketplace, and this gap could be filled by tapping into the religious value of Muslim financial consumers. However, the “different route” of

Islamic banks may not be perceived as distinctly different in the eyes of consumers.

Some studies revealed that customers did not perceive differences between conventional and Islamic banks; and religious reasons alone did not act as important decision criterion for customers (Dar, 2004; Erol, Kaynak, & El-Bdour, 1990; Haron et al., 1994). A significant number of Muslims (in Malaysia, Singapore and the United Kingdom) were reported to be unfamiliar with the various Islamic financial instruments. Muslims in Singapore were almost exclusively unaware of some Islamic financial instruments, such as *Ijara*, *Mudaraba*, *Musharaka* and *Murabaha* (Gerrard & Cunningham, 1997); while fifty percent of British Muslim respondents questioned the ‘Islamicity’ of Islamic financial services (Dar, 2004). In cases where Muslims had partial or full knowledge of the Islamic financial instruments, the rate of usage remains relatively low. In the United Kingdom, Dar (2004) reported that a quarter of the Muslim respondents expressed some positive attitudes towards Islamic finance if it was as competitive as the conventional modes. Some findings in the above studies also reported that Muslim respondents placed more emphasis on specific bank attributes to make full use of the services provided by their financial institutions. Bank attributes such as “fast and efficient services”, “friendly staff” and “reputation” remain important as selection criteria for Muslims, which are the same criteria for conventional banks.

Although the above studies suggest that Muslims lack awareness and usage of Islamic financial instruments, the findings do not necessarily indicate that the religious value embedded in Islamic banks lack importance in bank selection decisions. For instance, Haron, Ahmad and Planisek (1994) found that thirty-three percent of the Muslim respondents believed that customers may be drawn to an Islamic bank because of religious reasons, while another half thought that people patronised an Islamic financial provider for both religious and profit motives. In Singapore, about a quarter of the Muslim respondents felt that religious motive was the primary reason that customers deposit with an Islamic bank, and another sixty-seven percent were of the opinion that customers

maintain an account with Islamic banks for both religious and profitability purposes.

Although some findings indicated that a religious factor is not sufficient to attract Muslims to Islamic banks, they may be drawn to the Islamic financial service provider if the “right” brand image is communicated to the customers. Some salient bank attributes important to the Muslims which affect their decision to patronage an Islamic bank include “fast and efficient service”, “courteous staff” friendly staff” and “competitive bank rates and charges”, and these are related to the financial security and social recognition personal values.

Muslim customers may be drawn to an Islamic financial service provider if they perceived the institution as meeting their personal needs for financial security, social recognition and religious concerns. Kahle’s (1984) LOV and Rokeach’s (1973) RVS were initiated from the United States which identified the “salvation” value relevant for Christianity and the Americans, but which is not relevant in the context of this research. Instead, Schwartz’s (1994) “devout” value categorised under the Tradition Domain probably comes closest to the “religious” value for Muslims. The religious value in this research refers to Schwartz’s (1994) *devoutness to one’s religion*. Therefore, the different route that Islamic banks have to take in order to compete more efficiently with mainstream banks is to associate and establish themselves with personal values (financial security, social recognition and devoutness to religion) important to customers, by communicating these values to the customers to create the desired corporate brand image in the minds of the customers.

2.5 The Research Problem

The main body of the literature review centred on the relevant literatures pertaining to: (1) intangibility of services: consumers are faced with increased difficulty of conceptualising and evaluating service properties because of mental intangibility (the lack of a clear, mentally tangible representation of a service), and especially for services characterised with a high level of perceived intangibility; (2) the importance of tangible cues to tangibilise

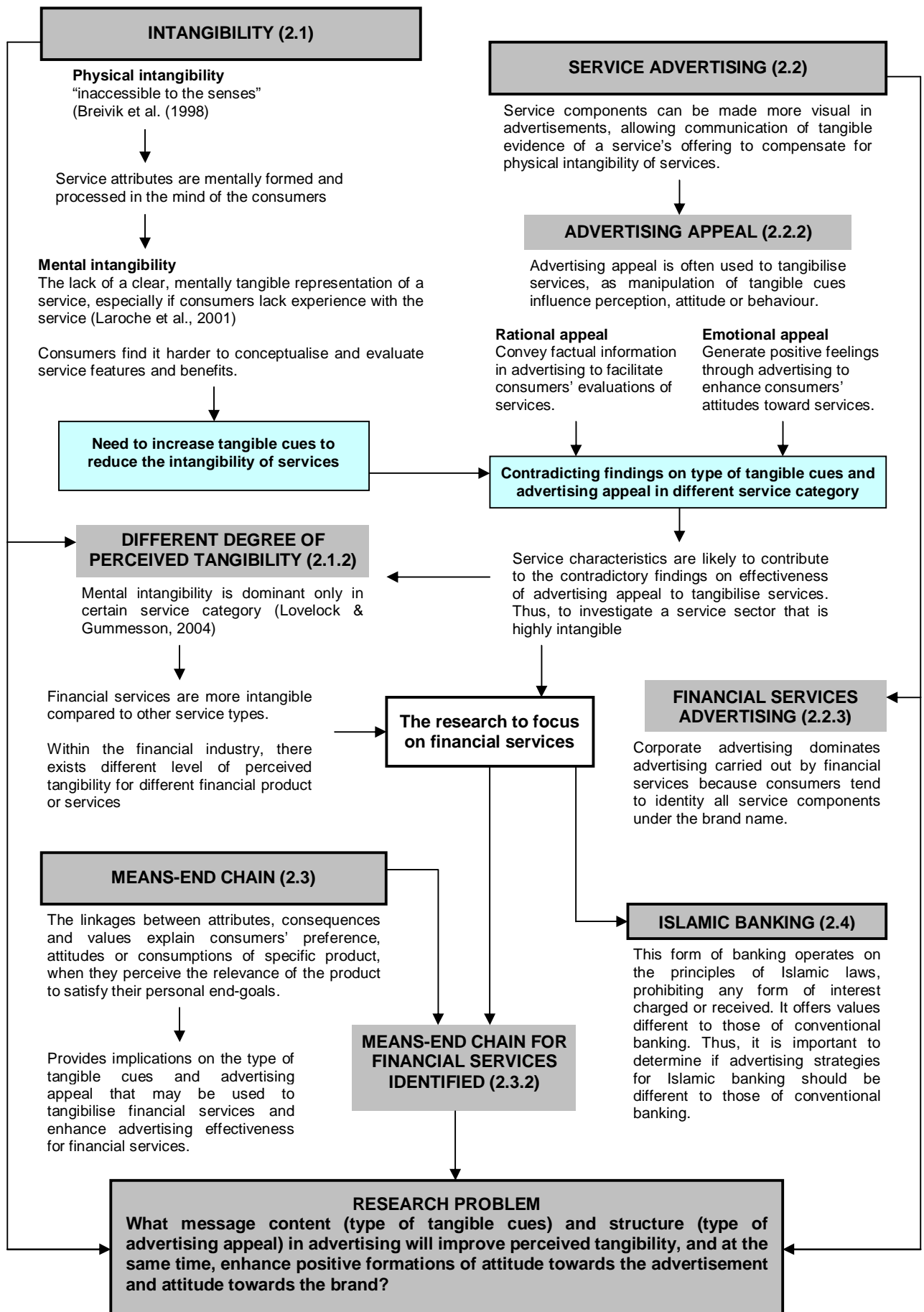
services and the type of advertising appeal that facilitate consumers' evaluation of services; (3) the importance of corporate advertising in financial services, due to consumers' perception that all or most service components are associated with the corporate brand, and advertisers have to use it to create the desired brand image or identity; (4) the means-end chain that explains consumers' cognitive linkages between attributes, positive consequences and personal values which provide indications on why consumers prefer certain products and will devote attention to elaborate on product-related information in advertisements; and (5) Islamic banking, operating on the basis of interest-free banking offering an additional value different from that of conventional banking. Figure 8 (p.80) summarises some focal points of discussion in the respective literatures, leading to statement of the main research problem of the thesis. Parentheses in the Figure 8 denote the respective section that was reviewed in the thesis.

The research problem emerged from the following rationales: Firstly, because of the dominance of mental intangibility in services, it becomes more important to investigate the type of tangible cues and advertising appeal to raise the level of perceived tangibility for services to ease consumers' evaluation of service offerings. Secondly, some studies have investigated and compared the effectiveness of rational and emotional appeal to tangibilise services or to enhance perceptions, attitudes or behaviours of consumers when they saw a service ad. However, findings are inconclusive in this research area; indicating a research in this subject matter is likely to contribute the literature of services advertising. Thirdly, the degree of intangibility differs between different service categories and, at times, within the same service industry there exist different level of intangibility. For instance, in the hotel industry, budget hotel is expected to be more tangible compared to a five-star hotel because consumers find it easier to evaluate the offerings of a budget hotel compared to a five-star hotel. Recognising that not all service types possess the intangible characteristic of services, it is important that the research focused on a service sector that is highly-intangible and, within that sector, different degree of perceived tangibility exists; so to compare and investigate the impact

of tangible cues/advertising appeal on service offerings that come with different degree of perceived tangibility.

Thus, the research narrowed down the service sector to be investigated; that is financial services. The reasoning was made on the basis that financial services are perceived to be highly intangible because financial products lack physical attributes and the service brand image are formed and conceptualised in the eyes of the consumers. Thus, it becomes more crucial to “tangibilise the intangibles” of financial services through advertising, by the use of appropriate tangible cues and advertising appeal that may render financial services to appear more tangible in the mind of the consumers and, which may also enhance advertising effectiveness. It was also recognised that advertisings in financial services are almost always a combination of product advertising and corporate advertising. Therefore, it is crucial that the research not only examine the type of tangible cues and advertising appeal to improve perceived tangibility, but also to examine how advertising strategies may create favourable consumers’ attitudes toward a financial service. From the above discussions, the main research problem for this research was therefore, identified as: **what message content (type of tangible cues) and structure (type of advertising appeal) in advertising will improve perceived tangibility and, at the same time, enhance positive formations of attitude towards the advertisement and attitude towards the brand?**

Figure 8: A summary of the relevant literatures leading to a main research problem



2.6 Gaps in the Literature

In a meta-analysis of advertising research, Yale and Gilly (1988) reported that services advertising received little coverage in the discipline of advertising. Recognising this gap, Tripp (1997) reviewed the services advertising literature from 1980 to 1995 to explore the trend that researchers are undertaking in the services advertising. The author noted that most studies on services advertising had focused on the professional service industry, where the industry is characterised by a high level of contact between service providers and customers, as service delivery and performances are normally highly customised and personal in nature. Tripp (1997, p.30) came to the conclusion that “(...) very little survey research has been conducted on the message appeals (i.e. communication style) used to deliver the message content”, and conflicting and inconclusive findings were reported on the effectiveness of message appeal.

Hill and Gandhi (1992) also pointed out that specific instructions on communication strategies for services are lacking in the literature, and the authors have raised concerns on the type of message content and advertising appeals to be included in advertisements of services. This research recognises that among the many issues requiring attention in the literature of services advertising, the subject matter is of particular concern: there is a lack of clarity on the type of message and advertising appeal that may improve perceived tangibility of services and advertising effectiveness. Padgett and Allen (1997), Stafford and Day (1995) and Tripp (1997) have all called for additional research on advertising strategies effective for services so as to extend the literature of tangibilising services by use of appropriate cues and advertising appeal. More recently, in a review of the international services advertising literature, Stafford (2005) explained that the existing knowledge base is rather fragmented due to the lack of consistent findings pertaining to message content and advertising appeal in the literatures of services advertising and international advertising.

In fact, there are only a handful of empirical experiments with actual advertising exposure in the literature of services advertising, and many service

categories are under-represented. Recognising an existing gap in need of investigating advertising strategies to improve perceive tangibility of non-professional service category, this research hopes to add knowledge to the literature base by proposing and testing a conceptual framework to enhance advertising effectiveness for services. Discussions on conceptualising the framework to improve effectiveness of service advertisings are detailed in Section 2.7 (p.84) of this thesis.

Means-end chain has often been used to analyse consumers' orientation towards products, determine the associations between attributes, benefits and values of different products, and consumers' motivational and behavioural attitudes towards products and services. It was observed, nevertheless, that few studies have looked at the application of a means-end chain in advertising. Some studies which looked at the type of tangible cues and advertising appeals in services advertising mainly examined the impact of physical evidence in advertisements on consumers' attitudes and behaviours, and overlooked the importance of personal values as a driver of consumers' motivational purpose to evaluate information laid out in an advertisement. This study examining the importance of personal values, through concepts of the means-end chain in a visualisation strategy, is believed to contribute to the literature of advertising.

Graphical illustrations comparing the degree of perceived tangibility among different products (in Appendix 2, p.323) indicated that simple financial products are often perceived by consumers as more tangible compared to financial products located at a higher level of the pyramid of financial independence in Figure 1. Thus, it is likely that simple and complex financial products require different advertising strategy to have an impact on perceived tangibility and advertising effectiveness. To date, no research has investigated the impact of different level of perceived tangibility between products or services in a single industry on advertising strategy. In the literature of financial services advertising, most studies examining advertising effectiveness did not differentiate financial services at the product level, but generally looked at financial services as a whole. Realising a gap in this research area, the current study investigates whether means-end chain connections triggered

from ad stimuli in advertisement of financial services will lead to an increased level of perceived tangibility which may facilitate consumers' evaluation process and improve attitudes toward a financial service provider. A contribution to the literature will be added when investigations are carried out for financial products with different degree of perceived tangibility and complexity.

Studies on advertising strategies for Islamic banking are relatively scarce in the literature, and there are no suggestions that explain how advertising strategies of Islamic banks should differ to those of conventional banking. While Islamic banking operates on the ground of interest-free banking, there exists the perception that the functionality of Islamic financial instruments is similar to the financial products of mainstream banking. Additionally, the factors that affect the Muslims' decision to bank with an Islamic financial service provider are somewhat similar to those of conventional financial services. Thus, the message content and advertising appeals applicable to conventional banking may be equally effective for Islamic banking. However, because of the religious value attached to Islamic financial services, advertisements of Islamic banking are likely to have a different impact on advertising strategies. Therefore, there is a need to determine the impact of a religious value on advertising strategies of Islamic banking. By testing a proposed structural model of enhancing advertising effectiveness for Islamic banking, it is believed that the findings will contribute to the knowledge base of service advertising and Islamic banking.

After a summary of the relevant literatures and statement of a main research problem, existing gaps in the respective literatures are identified. Drawing some notable focal points from the above, the next section is a discussion of a proposed framework to enhance advertising effectiveness for services, and two structural models are proposed for financial services.

2.7 The Conceptual Framework

Two aspects of services have implications during conceptualisation of a framework for enhancing advertising effectiveness for services. Service performance is an intangible action which means that there is a lack of clear, mental image of services, and therefore, there is a need to increase the level of tangible cues to help consumers conceptualise and evaluate service benefits in advertising strategies. Firstly, explained in Section 2.1 (p.12), the service delivery acts performed by service providers are physically intangible, leading to consumers' experiencing difficulty in mentally grasping the intangible service act. As a result of this mental intangibility associated with services, advertisers are encouraged to increase the use of tangible cues to facilitate consumers' evaluations of service features and benefits. Secondly, the basis of service marketing is concerned about the creation and delivery of service-related benefits to consumers, and those consumers who are able to associate a service with positive benefits important to them after being exposed to a service advertisement may develop positive reactions to the advertised service brand. However, these service-related benefits are formed in the mind of consumers. Thus, advertisers have to be innovative to enable consumers to relate these benefits to the service being provided. This research aims to test a conceptual model to enhance advertising effectiveness for services, by investigating the type and use of tangible cues to tangibilise services in advertising strategies.

Development of the conceptual model for this research drew on Berry and Clark's (1986) recommendations for tangibilising services in advertising, and the concepts of the means-end chain. Advertising cues to tangibilise the intangible aspects of a service's benefits may be identified through an understanding of how consumers link service attributes to satisfaction of their personal goals. The means-end chain may be used to identify cues to tangibilise the intangible aspects of a service's benefits in advertising. The process of tangibilising service features is made possible by adopting Berry and Clark's (1986) communication strategy to improve perceived tangibility for services. The authors suggested four methods to tangibilise services:

- (1) **Visualisation strategy:** create a vivid mental picture of a service provider's benefits or qualities;
- (2) **Association strategy:** link an extrinsic good, person, event, place or object to a specific service provider, aimed at assisting consumers' comprehension and evaluation of a service;
- (3) **Physical representation strategy:** make use of physical evidence that is a direct or a peripheral part of a service provider; and
- (4) **Documentation strategy:** make use of facts and figures that demonstrate the benefits, values or qualities of a service, and thus provide consumers with the necessary information to evaluate the benefits of a service.

There is a lack of empirical studies directly testing Berry and Clark's (1986) recommendations for tangibilising services in advertising. Stafford (1996) investigated the use and effects of visual and verbal tangible cues in advertising strategies for an automobile service and a hotel. The author reported that ads describing service features and offerings (a documentation strategy) generated higher levels of recall, positive attitudes and higher patronage intentions. It was also found that symbolic stimuli (physical representation) have no significant effects on advertising effectiveness. In a subsequent study, Hill, Blodgett, Baer, and Wakefield (2004) examined the effects of visualisation strategy and documentation strategy between a hedonic service (travel service) and a utilitarian service (banking); and found that "text and image" used in a visualisation strategy led to higher level of the informativeness of the ad, quality of the service provider and likelihood of use for both hedonic and utilitarian services. The same study also revealed that a documentation strategy (through indirect comparisons) resulted to positive effects on informativeness, uniqueness, perceived quality and likelihood to use a hedonic service; but no significant effects were found for a utilitarian service.

Drawing on the implications of the work of Stafford (1996) and Hill et al. (2004), the conceptual model of this research aims to extend the literatures of services marketing and advertising by illustrating that services may be tangibilised in advertising, by using principles of the means-end chain in a

visualisation strategy. The model proposes that perceived tangibility and advertising effectiveness may be enhanced by a visualisation strategy, using an integration of both documentation strategy and physical representation strategy to communicate service features as tangible cues in advertisements of a service.

The research argues that the creation of mental representations of a service's benefits (a visualisation strategy) is the key process assisting consumers' comprehension and conceptualisation of service features that lead to improved perceived tangibility. However, unlike the studies carried out by Stafford (1996) and Hill et al. (2004) who compared the effects of documentation, physical representation and visualisation strategies to tangibilise different service categories, this research proposes that enhanced strength of connections between means-end elements and perceived realisation of personal values will result in clearer visualisation of intangible aspects of a service.

In this research, the principles of the means-end chain allows for the demonstration of simultaneous applications of physical representation and documentation strategies. It is through physical representation of a service's attributes and documentation of a service's benefits, as tangible cues, that consumers are assisted in mentally comprehending the benefits and values (visualisation) of a service. By cognitively linking these elements of the means-end chain, their visualisation of service features is enhanced, which subsequently improve perceived tangibility and generate favourable consumers' attitudes.

Section 2.1 (p.12) of this thesis has elaborated on the dominance of mental intangibility in services; and the term '*perceived tangibility*' was defined as "*the degree to which consumers can visualise mental representations of a service's attributes and features in their minds*" (refer p.15). Thus, an increased ability to visualise aspects of services also means improved level of perceived tangibility for services. A visualisation strategy, because it seeks to create mental representations of a service's benefits and values, is expected to be more critical to aid consumers' evaluation of (mental) perceived tangibility

in the case of a highly-intangible service process. This consequently generates more positive consumer attitudes towards the service.

Means-End Chain Connections and the Visualisation Strategy

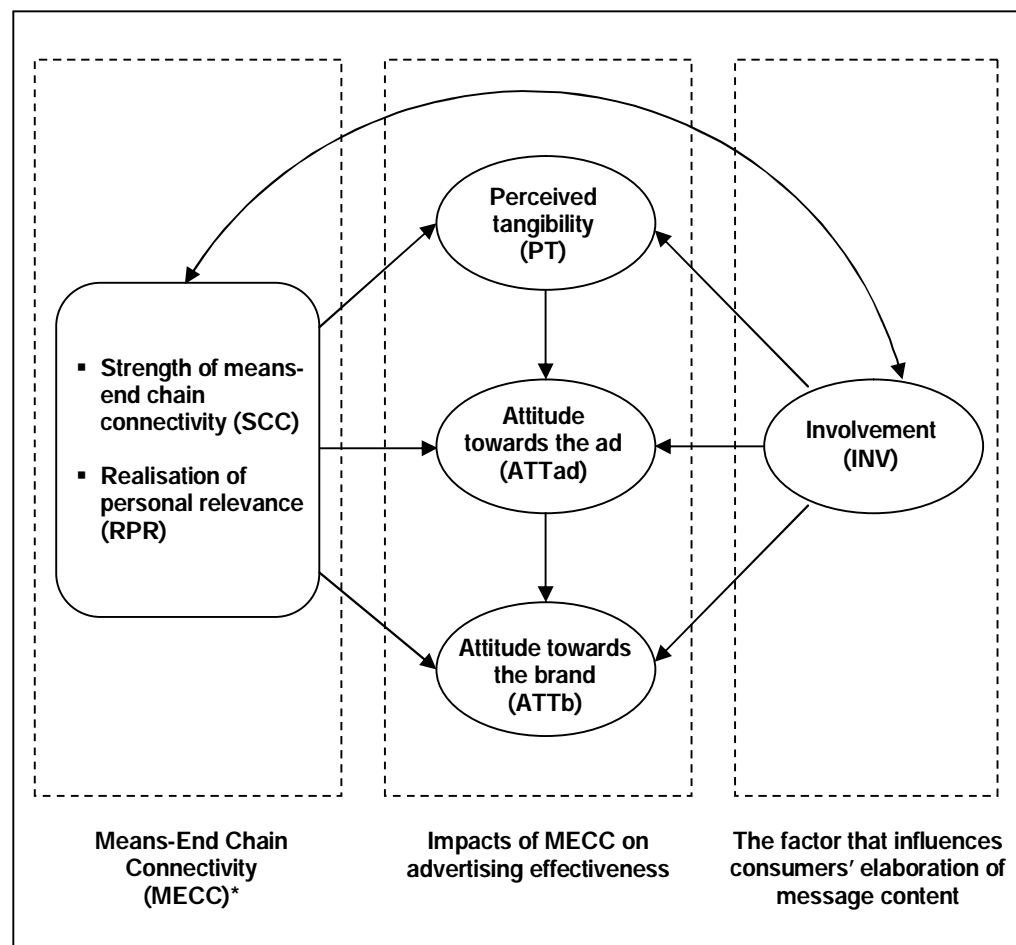
Section 2.3 (p.50) explained how consumers' ability to make mental linkages from attributes to consequences and to values allows the consumer to perceive a product or service as personally relevant to them. *Personal relevance* was explained earlier as "*the degree that consumers believe a product is related to their inner-self values or it is instrumental to satisfy their personal goals and values*" (refer p.55), and principles of the means-end chain have outlined that consumers are more likely to perceive personal relevance of a product when they believe a product is a mean to satisfying their inner-self values. Thus, those consumers who perceived a product or service to be instrumental to reach their personal goals are more likely to devote cognitive attention to evaluate product features, resulting to enhanced perceived tangibility and favourable attitudes toward a service provider.

Shimp (2000, p.164) explained that attitudes are hypothetical constructs, and defined the term *attitude* as "*a general and enduring positive or negative feeling toward or evaluative judgment of some person, object or issue*". Section 2.2.3 has stressed on the importance of corporate advertising for services. Due to intangibility, consumers often view service components as a single entity, and tend to identify a service organisation with its corporate brand name. It is, therefore, crucial that service advertisers are able to instil favourable attitude towards the advertising, so as to create the desired brand identity or brand image. In this research, attitude-formation is operationalised as attitude towards the advertisement and attitude towards the brand given that advertising cognitions often lead to the formation of attitudes (Liu & Stout, 1987; Lutz, Scott, & Belch, 1983).

A conceptual framework to enhance advertising of services is proposed, presented in Figure 9 (p.88), illustrating the relationships between the means-end chain concepts, perceived tangibility and consumers' attitudes. Involvement was also proposed as a construct influencing consumers'

willingness to evaluate message content in advertisement of services. The research proposed that when consumers view message content (comprised of tangible cues) and are able to make connections between service attributes, consumption consequences and their personal values, they are more likely to interpret the advertised service as personally relevant, and thus, a high level of means-end chain connectivity (MECC) has been achieved. It is suggested that a high level of MECC, in turn, enhances perceived tangibility of service attributes, and positively impacts on the consumer's evaluations of the advertisement and the brand. The proposed relationships between the different constructs are illustrated by Figure 9, and definitions of these constructs are presented in Table 3 (p.89).

Figure 9: Proposed model to enhance advertising effectiveness for services



Note: * Refer to Figure 10 for further illustration of the MECC construct

Table 3: Definitions of constructs in the proposed model to enhance advertising effectiveness for services

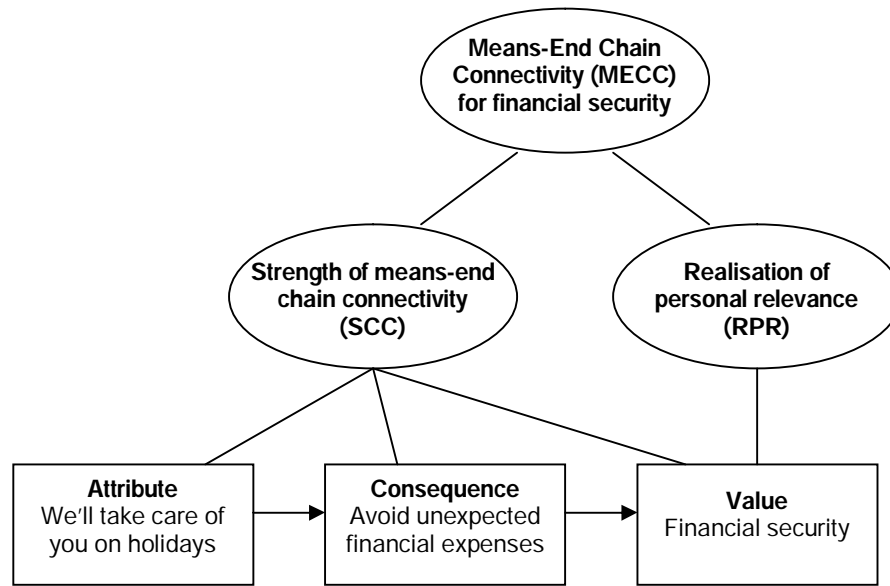
Construct	Explanation
Means-end chain connectivity (MECC)	A mental process where the strength of connections/linkages between attributes to consequences, and to personal values, triggered by tangible cues related to specific personal value(s), facilitates consumers to recognise the advertised service as personally-relevant to reach their inner self-goals. [Author's own]
Strength of means-end connectivity (SCC)	The perceived strength of means-end connections between attributes, consequences and values made in the minds of the consumers that are related to the salient features of a product or service. [Author's own]
Realisation of personal relevance (RPR)	Activation of a personal value. Consumers perceive the advertised product or service as instrumental to reaching their personal goal. [Sourced from: Celsi and Olson (1988)]
Perceived tangibility (PT)	The degree to which consumers can visualise mental representations of a service's attributes and features in their minds. [Adapted from: Laroche et al. (2001) and McDougall and Snetsinger (1990)]
Attitude towards the advertisement (ATTad)	An enduring feeling towards and evaluative judgment of an advertisement after an individual saw the message content embedded in the advertisement. [Adapted from: Shimp (2000)]
Attitude towards the brand (ATTb)	An individual's enduring feeling and evaluative judgment towards a brand. [Adapted from: Shimp (2000)]
Involvement (INV)	A person's perceived relevance of the object based on inherent needs, values and interests. [Sourced from: Zaichowsky (1994)]

Figure 9 and definitions of constructs in Table 3 indicate that Means-End Chain Connectivity (MECC) is an overarching construct that encapsulates the strength of connections/linkages that consumers make between attributes, consequences and personal values, and the extent that consumers perceive a service to be self-related or in some way instrumental in achieving their personal goals and values. The two dimensions of MECC are represented by: (i) strength of means-end connectivity (SCC) and (ii) realisation of personal relevance (RPR). The research argues that the simultaneous occurrence of perceived linkages between attributes-consequences-values taking place in the mind of the consumers facilitates consumers to recognise the advertised service is instrumental to satisfy their personal goals; thereby helping consumers to conceptualise mental aspects of services. It is also expected that

the greater the strength of mean-end connection taking place in the mind of the consumers, the higher the likelihood that consumers will realise personal relevance that the service is important to satisfy personal goals

In many contexts, consumers' perceptions of a product are influenced by more than one personal value. Therefore, the MECC construct can comprise a number of value dimensions (and for each personal value, there is a SCC dimension and a RPR dimension). Taking the example of the hypothetical means-end chain for travel insurance in Figure 5 (p.65), a means-end chain linkage may be processed in an individual's mind when a tangible cue in the advertisement (statement: We'll take care of you on holidays) triggered a chain of mental reactions linking the travel insurance's offer of insuring one in case of a negative consequences (covering of unexpected financial expenses in case of a misfortune), and to a personal value (financial security). The stronger the means-end connectivity, the higher the likelihood that consumer realise the travel insurance is instrumental to fulfil his or her need for financial security while abroad on vacation. Thus, the individual sees the relevance of travel insurance to meeting an end-goal of financial security. In this instance, the MECC construct is made up of strength of means-end connectivity for financial security and recognition of personal relevance for financial security; and the relationships are depicted in Figure 10 (p.91). If there is more than one personal value associated with a service, two or more dimensions will exist in the MECC construct.

Figure 10: Illustration of Means-End Chain Connectivity (MECC) of a personal value: financial security, for travel insurance



With respect to the relationships between constructs depicted in Figure 9 (p.88), it is proposed that MECC has a direct impact on the perceived tangibility of service benefits (PT), attitude towards the ad (ATTad) and attitude towards the brand (ATTb). Those consumers who are able to make means-end linkages and infer that the advertised service is personally relevant to achieve their end-goals, after seeing cues that represent important attributes, are said to have produced mental pictures of a services' benefits or qualities (increased visualisation), leading to improved perceived tangibility of the advertised service. It is argued that when MECC is strong, the consumer is better able to visualise the service benefits and perceived tangibility is increased (MECC→PT). Where consumers' MECC is high, there are positive impacts on attitude towards the advertisement (MECC→ATTad) and attitude towards the brand (MECC→ATTb).

When consumers are able to visualise service features mentally, perceived tangibility of the advertised service has improved and is expected to result in a favourable attitude towards the advertisement (PT→ATTad); as ease of evaluating the features and benefits of a service allows consumers to develop a positive attitude towards the advertisement. It has often been explained in the

literature that attitude towards the advertisement has significant impact on attitude towards the brand (Brown & Stayman, 1992; Gresham & Shimp, 1985; Lutz et al., 1983). This suggests that a favourable attitude towards the advertisement may enhance attitude towards the brand ($ATT_{ad} \rightarrow ATT_b$).

Section 2.3.1 (p.55) has explained the influence of involvement on consumers' devotion to interpret messages embedded in advertisement. The research proposed positive association between involvement and (i) strength of means-end connectivity (SCC); and (ii) the view that consumers believed that the advertised service is instrumental to attainment of their desired end-goals (RPR). Consumers with a high degree of product knowledge and self-knowledge are more likely to infer stronger means-end chain connectivity, and with their higher degree of importance and concerns placed on the advertised product, they therefore become more highly-involved with the product. The research proposed positive correlations between involvement and strength of means-end chain connectivity ($INV \leftarrow \rightarrow SCC$), and between involvement and realisation of personal relevance ($INV \leftarrow \rightarrow RPR$). The positive association is illustrated in Figure 9 by the double-headed arrow between the MECC construct and involvement.

Those highly-involved consumers are better-equipped to interpret the intangible aspects of service features and benefits, and would understand and comprehend the complexity of the service act/performance by service providers, and thus, are more willing to elaborate on message content. As a consequent of their increased attention and willingness to elaborate on message content, heightened difficulties of evaluating services are alleviated and involvement was proposed to have direct positive effects on perceptions and attitudes. Illustrated in Figure 9, involvement (INV) was proposed to have direct impacts on perceived tangibility ($INV \rightarrow PT$), attitude towards the advertisement ($INV \rightarrow ATT_{ad}$) and attitude towards the brand ($INV \rightarrow ATT_b$).

Up to this point, the proposed conceptual model to enhance advertising effectiveness for services explained that services' attributes and the related-benefits may be displayed as tangible cues to reduce the intangibility of

services and positively impact on advertising effectiveness. It was proposed that the combination of documentation strategy and physical representation strategy triggers means-end chain connectivity in the minds of the consumers. The means-end chain connectivity leads to the creation of mental pictures of a service's benefits or qualities (that is, a visualisation strategy), enhancing perceived tangibility and consumers' attitudes. The tangible cues are the type of message embedded in a service advertisement, but the message may be delivered to the receiver more effectively through the use of an appropriate advertising appeal.

The Role of Advertising Appeal

A combination of physical representation and documentation strategies may be employed to depict service attributes as tangible cues in service advertisements. When recipients are able to evaluate these tangible cues and translate them into positive benefits and personal values, and perceive the service as personally relevant in achieving their individual values and goals, they are more likely to pay attention to product information and evaluate the service-related benefits. To facilitate consumers' evaluation of service-related benefits, the "right" appeal may tighten or strengthen the linkages between means-end elements in the minds of consumers. The strengthened chain-of-reactions is believed to enhance consumers' cognitive and subjective judgments of the advertised service, and have positive impact on consumers' evaluations of the advertisement.

The thesis has devoted attention on explaining how advertising appeals are used to tangibilise services in advertisements (in Section 2.2.2, p.31). Rational and emotional appeals are often discussed by service advertising researchers as a mean to tangibilise services, although there are relatively few empirical studies carried out in the non-professional service industry. Advertising appeal is not directly illustrated in the proposed conceptual model to enhance advertising effectiveness for services (Figure 9, p.88), as the research considered that it is a communication style of presenting tangible cues in advertisements that enhances advertising effectiveness. Advertising appeal in this research is used to manipulate the tone of the advertisement, with an

objective of comparing the effects of advertising appeal on different types of services, and investigate its effect on perceived tangibility and consumers' attitudes.

The type of advertising appeal will dictate how components of the means-end chain (for instance, those that are part of the MECC construct) may be depicted in advertisements. Ads incorporating information on salient attributes related to a service category may be communicated either in a direct, formal and information-driven manner (that is, rational appeal) or conveyed in a style aimed at generating feelings after recipients saw an advertisement (that is, emotional appeal). Information on how the different means-end elements are manipulated according to the type of advertising appeal is discussed in the research design chapter (Section 3.1, p.127) of the thesis. It is expected that the appropriate tangible cues with the 'right' type of appeal leads to (i) a higher degree of connectivity between attributes, consequences and values; (ii) higher chances of perceiving the relevance of a service to achieve personal end-goals; and (iii) improved perceived tangibility and favourable attitude towards the advertisement and attitude towards the brand.

The above explanations have been centred on the conceptualisation of a proposed model to enhance advertising effectiveness for services, illustrated by Figure 9 (p.88) and 10 (p.91); and linking principles of the means-end chain (strength of means-end connectivity and realisation of personal relevance) in a tangibilising strategy and, which was proposed to have positive impacts on perceived tangibility, attitude towards the advertisement and attitude towards the brand. Involvement influences consumers' willingness to elaborate on information displayed in advertisements, thus, and has direct relationships with perceived tangibility, attitude towards the advertisement and attitude towards the brand. To test and operationalise the proposed conceptual framework to enhance advertising effectiveness for services, financial services are used to illustrate the case. Financial services are widely acknowledged to be highly intangible. Also, within the family of financial services, there exist different degree of intangibility and complexity. Therefore, testing the proposed model of enhancing advertising effectiveness for financial services, that vary in terms

of product complexity and type of values offered, may provide insights into operationalising the model in different contexts of services.

Using the conceptual framework in Figure 9 (p.88), two structural models are suggested for financial services: (i) a structural model for financial services (at an aggregate level); and (ii) a structural model for Islamic financial services. The conceptual framework to enhance effectiveness of service advertising is expected to be similar for most service type, but the difference lies in the MECC construct. Different products and services are associated with different benefits and values to consumers, and constitute to different means-end elements in the chain. Thus, the MECC construct is expected to be comprised of different dimensions. Managers who understand the values that consumers associate and seek in a product are in a better position to develop more effective and specific marketing and advertising strategies directed toward their target market. The following example is used to illustrate the case of the different dimensions in the MECC construct and how marketers could use the information to develop more effective advertising strategies.

The physical attributes of tennis racket are translated differently by different category of consumers. Drawing some examples of the structural means-end linkages from the study by Mulvey et al. (1994), the authors reported that the structural means-end linkages for people who play tennis at a competitive level are mainly: head size/material (attributes) → control/play better (consequences) → winning/play my best (values). On the other hand, novice players of tennis who do not play frequently or are not interested in the sport mainly associate a tennis racket with: brand name/price (attributes) → quality/durability/value (consequences) → fun and enjoyment/impress others (values). With the above information, the means-end chain connectivity for tennis racket (as that of Figure 10, p.91) encompasses different dimensions of personal values such as: fun and enjoyment, self-fulfilment or sense of accomplishment; in different groups of consumers. Those marketers who understood that the MECC for tennis racket consists of the above dimensions (i.e. fun and enjoyment, self-fulfilment or sense of accomplishment) are translated differently in different segment of consumers are in a better position to develop advertising strategies

aimed at conveying messages to their target audiences that the advertised product is instrumental to fulfilling their personal goals.

Thus, to test the proposed model across contexts that vary in terms of values that consumers associate with services, two structural models that differ in terms of values are proposed by the current study. It is suggested that the MECC construct in the two structural models encompasses different dimensions. The first model, presented in Figure 11 (p.97), is a proposed structural model to enhance advertising effectiveness for financial services, at an aggregate level, encompassing both conventional and Islamic financial services. A second model was proposed to enhance advertising effectiveness only for Islamic financial services, and illustrated by Figure 12 (p.100). The dimensions in the MECC construct in the respective model are linked to the personal values that consumers often associate or seek from financial services. Further explanations are made in the following sub-sections.

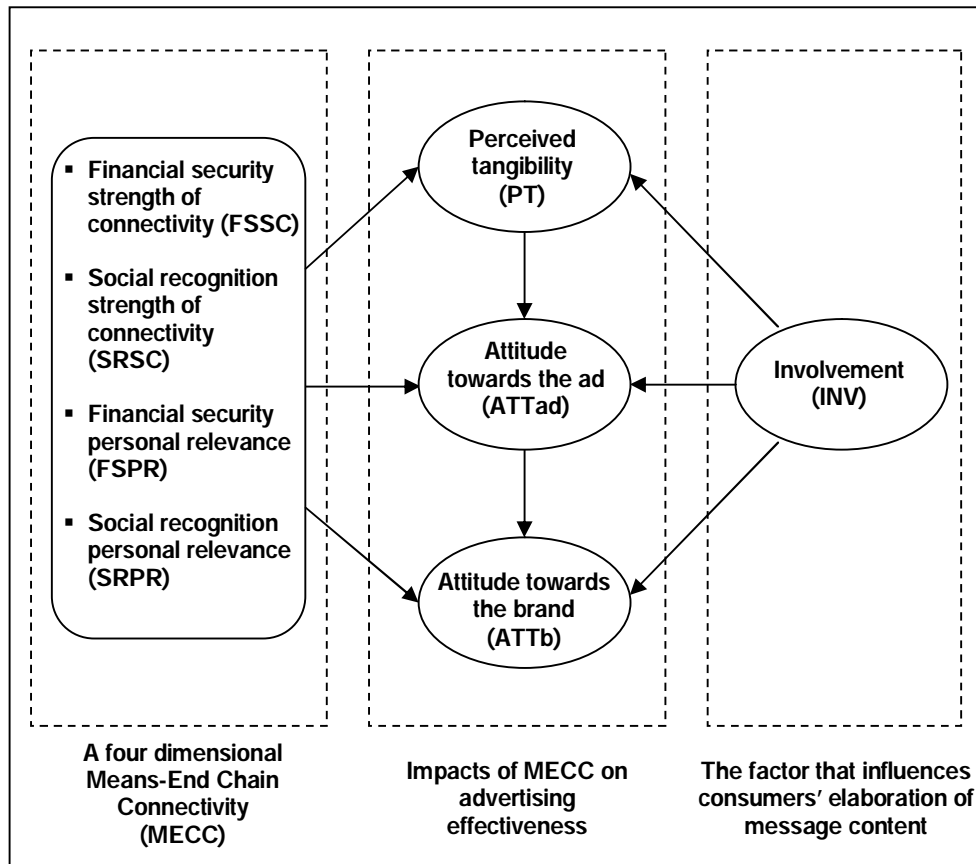
2.7.1 A Structural Model to Enhance Advertising Effectiveness for Financial Services

Section 2.3.2 (p.58) discussed and identified that the personal values that consumers often associate with financial services are: (i) financial security; and (ii) social recognition; and a thorough explanation has been made on how consumers would cognitively link means-end components of financial services to their end-goals. The benefits that consumers perceive from financial organisations include safe-keeping of one's money, financial returns and assistance by service providers; and these benefits are often linked to financial security and social recognition which are important factors affecting consumers' considerations during their decision of opening an account with a financial service provider.

Figure 11 (p.97) is an adaptation of the conceptual framework (in Figure 9) to enhance advertising effectiveness for financial services. The MECC construct for financial services in the proposed model is expected to consist of four dimensions. Financial security and social recognition are the personal goals that consumers seek when they consider opening an account with a financial

service provider, and each personal value in the proposed model has two dimensions: strength of means-end connectivity (SCC) and realisation of personal relevance (RPR). Thus, four dimensions are expected to exist in the MECC for financial services, and these are: financial security strength of connectivity (FSSC), social recognition strength of connectivity (SRSC), financial security personal relevance (FSPR) and social recognition personal relevance (SRPR). Definitions of these dimensions in MECC for financial services are explained in Table 4 (p.98). The MECC domain for financial services, displayed in Figure 11, is proposed to positively impact on perceived tangibility (MECC→PT), attitude towards the advertisement (MECC→ATTad) and attitude towards the brand (MEC→ATTb).

Figure 11: Proposed model to enhance advertising effectiveness for financial services



Note: Double-headed arrow representing correlation between MECC and involvement was not illustrated in the above diagram to allow clarity of the direct effects between the different constructs.

Table 4: Definitions of terms in the four-dimensional Means-End Chain Connectivity (MECC) constructs of the proposed model to enhance advertising effectiveness for financial services

Construct	Explanation
Financial security strength of connectivity (FSSC)	The perceived strength of means-end chain connections between attributes, consequences and values made in the minds of the consumers related to financial security.
Social recognition strength of connectivity (SRSC)	The perceived strength of means-end chain connections between attributes, consequences and values made in the minds of the consumers related to social recognition.
Financial security personal relevance (FSPR)	Activation of financial security, a personal value, such that consumers recognise that the advertised service is instrumental to achieving their end-goal for financial security.
Social recognition personal relevance (SRPR)	Activation of social recognition, a personal value, such that consumers recognise that the advertised service is instrumental to achieving their end-goal for social recognition.

Source: Adapted from previous explanations related to Strength of Means-End Connectivity (SCC) and Realisation of Personal Relevance (RPR) in Table 3.

Illustrated in Figure 11 are the relationships between constructs (that is, perceived tangibility, attitude towards the advertisement, attitude towards the brand and involvement) in the structural model, and these relationships are proposed to be similar to those in Figure 9; following the arguments that: (i) means-end chain connectivity have positive impacts on advertising effectiveness (MECC \rightarrow PT; MECC \rightarrow ATTad; MECC \rightarrow ATTb); (ii) an improvement on perceived tangibility result to favourable attitude towards the advertisement (PT \rightarrow ATTad); (iii) which subsequently has a significant impact on attitude towards the brand (ATTad \rightarrow ATTb); (iv) there are positive associations between involvement and components of the MECC construct (MECC \leftrightarrow INV); (v) in turn, consumers' willingness to elaborate on information in advertising positively impact on advertising effectiveness (INV \rightarrow PT; INV \rightarrow ATTad; INV \rightarrow ATTb).

The structural model to enhance advertising effectiveness for financial services in Figure 11 is believed to be increasingly important in assisting advertisers or managers of financial services. Understanding the cognitive linkages taking

place in the mind of existing and potential customers could help the advertisers to be more successful in creating the desired advertising effect, by inducing consumers to perceive the advertised financial product/service as personally-relevant to satisfy personal goals. In the studies by Bloemer and Dekker (2003) and Laverie et al. (1993), financial security and social recognition were argued to be external values. Therefore, advertising becomes important for services to associate themselves with these personal values through the use of the most appropriate tangible cues.

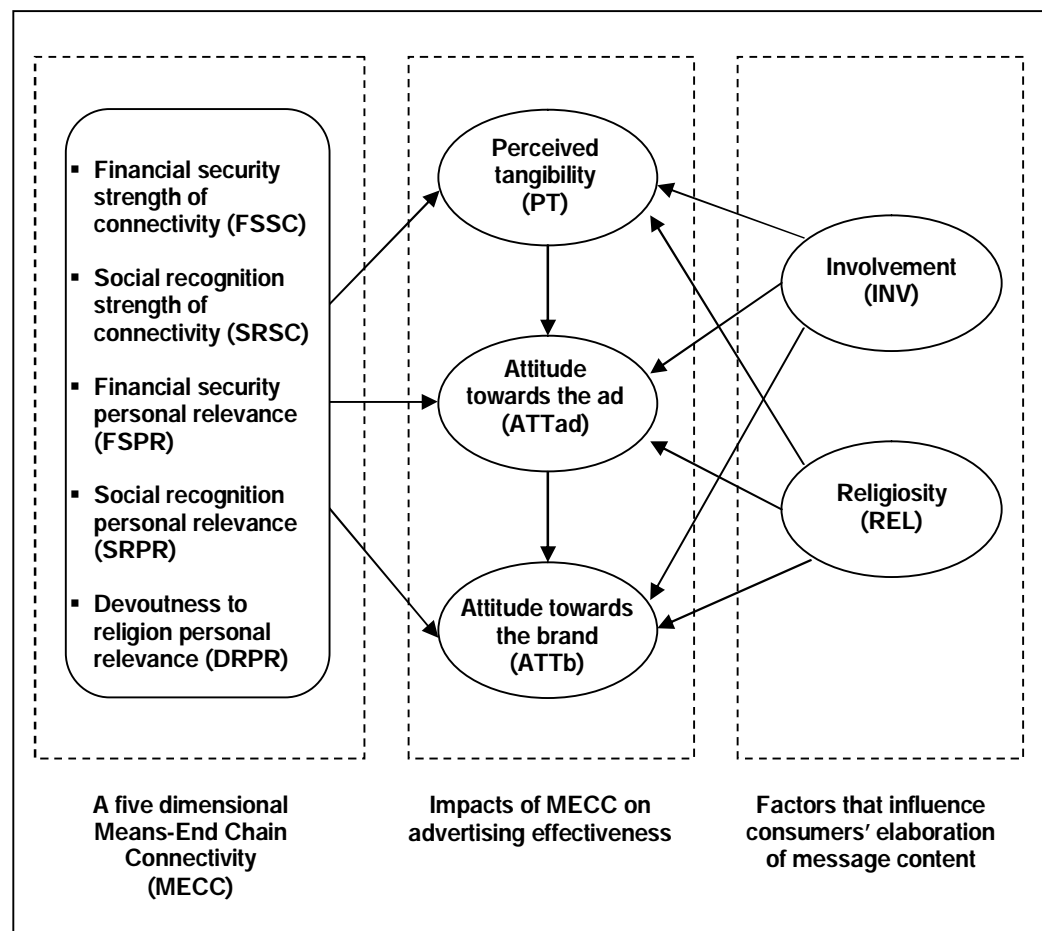
2.7.2 A Structural Model to Enhance Advertising Effectiveness for Islamic Financial Services

Adapting the conceptual model in Figure 9 (p.88), a separate model is proposed for Islamic financial services emerged from the argument that the values offered to consumers are congruent to their religious values. The operations of Islamic banking lie on the prohibition of any form of interest in financial transaction, which is principally different to those of Western-style financial service providers. Islamic banking aims to satisfy customers' needs for financial transactions in line with their religion; that is, financial transactions based on a profit-and-loss sharing scheme by which a predetermined rate is not guaranteed. For Muslim consumers, these offerings may satisfy a personal value of religious practices.

Figure 12 (p.100) represents a structural model to enhance advertising effectiveness for Islamic financial services, adopting the proposed relationships between constructs in Figure 9. Some explanations were made in Section 2.4 (p.67) of the thesis concerning the notion that "both conventional and Islamic banking undertake different routes to achieve the same goal" (Vernardos, 2005). It was recognised that the two types of financial service providers operate under different banking practices, encompassing corporate brand values that are different from one another. However, the basis of Islamic financial services still lies in offering financial services like safe-keeping of an individual's savings in return for some financial return to the savers and to provide financial advice to the customers; which is similar to conventional banking. Thus, both financial security and social recognition are personal

values that are similarly relevant to Muslims customers. As Islamic financial services operate in accordance to the *Shariah* aimed at fulfilling the Muslims' demands for banking practices that are in their religion, it is expected that *devoutness to religion* is a personal value that Muslims' aim to realise from an Islamic bank. Therefore, the research identifies Islamic financial services with three dominant personal values: that is, financial security, social recognition and devoutness to religion.

Figure 12: Proposed model to enhance advertising effectiveness for Islamic financial services



Note: Double-headed arrow representing correlations between MECC and involvement; and MECC and religiosity were not illustrated in the above diagram to allow clarity of the direct effects between the different constructs.

In the above proposed structural model to enhance advertising effectiveness for Islamic financial services, MECC was proposed to consist of five means-end components, made up by (i) strength of means-end connectivity for financial

security (FSSC), (ii) strength of means-end connectivity for social recognition (SRSC), (iii) realisation of personal relevance for financial security (FSPR), (iv) realisation of personal relevance for social recognition (SRPR), and (v) realisation of personal relevance for devoutness to religion (DRPR).

Table 5: Definitions of the terms, realisation of devoutness to religious value (DRPR) and religiosity (REL), in a proposed model to enhance advertising effectiveness for Islamic financial services

Construct	Explanation
Devoutness to religion personal relevance (DRPR)	Activation of devoutness to religion, a personal value, such that consumers realise the advertised service to be instrumental to achieving their end-goal of adhering to their religious practices. [Adapted from the definition of Realisation of Personal Relevance (RPR) in Table 3]
Religiosity	The degree to which a person adheres to his or her religious values, beliefs and practices and uses them in daily life. [Sourced from: Worthington et al. (2003)]

The definition for DRPR is provided in Table 5, where it refers to the Muslim consumers' realisation that the financial product or service is instrumental to satisfy their end-goals for banking personal financial assets in adhering with their religious value. It should be noted that strength of means-end connectivity for devoutness to religion is not included in the above structural model. This is because the tangible cues displayed in an advertisement of an Islamic financial service provider would be conveying elements that relate to devoutness to religious value. For instance, financial gain in the absence of interest (an attribute of an Islamic savings account) is likely to trigger both financial security and devoutness to religious value. Therefore, a single dimension for the devoutness to religious personal value, that is, realisation of personal relevance for devoutness to religion (DRPR) was proposed in the structural model in Figure 12 (p.100).

Thus, together with the other four dimensions (FSSC, SRSC, FSPR and SRPR) and DRPR, these elements belonging to the MECC domain for Islamic financial services are expected to have significant impacts on perceived

tangibility (MECC→PT), attitude towards the advertisement (MECC→ATTad) and attitude towards the brand (MECC→ATTb); as it is the strength of means-end connectivity that consumers produce in their mind which have significant impacts on advertising effectiveness.

Following the same arguments in Section 2.7 (p.84) and Section 2.7.1 (p.96), the successful creation of mental pictures of a service's benefits or qualities (visualisation) lead to improvements on level of perceived tangibility, which enhances attitude towards the advertisement (PT→ATTad). In turn, this has a positive impact on attitude towards the brand (ATTad→ATTb); and the relationships between the different constructs are displayed in Figure 12 (p.100). Involvement was proposed to positively impact on perceived tangibility (INV→PT), attitude towards the advertisement (INV→ATTad) and attitude towards the brand (INV→ATTb). The positive associations between components of the means-end construct and involvement (MECC←→INV) suggests that consumers' inherent needs to satisfy personal values prompt their willingness to elaborate on message content. The research proposed that the higher the level of involvement with a service, the stronger the degree of means-end chain connectivity.

The research also proposes that religiosity (also known as religious commitment) is another factor that influences Muslims' elaboration of product information in an advertisement of an Islamic financial service provider. In this research, the term *religiosity* (REL) refers to that as defined by Worthington et al. (2003, p.85): "*the degree to which a person adheres to his or her religious values, beliefs and practices and uses them in daily life*". Islamic financial services aim at satisfying the Muslim consumers' demand for financial transactions that conform to their religious practices; thus, the degree of an individual's commitment to his or her religion is expected to influence an individual's elaboration of message content in an advertisement of an Islamic bank, and affect consumers' attitudes towards an Islamic financial service provider. Like involvement, religiosity was proposed to form positive associations with components of the MECC, as it influences the extent that consumers are willing to elaborate on advertising information

(MECC \leftrightarrow REL). The more committed an individual is to his or her religion, the higher the likelihood that he or she will elaborate on message content. Religiosity is therefore proposed to have a direct impact on perceived tangibility (REL \rightarrow PT), attitude towards the advertisement (REL \rightarrow ATTad) and attitude towards the brand (REL \rightarrow ATTb), as illustrated in Figure 12.

This section discussed a proposed conceptual model to enhance advertising effectiveness for services (Figure 9, p.88), by integrating concepts of the means-end chain and Berry and Clark's (1986) tangibilising strategies in service advertising. Different products and services are expected to be composed of different dimensions in the MECC construct; due to difference of values offered to the consumers. Two structural models adopting the framework in Figure 9 were subsequently proposed: (i) a structural model for financial services as a whole (Figure 11, p.97); and (ii) a structural model for only Islamic financial service (Figure 12, p.100) where an additional component was proposed in the MECC construct.

2.8 Research Questions and Hypotheses

Section 2.5 (p.77) has highlighted that financial services should be made more tangible (both physically and mentally) compared to other service categories, like hotel, dentistry, hair-cuts or fine-dining restaurants, and as indicated by the graphs in Appendix 2 (p.323). The research hopes to extend the literature of service advertising by investigating an integration of means-end chain with a visualisation strategy to tangibilise service features and enhance advertising effectiveness for financial services. Several research questions and hypotheses to examine the type of tangible cues (message content) and type of advertising appeal (structure of advertising) to enhance perceived tangibility and advertising effectiveness for financial services are developed. These research questions emerged from a need to address the research problem (in different contexts). The main research problem of the thesis is: *what message content (type of tangible cues) and structure (type of advertising appeal) in advertising will improve perceived tangibility and, at the same time, enhance positive formations of attitude towards the advertisement and attitude towards the brand?*

Research Question 1

Section 2.7 (p.84) explained that when consumers who are able to make means-end linkages between attributes, consequences and value, after they saw tangible cues of personal values that they believed as a mean to satisfy their end-goals, denotes a simultaneous occurrence of personal relevance taking place in the minds of consumers. Marketers who understand the means-end elements that consumers perceived from a product could use this information to transform the elements into tangible cues using both physical representation and documentation strategies, aimed at improving perceived tangibility and enhance consumers' attitudes.

The discussion in Section 2.3.2 (p. 58) highlighted that attributes of financial services, that is, price of financial products and service-oriented quality are factors that affect consumers' decision to patronise a financial service; which may trigger personal values important to the consumers. These means-end chain elements for financial services, such as concrete attributes (price of financial product and service-oriented quality) and related-benefits may be transformed into tangible cues through physical representation and documentation strategies, to activate important personal values.

It was earlier argued by the research that the role of advertising appeal is to facilitate consumers' evaluation of services, and it is a communication style to display tangible cues in advertisings which have effects on advertising effectiveness. These tangible cues may be manipulated using a formal, factual information-based approach (rational appeal) or with feelings-based advertising to generate likeability towards the advertisement (emotional appeal). Successful manipulations of means-end elements in advertisement may activate personal values important to consumers, and subsequently have effects on perceived tangibility and formation of positive attitudes. The first research question aims to evaluate the relative merits of rational and emotional appeals as a means of tangibilising a financial service and enhancing advertising effectiveness. Advertising appeals differ in their capacity to allow consumers to visualise mental representations of a financial service and advertising effectiveness.

RQ1: If tangible cues based on personal values important to consumers are manipulated by a rational or emotional appeal, which advertising appeal is more effective to improve perceived tangibility, enhance attitude towards the advertisement and attitude towards the brand?

Some researchers suggested that a rational appeal should be used for “thinking” products while emotional appeal should be used for “feeling” products (Johar & Sirgy, 1991; Stafford & Day, 1995). Financial services are believed to be grouped under the “thinking” category, as it provides safe-keeping of one’s money, issuance of cheque books or standing instructions to pay bills, provide facilities such as debit and credit cards for purchase of goods and services, provide overdrafts, loans and mortgages to businesses and consumers. It is not associated with fun, experience, or fantasy, and consumers are believed to devote cognitive attention to evaluate financial services. In a study of investigating consumers’ purchase decision, Ratchford (1987) reported that consumers perceive financial products like life insurance, credit card and auto insurance as “thinking” product. Thus, the first hypothesis was proposed as:

H1: Rational appeal is more effective to improve perceived tangibility of a financial service, increase level of attitude towards the advertisement and enhance attitude towards the brand, compared to emotional appeal.

Research Question 2

In the literature, it remains unclear regarding the type of advertising appeal that may tangibilise services with different degree of perceived tangibility. There are some existing studies on the use of advertising appeal to tangibilise services; and findings suggested that the type of appeal should be executed by product type. For instance, rational appeal should be used for utilitarian/functional products while emotional appeal is more applicable for value-expressive/hedonic products. In terms of the varying level of perceived tangibility in a service industry, minimal studies have looked at the type of advertising appeal that may enhance services at different degree of perceived

tangibility. A gap in the literature of financial services was identified by this research, where no study to date has looked at the impact of degree of perceived tangibility on advertising effectiveness for services.

This research has earlier discussed in Section 2.2.3 (p.38) that consumers often perceive different degrees of intangibility among financial products, and that simple financial products are perceived to be more tangible compared to complex financial products. This was indicated by some findings on the degree of intangibility between products, as displayed in Appendix 2 (p.323). The level of complexity for a financial product is determined by the relative ease of understanding and conceptualising a financial product (Harrison, 2000). A complicated financial product is difficult to evaluate (high on credence quality), and requires a greater amount of product knowledge, financial resources and time commitment by the financial consumers. On many occasions, a complicated financial product comes with a higher level of perceived financial risk and the financial asset/commitment may not be liquid in a short span of time. As a result, complex financial products (like securities, equities, insurance and bonds) are harder to evaluate compared to a simple financial product (such as savings or current account and credit card).

Thus, the type of advertising appeal is likely to have different effects on consumers' evaluation of financial products which differ on the degree of intangibility. Between financial products classified as simple and complex financial products, the communication style of tangible cues associated with values that consumers seek from financial services, as displayed in advertising, is expected to have different impact on advertising effectiveness. Therefore, a second research question was developed to investigate the impact of advertising appeal on advertising effectiveness for financial products that differ in terms of product complexity.

RQ2: For a simple and a complex financial product, if tangible cues based on personal values important to consumers are manipulated by a rational or emotional appeal, which advertising appeal is more effective to improve perceived tangibility and formation of positive attitudes toward the financial service provider?

To provide indications for the second research question, the hypotheses are proposed based on Petty and Cacioppo's (1983) Elaboration Likelihood Model (ELM), a well-accepted model that is often used by researchers to explain persuasions in advertisements. Elaboration likelihood (EL) was explained by Shimp (2000, p.174) as: "the chance or prospect that a message receiver will elaborate on a message by thinking about and reacting to it and comparing it with his or her pre-existing thoughts and beliefs regarding the product category, the advertised brand, and competitive brands". The ELM model explained that the level of elaboration likelihood of message content is determined by *motivation, opportunity and ability*. Shimp (2000, p.174) defined the following terms used in the ELM: (1) Motivation: a message related to a person's present goals and needs and is thus relevant to that individual; (2) Opportunity: the chance that an individual has physical accessibility to process a message; (3) Ability: whether a person is familiar with message claims and is capable of comprehending them.

According to the model, EL is high when a receiver is motivated, able and has the opportunity to process message. When EL is high, the receiver will focus on message arguments, rather than peripheral cues to evaluate product information in an advertisement, that is the central route. On the other hand, when EL is low, the consumer is not motivated to comprehend message information, and he or she is likely to turn to peripheral cues to make product evaluations. Petty and Cacioppo (1983) argued that when EL is low, consumers tend to turn their attention to positive or negative cues, and make product evaluations on some simple decision rules or advocacy allowing them to interpret product attributes and consequences quickly, also known as the peripheral route.

Constanzo and Ashton (2006) argued that financial services are often undifferentiated in the industry, and consumers find it hard to make comparisons among the many savings product offered to the consumers. In an earlier study, Vermeulen (2005) reported that consumers perceived financial services to be “low interest” products and they rarely devote sufficient attention to try and understand a financial product. The author reasoned that this was due to the intangible characteristic of services and the bombardments of numerous nearly-identical financial products which result to consumers’ perceptions that financial deposit products are undifferentiated.

Section 2.2.3 (p.38) and the Pyramid of Financial Independence (p.42) illustrate that a simple financial product is located at the base of the pyramid and the basic functions include safe-keeping of one’s money for deposits and withdrawal purposes (savings account), issuance of cheques for payments (current account) or purchase of products and services on credit terms (credit cards and loans). Almost all consumers, especially those working adults in the work force, are likely to possess a simple financial product; and they would be categorised as knowledgeable consumers of simple financial product.

Alba and Hutchinson (1987, p.411) suggested two factors influencing consumer knowledge: (1) familiarity (the number of product-related experiences that have been accumulated by the consumer), and (2) expertise (the ability to perform product-related tasks successfully) as the components of consumer knowledge. With increased knowledge of simple financial product, consumers in the workforce are better-equipped with the ability to process message information and a rational appeal may be the most appropriate advertising appeal to facilitate their evaluation of service features and to enhance advertising effectiveness for services. However, some studies reported negative relationship between product knowledge and external search for information (Beatty & Smith, 1987). Those experienced consumers with product knowledge do not deem it is necessary to expand efforts in search for additional product information (Moorthy, Ratchford, & Talukdar, 1997; Punj & Staelin, 1983), and thus they may be less likely to devote additional cognitive efforts to evaluate advertising information.

On the basis of the above explanations that simple financial products are undifferentiated and “low interest” product, and coupled with the argument that consumers of simple financial products with good product knowledge may not be motivated to devote additional cognitive efforts to evaluate product information in advertisement, the research proposed that the peripheral route is likely to be more effective to enhance advertising effectiveness. Additionally, Johar and Sirgy (1991) suggested that an emotional appeal should be used for those products that lack differentiation with competing products. Thus, the research proposed that peripheral cues embedded in an emotional appeal is likely to be more effective to generate positive level of perceived tangibility and consumers’ attitudes, compared to a rational appeal.

H2a: For a simple financial product, emotional appeal is more effective in tangibilising the product, improving attitude towards the advertisement and enhancing attitude towards the brand, compared to a rational appeal.

In the case of complex financial products, they are often characterised as high in credence quality, difficult to evaluate, possess a high level of financial risk, come with deferred consequences (both positive and negative) and uncertainty of financial return. It was explained earlier that consumers perceive deposit products to be undifferentiated. However, complex financial products, such as mutual funds, equity or securities, are often tailored for a specific group of consumers, those who are willing to take financial risk and have the financial capability to be involved with a complex financial product. Given the degree of complexity involved with complicated financial products, financial services often differentiated the complex financial products from competitors by product features and offerings.

The literature of service advertising has often stressed that additional tangible cues ought to be used for those services that are perceived to be highly intangible. Murray (1991) reported that consumers tend to look for additional information as the level of perceived risks increased for a service. Thus, due to the nature that complex financial products are complicated and possess high

level of perceived financial risk, consumers are expected to increase the search for information and expand cognitive attention to evaluate product information aimed at reducing financial and performance risks associated with the product. Additionally, consumers of complex financial products are likely to be categorised as less-knowledgeable consumers, owing to their lack of familiarity and expertise of evaluating components of a complex financial product. Therefore, the research proposed that the central route to message persuasion (rational appeal) is more effective to enhance advertising effectiveness for complicated financial product. A rational appeal may be effective in enhancing advertising effectiveness for complex financial product by activating the receiver to go through a logical process of decision-making.

H2b: For a complex financial product, rational appeal is more effective in tangibilising the product, improving attitude towards the advertisement and enhancing attitude towards the brand, compared to an emotional appeal.

Research Question 3

A gap in the literature of Islamic banking has been identified by the research, where research on advertising strategies for Islamic banking is lacking in the literature, and there exists no suggestions on how advertising strategies carried out by Islamic banking should differ to those of conventional banking. Thus, a matter to be examined by this research is to determine and to make comparisons on the effects of advertising appeal in advertisements of conventional and Islamic banking; with the former operating on the basis of interest and equity, and the latter guided by Islamic principles forbidding any form of interest on financial transactions. Consumers are believed to form different sets of expectations between the two types of financial service provider due to differences in terms of corporate values; resulting to advertising strategies that should be different between the two forms of financial services. This gave rise to the third research question of the thesis:

RQ3: If tangible cues based on personal values important to consumers are manipulated by a rational or emotional appeal, in the case of Western-style banking and Islamic banking, which advertising appeal is more effective to improve perceived tangibility, enhance attitude towards the advertisement and attitude towards the brand?

Deposit banking was known to exist in ancient Greece and Egypt as early as the thirteenth century, and banking offices were prominently based in Amsterdam, London and Hamburg in the seventeenth and eighteenth century (Rothbard, 1983). Modern Western economic and financial history are often linked to the establishment of the London Royal Exchange in 1565 and conventional banking is thus more commonly known as Western-style banking. By 2005, the total assets held by the ten biggest banks in the world were more than US\$12.6 trillion; of which seven are European banks and two American banks (Keeler, 2005).

Han and Shavitt (1994) argued that advertisements focused on culturally-relevant values are more persuasive than those emphasising other values. It was suggested that advertisement appeals vary in their effectiveness across cultures. For instance, advertising appeals that emphasise connections with others and highlight interdependence with others are more effective for a collective culture while individualistic benefits are more persuasive in an individualistic culture (Aaker & Maheswaran, 1997; Han & Shavitt, 1994; Wang, 2000). Advertisements for conventional banking, linked to its early association with Western society, may be more successful if the advertising appeal is based on individualism, benefits and preferences, and personal success. Therefore, rational appeal emphasising on taking control of one's financial security based on a "thinking" approach is likely to be more effective in improving perceived tangibility, enhancing attitude towards the advertisement and attitude towards the brand, compared to an emotional appeal.

H3a: In the case of conventional banking, rational appeal is more effective in tangibilising the financial product, improving attitude towards the advertisement and enhancing attitude towards the brand, compared to an emotional appeal.

According to some researchers, advertising in a collectivist culture tends to avoid hard-sell approach, contains less information and uses more indirect, implicit and nonverbal communications which are often associated with emotional appeal (Mueller, 1987; Okazaki, 2004). In the context of this research, Islamic banks are normally associated with a collectivist culture, as the cultural and social values of people belonging to a Muslim society reflect the characteristic of a collectivist culture - emphasising respect, importance of others and forming harmonious relationships with others. Because of the association of Islamic banking with a collectivist culture, it therefore implies that emotional appeal should generate higher level of perceived tangibility, positive attitude towards the ad and attitude towards the brand for an Islamic financial brand, when consumers are able to visualise associated benefits in advertisements that offer satisfaction to their values.

H3b: In the case of Islamic banking, emotional appeal is more effective in tangibilising the financial product, improving attitude towards the advertisement and enhancing attitude towards the brand, compared to a rational appeal.

Research Question 4

In Section 2.3 (p.50), principles of the means-end chain explained the importance of cognitive linkages between attributes, positive consequences and values allowing consumers to recognise a product as personally relevant to reach their personal goals. The means-end chain helps researchers and managers to understand how consumers process product information, and the reasons why consumers prefer certain products or brand over others. Adapting principles of the means-end chain with a visualisation strategy to improve advertising effectiveness for services, a conceptual framework was proposed which was explained in Section 2.7 (p.84). To test the validity of the

relationships between the means-end chain connectivity and different variables in the model, the fourth research question was developed.

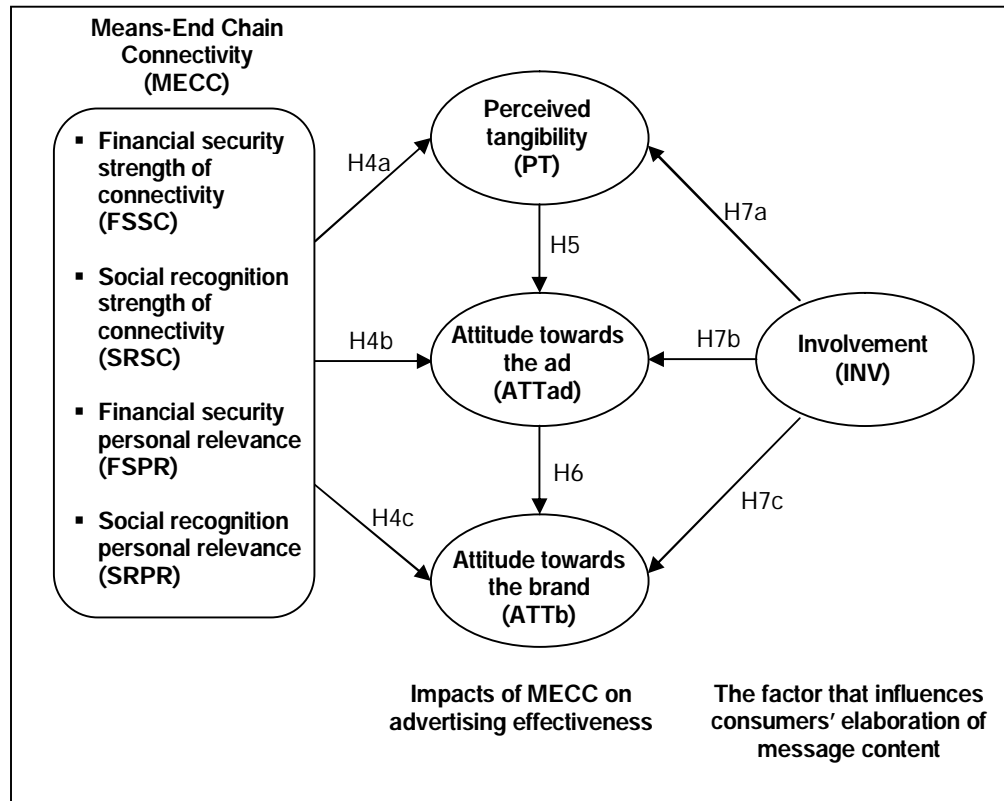
RQ4: What is the effect of means-end chain connectivity on perceived tangibility of a financial service, attitude towards the advertisement and attitude towards the brand?

A structural model to enhance advertising effectiveness was proposed for financial services at an aggregate level and presented in Figure 11 (p.97). The model proposed that if key means-end elements for financial services (financial security and social recognition) are successfully communicated to recipients through advertising, the cognitive linkages between these means-end elements may activate the recipients to perceive a financial service as personally relevant on satisfying their personal goals. The research proposed that the stronger the degree of means-end chain connectivity, the higher the likelihood that consumers are able to visualise intangible features and the related benefits of a financial service. Enhanced visualisation of a financial service leads to improved perceived tangibility and positive attitudes. Thus, the research hypothesised that means-end chain connectivity of financial services have direct impact on perceived tangibility, attitude towards the advertisement and attitude towards the brand, and the respective hypotheses are displayed in Figure 13 (p.114).

H4: Higher degree of means-end chain connectivity, comprised of means-end elements related to financial security and social recognition, leads to improved visualisation of financial services and has direct positive impacts on:

- (a) perceived tangibility;
- (b) attitude towards the advertisement; and
- (c) attitude towards the brand.

Figure 13: Hypotheses depicted in the proposed model to enhance advertising effectiveness for financial services



Research Question 5

With reference to Figure 13 and the arguments made in Section 2.7.1 (p.96), successful connections between means-end elements facilitate consumers' visualisation of intangible benefits related to a financial service provider to achieve their end-goals. This results to enhancement on perceived tangibility of financial services, and may have a significant effect on advertising effectiveness. The next research question seeks to determine if improvement on the level of perceived tangibility has an impact on formation of positive attitudes.

RQ5: What is the effect of perceived tangibility on attitude towards the advertisement which subsequently may enhance attitude towards the brand?

The relationships depicted in Figure 13 suggests that higher degree of perceived tangibility of a financial service assist and facilitate consumers'

evaluations on the intangible aspects of a financial service provider, and which then generates favourable attitude towards the advertisement and subsequently enhances attitude towards the financial brand. Therefore, the next set of hypotheses aims to validate or falsify the above relationships in the proposed model to enhance advertising effectiveness for financial services.

H5: Increased level of perceived tangibility can ease consumers' evaluation of financial service which subsequently has a positive impact on attitude towards the advertisement.

H6: Positive attitude towards the advertisement, because of an increased level of perceived tangibility of financial service, has a positive impact on attitude towards the brand.

Research Question 6

Figure 13 and conceptualisation of the model explained in Section 2.7.1 (p.96) denote that successful manipulations of tangible cues related to personal values important to consumers of financial services may trigger a means-end chain reaction in the mind of the consumers. These eventually help them to recognise the advertised financial service provider as personally-relevant to satisfy their end-goals, and consumers are likely to elaborate on the messages embedded in the advertisement. Consumers' ability and motivation to expand cognitive efforts to elaborate and evaluate tangible cues are associated with the level of involvement with a financial product, and involvement was proposed to influence advertising effectiveness. Thus, the sixth research question aims to provide some indications on the influence of involvement on perceived tangibility and consumers' attitude.

RQ6: What is the impact of involvement towards the product on perceived tangibility, attitude towards the advertisement and attitude towards the brand?

Mulvey et al. (1994) and Celsi and Olson (1988) suggested that consumers who are able to infer a complete means-end linkages and personal relevance, triggered from advertising cues, tend to be more involved with the advertised

product and are more likely to articulate and attend to product-related information in advertisements. When they are willing to devote cognitive efforts to expand on message content, the advertised service becomes more visible to the consumers, and thus, perceived tangibility and consumers' attitudes are subsequently enhanced. These led to the following hypotheses:

H7: Involvement influences consumers' cognitive efforts to expand on service-related information in advertising, and has significant impacts on:

- (a) perceived tangibility;
- (b) attitude towards the advertisement; and
- (c) attitude towards the brand.

Research Question 7

Section 2.4 (p.67) highlighted that some researchers argued that Islamic banks appealing to Muslims on the basis of religious factor alone are not sufficient to entice them to become a customer of an Islamic bank. It remains unclear in the literature regarding the effect of religion in advertising carried out by Islamic bank. Some findings revealed, however, that respondents believed Muslims will bank with an Islamic financial service on the basis of profitability and religious motives. Thus, it indicate that religious value may be one of the factors that influence Muslims' perceptions and attitudes toward an Islamic bank, since it was explained that religious beliefs and values are important factor influencing one's daily practices and decision-making. Communicating benefits and values important to the Muslim financial customers, including a religious message element, through advertising may influence their perceptions and attitudes toward an Islamic bank. Therefore, the research aims to determine the effect of a religious value on advertising effectiveness for Islamic banking, and to narrow an existing gap in the literature of Islamic banking where there is lack of studies investigating the type of advertising strategies effective to enhance advertisings of Islamic banking. Thus, the next research question aims to determine the extent of a religious factor on advertising effectiveness of Islamic banking.

RQ7: For consumers of the Islamic faith, what is the effect of a religious factor on advertising effectiveness of Islamic banking?

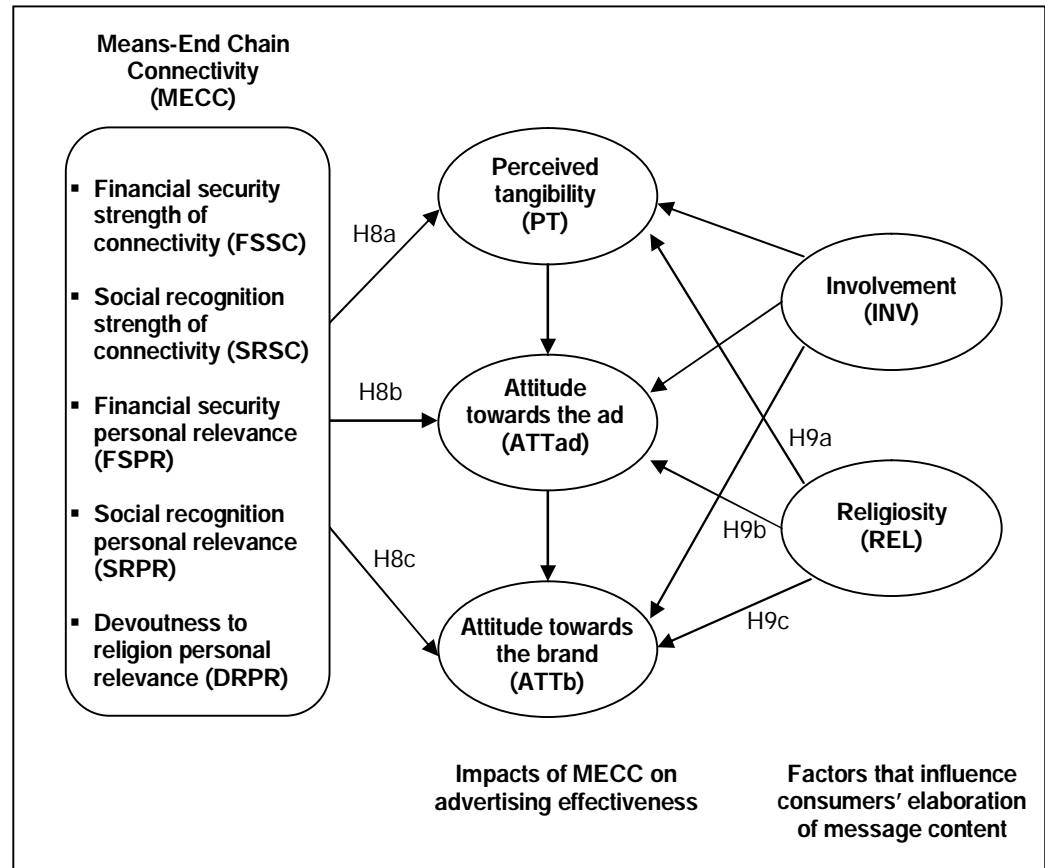
A model to enhance advertising effectiveness for Islamic banking was proposed in Section 2.7.2 (p.99), presented in Figure 12 (p.100). The research proposed the means-end chain connectivity for Islamic banking consists of five dimensions, related to financial security, social recognition and devoutness to religion, and which has a direct impact on advertising effectiveness. Devoutness to religion was proposed to be a component of the means-end chain connectivity for Islamic banking as this particular component triggers the Muslim consumers to realise that this particular mode of banking operation adheres to their demand for banking practices that do not involve interest gained or charged.

The conceptualisation of the model argued that the strength of means-end chain connectivity activated in the mind of the consumers have significant impacts on advertising effectiveness. This research suggests that the simultaneous realisation of financial security, social recognition and devoutness to religion have positive impacts on perceived tangibility, attitude towards the advertisement and attitude towards the brand. To investigate the impact of the means-end chain connectivity domain for Islamic banking, the next hypothesis was proposed, and illustrated in Figure 14 (p.118).

H8: Higher degree of means-end chain connectivity for Islamic banking, comprised of means-end elements related to financial security, social recognition and devoutness to religion, leads to improved visualisation of financial services and has direct positive impacts on:

- (a) perceived tangibility;
- (b) attitude towards the advertisement; and
- (c) attitude towards the Islamic financial brand.

Figure 14: Hypotheses depicted in the proposed model to enhance advertising effectiveness for Islamic banking



Research Question 8

It was proposed in Section 2.7.2 (p.99) that religiosity is a second factor influencing the Muslim consumers to process advertising messages. Like the effects of involvement on advertising effectiveness, the degree that one adheres to his or her religious values, beliefs and practices and uses them in daily life, is likely to affect the elaboration on message content of an Islamic financial service. However, it is unclear if this factor affects the Muslim consumers to comprehend message elements, and its impact on advertising effectiveness for Islamic banking. Thus, the final research question was proposed to investigate the impact of religiosity on advertising effectiveness.

RQ8: What is the impact of religiosity on perceived tangibility, attitude towards the advertisement and attitude towards the brand?

There is no study that has examined the role of religiosity on advertising effectiveness for Islamic banking. The research proposed and argued that the degree of an individual's commitment to his or her religion is expected to influence an individual's elaboration of message content in an advertisement of an Islamic bank, and attitudes toward the Islamic financial service provider. This is because they are more likely to understand the concepts of Islamic banking and are willing to put in additional efforts to evaluate the information in advertisement of Islamic banking; resulting to enhanced advertising effectiveness. The final hypothesis was proposed to investigate the impact of religiosity on advertising effectiveness and presented in Figure 14 (p.118).

H9: Religiosity affects consumers' cognitive efforts to expand on service-related information in advertising, and has significant impacts on:

- (a) perceived tangibility;
- (b) attitude towards the advertisement; and
- (c) attitude towards an Islamic financial brand.

Table 6: A summary of the research questions and related hypotheses

<p>The research problem:</p> <p>What message content (type of tangible cues) and structure (type of advertising appeal) in advertising will improve perceived tangibility and, at the same time, enhance positive formations of attitude towards the advertisement and attitude towards the brand?</p>
<p>RQ1: If tangible cues based on personal values important to consumers are manipulated by a rational or emotional appeal, which advertising appeal is more effective to improve perceived tangibility, enhance attitude towards the advertisement and attitude towards the brand?</p> <p>H1: Rational appeal is more effective to improve perceived tangibility of a financial service, increase level of attitude towards the advertisement and enhance attitude towards the brand, compared to emotional appeal.</p>
<p>RQ2: For a simple and a complex financial product, if tangible cues based on personal values important to consumers are manipulated by a rational or emotional appeal, which advertising appeal is more effective to improve perceived tangibility and formation of positive attitudes toward the financial service provider?</p> <p>H2a: For a simple financial product, emotional appeal is more effective in tangibilising the product, improving attitude towards the advertisement and enhancing attitude towards the brand, compared to a rational appeal.</p> <p>H2b: For a complex financial product, rational appeal is more effective in tangibilising the product, improving attitude towards the advertisement and enhancing attitude towards the brand, compared to an emotional appeal.</p>
<p>RQ3: If tangible cues based on personal values important to consumers are manipulated by a rational or emotional appeal, in the case of Western-style banking and Islamic banking, which advertising appeal is more effective to improve perceived tangibility, enhance attitude towards the advertisement and attitude towards the brand?</p> <p>H3a: In the case of conventional banking, rational appeal is more effective in tangibilising the financial product, improving attitude towards the advertisement and enhancing attitude towards the brand, compared to an emotional appeal.</p> <p>H3b: In the case of Islamic banking, emotional appeal is more effective in tangibilising the financial product, improving attitude towards the advertisement and enhancing attitude towards the brand, compared to a rational appeal.</p>
<p>RQ4: What is the effect of means-end chain connectivity on perceived tangibility of a financial service, attitude towards the advertisement and attitude towards the brand?</p> <p>H4: Higher degree of means-end chain connectivity, comprised of means-end elements related to financial security and social recognition, leads to improved visualisation of financial services and has direct positive impacts on:</p> <ul style="list-style-type: none"> (a) perceived tangibility; (b) attitude towards the advertisement; and (c) attitude towards the brand.

RQ5: What is the effect of perceived tangibility on attitude towards the advertisement which subsequently may enhance attitude towards the brand?

H5: Increased level of perceived tangibility can ease consumers' evaluation of financial service which subsequently has a positive impact on attitude towards the advertisement.

H6: Positive attitude towards the advertisement, because of an increased level of perceived tangibility of financial service, has a positive impact on attitude towards the brand.

RQ6: What is the impact of involvement towards the product on perceived tangibility, attitude towards the advertisement and attitude towards the brand?

H7: Involvement affects consumers' cognitive efforts to expand on service-related information in advertising, and has significant impacts on:

- (a) perceived tangibility;
- (b) attitude towards the advertisement; and
- (c) attitude towards the brand.

RQ7: For consumers of the Islamic faith, what is the effect of a religious factor on the advertising effectiveness of Islamic banking?

H8: Higher degree of means-end chain connectivity for Islamic banking, comprised of means-end elements related to financial security, social recognition and devoutness to religion, leads to improved visualisation of financial services and has direct positive impacts on:

- (a) perceived tangibility;
- (b) attitude towards the advertisement; and
- (c) attitude towards the Islamic financial brand.

RQ8: What is the impact of religiosity on perceived tangibility, attitude towards the advertisement and attitude towards the brand?

H9: Religiosity affects consumers' cognitive efforts to expand on service-related information in advertising, and has significant impacts on:

- (a) perceived tangibility;
- (b) attitude towards the advertisement; and
- (c) attitude towards an Islamic financial brand.

A Summary of Chapter 2

A review of relevant literatures presented in Figure 8 (p.80) outlined four different sets of literatures, and they are interlinked with one another to arrive at the research problem of the research. The body of relevant literatures elaborated by this thesis include: (i) intangibility; (ii) service advertising; (iii) means-end chain; and (iv) Islamic banking; and parentheses in the diagram denote the respective section that was reviewed in the thesis.

Section 2.1 (p.12) of the thesis began by explaining that service researchers recognised and often agreed that the characteristics of services gave rise to numerous marketing challenges for managers of service firms, and these issues are not similar to marketing of physical goods. Intangibility of services is the main characteristic that gave rise to emergence of the other service characteristics (heterogeneity, inseparability and perishability), and it was also pointed out that early discussions in the services marketing literature explained intangibility as the lack of physical properties of services (physical intangibility). Subsequently, the research recognised that the increased degree of physical intangibility associated with services often contribute to consumers' difficulty of comprehending mental aspects of services (mental intangibility). Consumers are often faced with the difficulty of conceptualising and evaluating service components, as the service attributes are mentally formed and processed in their mind. A strategy to counteract the effects of intangibility of services is to increase the level of tangible cues in advertising to help and facilitate consumers' evaluation of service offerings. This paves way to a review of relevant literatures in the service advertising literature, with a particular focus on existing studies that help explain the strategies to tangibilise services.

Section 2.2 (p.25) forms the second component of the literature review with emphasis made on existing studies pertaining to rational and emotional appeal, that are often discussed as a strategy to concretise services. However, there exist contradictory findings on the effectiveness of the two types of advertising appeal needed to tangibilise services. Additionally, it was also recognised that

there is a shortage of empirical research of the type of tangible cues and advertising appeal to tangibilise services and enhance advertising effectiveness.

Taking into considerations the argument forwarded by Lovelock and Gummesson (2004), explained in Section 2.1.2 (p.16), that service characteristics differ at varying degree in each sector, and in particular that mental intangibility exists only in some service category, financial services was chosen as the service sector for investigations. Financial services are characterised by intangible service performances directed at the consumers' intangible assets, rendering it more intangible compared to other service categories, and within the family of financial services, there exist varying degree of intangibility and complexity, which may require specific advertising strategy to tangibilise service attributes. Thus, an investigation in this particular industry is believed to add knowledge to the literature of financial services. It was also stressed in Section 2.2.3 (p.38) that corporate branding is particularly important to build the desired brand image for financial services as consumers tend to identify a service component by its brand name; and it was pointed out that advertisings of financial products are always merged with a corporate-dominant strategy aimed at enhancing favourable attitude towards the corporate brand.

It was revealed in some studies of bank-selection criteria that some factors are more important that influence consumers' decision to patronage financial services. These attributes are associated with some specific benefits that consumers sought after from financial services. Concepts of the means-end chain discussed in Section 2.3 (p.50), formed the third component of the literature review, giving insights into how consumers may conceptualise the intangible aspects of financial services. Illustrations are made with a hypothetical means-end chain for travel insurance presented in Figure 5 (p.65) demonstrating how consumers make linkages between attributes, consequences and values; triggering consumers to consider a financial product as personally relevant on satisfying their personal end-goals. Understanding concepts of the means-end chain linkages help explain why consumers develop preference for certain financial products, and provide insights on how consumers may react to

tangible cues embedded in advertisements of financial services when they are able to link representations of product/service components in advertisements to the attainment of personal values.

Section 2.4 (p.67) forms the final component of the literature review and pertains to Islamic banking; a form of financial service operating on the basis of interest-free banking. This type of financial service offers a value different to that of conventional banking; that is, banking practices adhering to Islamic principles. Islamic banking is part of the financial services industry, and because there are some perceptions that Islamic banking is not distinctly different from conventional banking, additional insights on the type of tangible cues and advertising appeal to tangibilise financial services offering different values could be gained by including this area of investigation in the research.

Section 2.5 (p.77) is a statement of the research problem, conceived mainly due to intangibility of services and the need to tangibilise services by investigating the most appropriate tangible cues and advertising appeal in advertising strategies. Gaps in the knowledge base of service advertising, financial services and Islamic banking are explained in Section 2.6 (p.81), pointing out specific areas that this research could make a contribution in the literature.

Following a statement of the main research problem and identifying gaps in the knowledge base, a conceptual framework to enhance advertising effectiveness for services was proposed (Figure 9, p.88). Conceptualisation of this model was built on the principles behind the means-end chain and Berry and Clark's (1986) tangibilising strategies for services. The thesis argued that the simultaneous occurrence of strength of means-end chain linkages and realisation of personal relevance facilitate consumers' visualisation of service features, and subsequently enhance advertising effectiveness.

To validate and test this framework, two structural models were proposed: (i) a model to enhance advertising effectiveness for financial services at an aggregate level (Figure 11, p.97); and (ii) a model to enhance advertising

effectiveness for Islamic banking (Figure 12, p.100). The thrust in the proposed models is the means-end chain connectivity construct (MECC) consisting of several dimensions, which enhances visualisation of the advertised service and has significant impacts on perceived tangibility, attitude towards the advertisement, and attitude towards the brand. Eight research questions and several hypotheses are developed, summarised in Table 6 (p.120), and which aim to provide indications for the main research problem and to investigate the robustness of the conceptual framework to enhance advertising effectiveness for financial services. The various research questions and hypotheses are concerned with (i) financial services that differ in terms of levels of complexity and corporate values; and (ii) the effects and impacts of MECC on financial services as a whole, and for Islamic banking. In order to assess the proposed models, the next chapter outlines the methodology of the research, consisting of several procedures carried out in the experimental stage of this research.

CHAPTER 3

METHODOLOGY

An Overview of Chapter 3

This research adopts a quantitative approach utilising experimental ads and structured questionnaires, with an objective of confirming and validating of hypotheses to provide some indications for the different research questions. The methodological framework aims to ensure that the experimental ads used for the main experiment have been successfully manipulated, appropriate instruments have been adopted to measure the various constructs, and that these measurements exhibit validity and reliability to be examined at the data analysis stage.

This chapter is organised in four sections, outlining the procedures for data collection and analysis. Section 3.1 (p.127) is concerned with the research design of the research, explaining the choice of financial products and manipulations of the advertising stimuli used for the main experiment. Three pilot studies were conducted before finalising the experimental ads and questionnaires used in the main experiment; and Figure 17 (p.154) illustrates the steps involved at the research design stage. The second section elaborates on the different instruments used to measure the various constructs proposed in the structural models. A total of 63 items are used to measure seven underlying constructs. Section 3.3 (p.169) highlights the demographic characteristics, the status of the financial industry in Brunei and the changing trends in the banking environment of Brunei – the country where the experimental study was carried out. The last section is a detailed discussion of assessing the psychometric properties of measurement instruments to ensure that the indicators are measuring its intending construct, and also outlines the method of analysing the data to address the research questions and testing of the hypotheses.

3.1 Research Design

This section discusses the design and manipulation of stimuli (tangible cues and advertising appeal) in advertisements and instruments used to assess the appropriateness of these ad stimuli for the main experiment. The research design is organised in five sections. The first section discusses the rationales of selecting the most relevant financial products for the experimental study of the research. The second section provides explanations on the choice of advertising stimuli, and how means-end elements may be translated as tangible cues in the experimental ads. The next three sections elaborate on the pilot studies carried out to assess if the relevant advertising stimuli have been adequately depicted in the advertisements, and to determine that the layout of the questionnaire for the main experiment was perceived by respondents as easy to complete in order to minimise possible errors.

Many marketing studies carry out a preliminary exploratory research to identify related variables of an idea or construct, uncover meanings that consumers attached to the subject of interest or to reduce items in a set of questionnaire. It should be noted that a qualitative exploratory study seeking to develop the principles of the means-end chain linkages and means-end elements for financial services was not carried out by this research, as (i) the means-end chain is a well-established theory, and has been widely discussed in the consumer behaviour and marketing literatures, and (ii) the studies by Devlin and Gerrard (2004), Divine and Lepisto (1998) and McKechnie (1992) have identified the important bank attributes and personal values that the consumers often relate to financial services. This research considers that it is more important to establish if means-end linkages are formed in the mind of the consumers upon exposure to advertisements, the strength of means-end connections, and the effects of means-end chain connectivity triggered by advertising stimuli on consumers' attitudes, rather than repeat the work that has been carried out by other researchers.

An experimental study was adopted by this research as it allows for manipulation of cues in the experimental ads. It is important to control the manipulation of ad stimuli to determine the effects of different conditions on

respondents' means-end chain connectivity which subsequently have an impact on advertising effectiveness. The experimental study also allows for testing of the proposed hypotheses and more rigorous testing of the conceptual framework to enhance advertising effectiveness for services, by manipulation of appropriate tangible cues which were proposed to reach out to satisfying recipients' personal goals.

3.1.1 Choice of Financial Products

Section 2.2.3 (p.38) has highlighted that Harrison (2003) argued that the complexity of a financial product relates to the relative ease by which consumers are able to understand features of a financial product. Financial products come with a varying degree of perceived tangibility; the higher the level of perceived tangibility, the harder it is to understand and mentally conceptualise intangible aspects of the financial product. Financial products at the lowest level of the pyramid of financial independence, illustrated in Figure 1 (p.42), are perceived to be more tangible and easier to evaluate compared to those at a higher level of the hierarchy of financial independence. The financial products located at the higher level of the pyramid (complex financial products) are harder to evaluate as consumers need to possess greater product knowledge to understand product features and benefits, coupled with high level of financial risk and additional time commitments, in order to weigh the relative positive (and negative) consequences of these products. These financial products are more difficult to understand making them harder to evaluate and more intangible (difficulty to visualise benefits associated with the product, especially due to uncertainty) compared to simple financial products. Thus, this research opts for financial products to be included for investigation based on the degree of product complexity, to determine if differences on degree of perceived tangibility have an effect on advertising effectiveness of financial services.

The financial products to be included for investigations of advertising effectiveness should have similar capability to meet consumers' criteria of personal end-goals, that is, financial security (an important personal value important to the financial consumers). Financial products based on current

earnings to finance future consumption (such as, savings and investments) are preferred over instruments that finance current consumption based on future earnings (for instance, credit products and loans) to act as the product stimuli for this research. This is because savings and investments meet consumers' end goals of financial security, whereas credit products fulfil consumers' immediate satisfactions at the current state, and not enhancements of financial security.

Within the different types of financial products, savings account is the simplest form of financial product; and likely to be perceived as the most tangible among the different financial products. Thus, savings account is a good representation for a simple financial product. On the other hand, a bond was selected to represent a complex financial product to be included for the experimental study. It is characterised as a financial product requiring long-term financial commitment coupled with deferred benefit (low liquidity). A bond is harder to evaluate, making it more intangible among the various deposit products. Equities, securities, mutual funds and foreign currency trading are examples of complex financial products; however, these financial instruments are financially risky and require consumers' speculations. Therefore, they do not necessarily enhance one's financial security compared to a bond that offers a lower rate of financial returns on consumers' investments over an agreed period of time. Thus, for the experimental study, savings account was selected to represent a simple financial product, and a bond for complex financial product.

In the case of Islamic financial products, the industry offers an array of Islamic financial products ranging from savings and current accounts, debit and credit cards, *Shariah*-compliant home and vehicle-mortgage products, insurance and investment products such as equity funds, bonds, property funds and capital-protected funds. It was discussed earlier, a savings account and bond are the financial products included for the experiments. To compare the type of tangible cues and advertising appeal on advertising effectiveness between conventional banking and Islamic banking, *Al-wadiah* (Islamic savings account) and *Sukuk* (Islamic bond) are selected as the Islamic financial instruments for

the study, as these are financial products that are similar to their conventional counterparts.

3.1.2 Advertising Stimuli Manipulation

It was explained in Section 2.2.3 (p. 38) that advertising carried out by banking institutions are most often a blend of both corporate and product advertising. The brand name of a bank serves as the background for advertising of financial products to inform customers of new or existing financial products, aid sales promotion, enhance positive attitudes or influence behavioural intentions. Informational cues related to a brand influence recipients' brand evaluations, acting as cues stored in memory (Keller, 1987). A familiar brand name may confound the effects of experimental factors on the advertised financial service in this research. Therefore, fictitious product and bank names were created to control for prior knowledge of a financial service brand.

The advertising test copies for this research were created with most characteristics to resemble existing bank advertisements in magazines to allow respondents to evaluate the print ads in a manner similar to those in the existing market. The experimental ads made use of both verbal and pictorial representations in full-coloured A4-sized ads. It is necessary to use words in bank advertisements to provide recipients with the necessary information about the financial products – to increase their awareness and understanding of the advertised product, while image depictions of related bank attributes are believed to facilitate their perception on service quality and the overall image of a financial institution. Advertisements with words and images were found to enhance an advertisement's effectiveness compared to verbal only advertisements (Laskey, Seaton, & Nicholls, 1992; Stafford, 1996) and nowadays, advertisements of financial services make use of both words and pictures in the marketplace. Descriptions of bank attributes and benefits are part of the documentation strategy, while images represent a physical representation strategy aimed at enhancing consumers' visualisation of intangible aspects of financial services. Thus, it is appropriate to describe features and benefits a financial product using words, while conveying relevant

pictures of a financial service provider to create the desired corporate brand image.

The Means-End Conceptualisation of the Components of Advertising strategy (MECCAs) is a strategy that transforms attributes-consequences-values linkages of product into meaningful components in advertising (Olson & Reynolds, 1983; Reynolds & Gutman, 1984). This strategy adopts the means-end conceptual framework to specify appropriate advertising content by incorporating the three levels of abstractions of the means-end chain for financial services and translate them into five specific components in advertising that may enable recipients to better relate the advertised financial product to reach their personal motives. Olson and Reynolds (1983) argued that managers must choose personal values important to consumers to be emphasised in advertising, and determine how the advertising will connect the product to the key end-states.

Reynolds and Gutman (1984) stressed that the connections between attributes, consequences and personal values help create brand image during advertising, but the components have to be in line with the different levels of the means-end chain. These connections are depicted by the MECCAs model, illustrated in Table 7 (p.132), with attributes, consequences and personal values correspond directly to Message Elements, Consumer Benefit and Driving Force, respectively. These components represent the tangible cues to be displayed in advertisements. The Leverage Point is the key element that “taps into” or “activates” the personal values of consumers. In a sense, the Leverage Point is the personification of the brand that when communicated, activates the Driving Force (Reynolds & Rochon, 1991). The Executional Framework represents the plot, scenario or tone for the advertising execution to be perceived by recipients as indicated by particular means-end chains. The aim of the execution is to link the Message Elements, Consumer Benefits, Driving Force and Leverage Point as tightly as possible in a consistent fashion, connecting product attributes with positive consequences and to personal values that serve to induce recipients’ purchasing behaviour or perception of the product as relevant to self-related knowledge. In order for the advertising

strategy to be effective, each level of the MECCAs model must fit with the cognitive structures of target consumers and should be delivered in a consistent and mutually reinforcing structure (Olson & Reynolds, 1983).

Table 7: Translating means-end elements into specific components in advertisements

Level	Definition
Driving Force	The value orientation of the strategy: the end-level to be focused on in the advertising
Leverage Point	The manner by which the advertising will “tap into”, reach, or activate the value or end-level of focus; the specific key in which the value is linked to the specific features in the advertising
Executorial Framework	The overall scenario or action plot, plus the details of the advertising execution. The executorial framework provides the “vehicle” by which the value orientation is to be communicated; especially the Gestalt of the advertisement; its overall tone and style
Consumer Benefit	The major positive consequences for the consumer that are to be explicitly communicated, verbally or visually, in the advertising
Message Elements	The specific attributes, consequences, or features about the product that are communicated verbally or visually

Source: Olson, J. C. & Reynolds, T. J. (1983), “Understanding consumers’ cognitive structures: Implications for advertising strategy,” In *Advertising and Consumer Psychology*, L. Percy and A. G. Woodside (Eds.): Lexington Books, p.88

The MECCAs model provided crucial guidance for development of the advertisements for use in the experimental research. Creative strategy with the appropriate verbal (the right message with the right words) and visual (the setting for the advertising) cues are expected to deliver relevant messages that motivate consumers toward positive reaction to the product or brand (Reynolds & Craddock, 1988). The appropriate tangible cues based on means-end elements related to financial services may enhance advertising effectiveness for a financial service. Using MECCAs, the means-end elements that are important to customers of financial services may be translated as tangible cues in advertising and executed by an appropriate advertising appeal to provide insights for the research problem: *what message content (type of tangible cues) and structure (type of advertising appeal) in advertising will improve*

perceived tangibility and, at the same time, enhance positive formations of attitude towards the advertisement and attitude towards the brand?

The MECCAs model was adopted to develop the structure (type of message elements and advertising appeal) of the advertisements, for two financial products that differ in term of complexity, and two financial service providers that differ in term of corporate values. To be specific, key bank attributes important to financial consumers (*price* and *service-oriented quality*), personal values (*financial security* and *social recognition*) related to financial services, and an additional personal value (*devoutness to religion*) in the case of Islamic banking, were translated into specific components in the advertisements, with the tone of the advertisements manipulated by either a rational or emotional appeal.

Advertising stimuli in an advertising appeal was predominantly based on one salient bank attribute to trigger means-end chain linkages and allow recipients to perceive a financial product as personally-relevant to satisfy their personal end-goals. The underlying reason that an advertising appeal was manipulated by a primary bank attribute is to stimulate recipients to go through a means-end chain reaction after seeing the relevant tangible cues in an advertisement. If recipients saw an advertisement based on two salient bank attributes, there may be mixed mental reactions in their mind. For instance, price of a financial product is a functional attribute and should it be strongly emphasised in an emotional appeal, recipients may not be able to distinguish between a rational and emotional appeal, and this may not allow the experiment to test the effects of a rational and emotional appeal for a financial service.

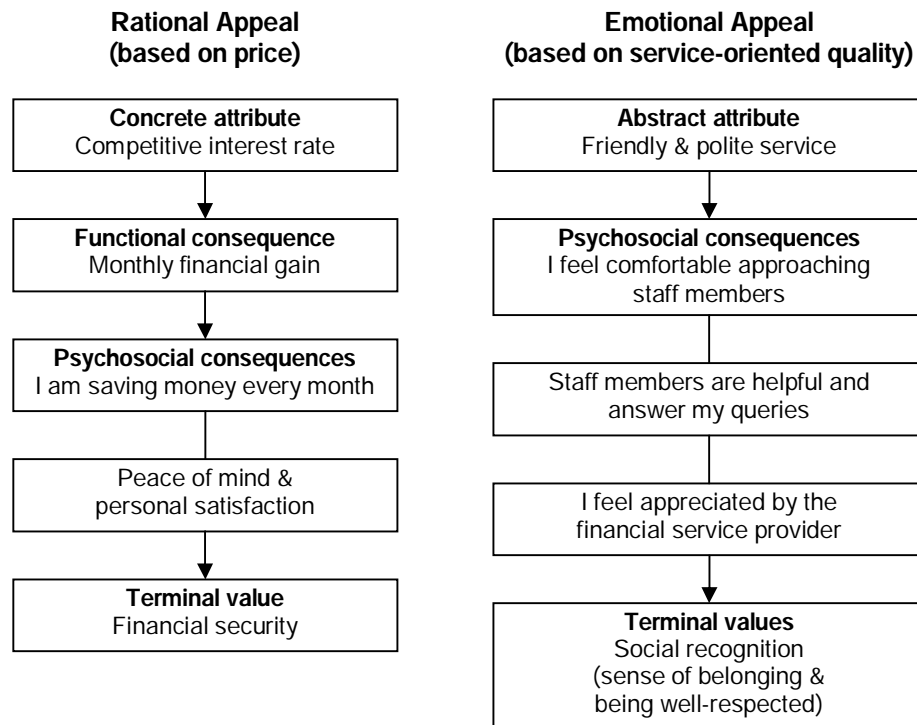
The price of a financial product (a functional attribute) is the salient message elements in a rational appeal that may induce recipients to go through a logical process to evaluate product merits on satisfying their personal goals of financial security. On the other hand, emotional advertisements are built on the foundation of a service-oriented quality (which is an emotional attribute) reaching out to recipients' need for social recognition (sense of being respected and appreciated for their patronage). The aim of these attributes is to trigger

respondents to go through a mental linkage of means-end elements in their mind after exposure to an experimental ad. It should be noted that although an appeal was based on a salient product attribute, the other attribute was also included as part of the tangible cue but at a small degree of representation. The argument is that both attributes are important to the financial consumers, and thus they should be incorporated in the print copies but with different degree of manipulations. It is the overall feel of an advertising appeal that is likely to affect the outcome of the experiment.

The tangible cues in the experimental ads are based on hypothetical means-end linkages for financial services, for instance those means-end linkages illustrated for travel insurance in Figure 5 (p.65). Two frameworks on the means-end linkages related to the different advertising appeals are proposed to signal the type of cues to include in the rational and emotional print ads for the experiment; one for conventional banking (Figure 15, p.135) and a second framework for Islamic banking (Figure 16, p.136).

Figure 15 is a proposed framework of the means-end linkages for conventional banking, by which message elements in the respective advertising appeal are based. Ad stimuli were manipulated according to guidelines of the MECCAs and the type of values important to the financial consumers to provide for the type of tangible cues and overall feel in the relevant advertising appeal. Illustrated in Figure 15, the rational ads are primarily based on price as the tangible attribute to activate respondents' need for financial security; whereas the focus of emotional ads are service-oriented quality to shape respondents' expectations of excellent service in order to trigger their needs for social recognition. The different elements in the respective advertising appeal are aimed at activating specific personal values; so that the respondents perceive the advertised financial service provider as instrumental on reaching their personal end-goals.

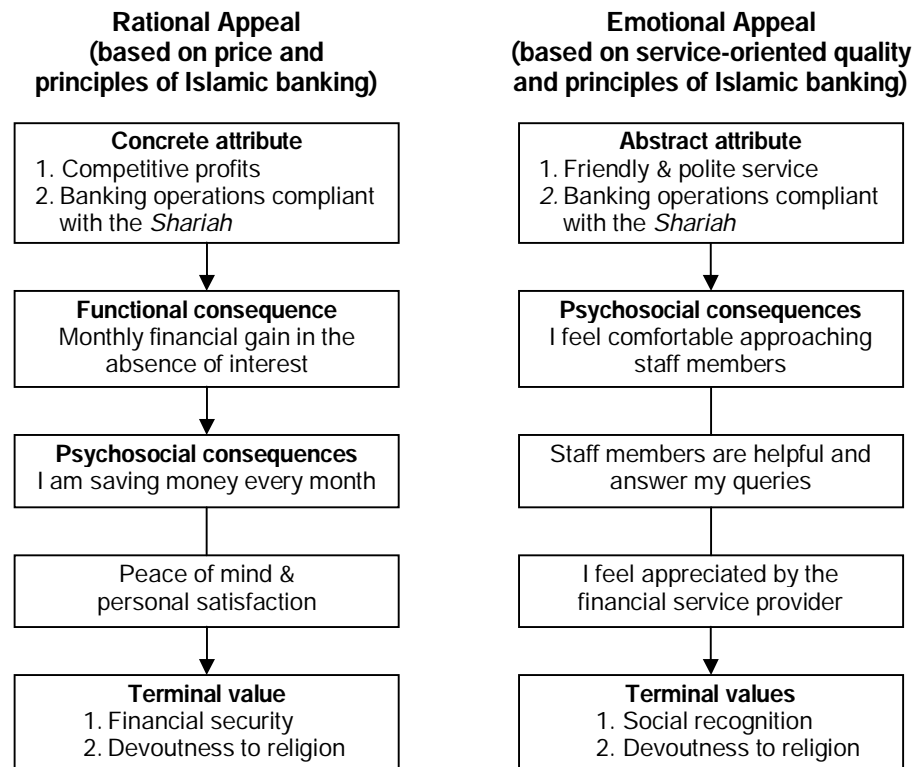
Figure 15: Means-end linkages for conventional banking, by type of advertising appeal



In Figure 15, the salient tangible cues depicted in a rational appeal and emotional appeal are interest rate (price) and friendly and polite staff (service-oriented quality), respectively. These are elements at the lowest level of the means-end chain, which are manipulated as tangible cues in the experimental ads and serve to trigger a chain of means-end linkages in the minds of the respondents. In the rational ad, the means-end linkages began with a tangible cue of competitive interest rate which translates into financial gains. This in turn, was transformed as positive functional benefits and a peace of mind (psychosocial consequences) on current and future financial situations, and which subsequently enhances one's need for financial security. On the other hand, tangible cues of friendly and helpful staff in an emotional appeal generate positive reactions when bank personnel are readily available to assist consumers making them feel comfortable talking to the service provider. These positive consequences activate a sense of belonging to the organisation and being well-respected, an indication of social recognition in the minds of the consumers.

A framework of the means-end linkages by advertising appeal meant for Islamic banking is illustrated in Figure 16. It is similar to that of conventional banking (in Figure 15), but the difference lies in the Islamic principles of interest-free banking. In a rational appeal, the tangible attribute – “profits” is of significance since principles of Islamic banking prohibit interest in any financial transaction. This eventually translates to financial gain in the absence of interest, stimulating consumers’ end-goals for financial security in line with one’s devoutness to religion. Although financial return is a function of any financial product, Islamic banking principles do not allow a predetermined return ratio to be explicitly spelt out in communication strategy, as it is based on the profit-loss-sharing principle. In most cases, the portion of profit lies absolutely at the discretion of the Islamic bank. On the other hand, the emotional ad with message elements of friendly and polite staff satisfy consumers’ needs for social recognition with operations of the Islamic bank based on the *Shariah* stimulating the devoutness to one’s religious value.

Figure 16: Means-end linkages for Islamic banking, by type of advertising appeal



Developing the Advertising Test Copies

Eight experimental ads for this research were developed based on the advertising appeal frameworks in Figure 15 (p.135) and 16 (p.136), guided by principles of MECCAs. Manipulations of message elements in the eight advertisements were made accordingly in the respective group: 2 types of advertising appeal (rational vs. emotional) x 2 types of financial product (simple vs. complex) x 2 types of banking system (conventional vs. Islamic). Details of the message content manipulations are included in Appendix 4, and a summary of the ad design is provided in Table 8 (p.138). In the respective groups, the tangible cues are manipulated by the means-end components according to advertising appeal. This was aimed at shaping recipients' expectation in order to influence their perceptions and attitudes toward the financial services.

Referring to Appendix 4 (p.327), the Message Elements and Benefits are documentation and physical representation of product features and related-benefits in each group. The Driving Force was based on the personal values that the advertisements aim to activate in the minds of the recipients. For instance, in rational advertising, tangible cues are primarily based on rate of return aimed at triggering recipients' needs for financial security. The Leverage Point aims to activate the personal value or end-level of focus; and this was represented by a headline in the respective advertisement; for instance, "Your financial security comes first" was emphasised in a rational appeal, while "You are our priority" was made as the main statement in an emotional appeal. At the same time, presentations of these tangible cues (Executional Framework) were manipulated by either a rational or emotional appeal, aimed at creating tighter links between the different means-end components (strength of means-end chain connectivity). Rational appeal was designed as a thinking advertisement, containing direct factual information presented in a straightforward manner, while emotional ads aim to generate positive emotions in the mind of recipients (Stafford & Day, 1995). The objective of these advertisements was to reach out to recipients' perceived personal relevance to activate their motivation to process product information and evaluate the advertised financial service.

Table 8: Design of the experimental ads by groups

Subject	Type of banking	Product	Advertising appeal	Main tangible attribute
Group 1	Conventional	Savings account	Rational	Interest rate
Group 2	Conventional	Savings account	Emotional	Friendly service
Group 3	Conventional	Bond	Rational	Interest rate
Group 4	Conventional	Bond	Emotional	Friendly service
Group 5	Islamic banking	Islamic savings account	Rational	Profit & <i>Shariah</i> -compliance
Group 6	Islamic banking	Islamic savings account	Emotional	Friendly service & <i>Shariah</i> -compliance
Group 7	Islamic banking	Islamic bond	Rational	Profit & <i>Shariah</i> -compliance
Group 8	Islamic banking	Islamic bond	Emotional	Friendly service & <i>Shariah</i> -compliance

Based on the information in Appendix 4, the experimental ads were created by graphic-designing software: Edraw Professional version 2.6. The experimental ads of a particular advertising appeal were designed in a consistent manner in each group to avoid confounding effects due to variations in the style of execution. Appendix 5 (p.335) displays the eight experimental ads created for the first pilot study. Manipulation checks are needed to determine if the message elements and advertising appeal have been successfully manipulated for the study, and discussions are made in the following sub-sections.

3.1.3 Pilot Study 1: Manipulation Checks

Manipulation checks of the eight experimental ads displayed in Appendix 5 are carried out to ensure that the appropriate elements in each group have been properly conveyed to the recipients, and to identify the existence of any potential issues. It is important to carry out pilot tests prior to the main experiment to make sure that the most suitable image and appropriate wordings have been used in each experimental advertisement.

Measurements in Pilot Study 1

Measurements of the different elements in the means-end chain in the rational and emotional appeal, those elements as outlined in Appendix 4 (p.327), were carried out to assess if they have been properly communicated. Each element is expected to trigger some form of reactions in the minds of consumers, eventually reaching out to their personal values. For instance, rational ads primarily focused on rate of return and related benefits as tangible cues to induce respondents' needs for financial security; while emotional ads emphasised on service-oriented quality aimed at triggering consumers' end-goals of social recognition.

Reynolds, Gengler and Howard's (1995) measurement of the degree by which the different means-end elements are communicated in the advertisements have been adapted to assess if the message elements were properly depicted in the advertisements. Eleven items, displayed in Table 9 (p.140), are used to measure the degree that the different means-end elements were communicated in the advertisements of conventional banking. Items A1 to A5 are concerned with means-end elements related to financial security, while A6 to A11 are concerned with the degree to which the attributes, benefits and values of social recognition are conveyed in advertisements.

In contrast to Reynold et al.'s (1995) study that asked respondents to rate their perception of communicated elements depicted in advertisements by a three-point Likert scale (with 1 = not endorsed as communicated; 2 = endorsed as communicated, clearly conveyed; and 3 = endorsed as communicated, perfectly conveyed), the current study requested respondents to rate how well each element was communicated in an advertisement along a five-point Likert scale, ranging from 1 = *strongly disagree* to 5 = *strongly agree*. The scores generated by Reynold et al.'s scale may be inclined toward "perfectly communicated", because the 2 and 3 points of Reynold et al.s (1995) 3-point scale to measure how well elements are depicted in an advertisement denote positive ratings. Taking this into consideration, the research deemed that it was more feasible that respondents are provided with a wider range to rate their judgments of the message elements displayed in the ads.

Table 9: Items measuring the degree by which the different means-end elements are communicated in advertisements of conventional banking

Items	
A1	The ad communicates a competitive interest rate.
A2	The ad communicates monthly financial gain for my deposit.
A3	The ad communicates that I will be able to save money each month.
A4	The ad communicates that the organisation is stable and is safe for me to deposit my money.
A5	The ad communicates a sense of financial security for me.
A6	The ad communicates staff personnel that are friendly and polite.
A7	The ad communicates that staff members will be readily available to answer my queries.
A8	The ad communicates that staff is approachable and I will feel comfortable talking to him or her.
A9	The ad communicates that the organisation appreciates me as a customer.
A10	The ad communicates staff members will respect me as a customer.
A11	The ad communicates a sense of belonging to the organisation.

Note: A2 and A3 were adjusted to accommodate the financial gain that one gains upon maturity in the advertisement for a bond. To be more specific, in the context of a bond, the questions were changed to:

A2. The ad communicates financial gain upon maturity of the five-year term.

A3. The ad communicates that I will have more savings at the end of the bond term.

Means-end elements in Islamic banking advertisements were measured in a manner similar to that of a conventional bank. The distinguishing element between a conventional bank ad and an Islamic bank ad is the presence of an Islamic value in advertisements of an Islamic financial service provider. The other attributes (price and service-oriented quality) in the Islamic bank ads were similar to those of conventional banking. Table 10 (p.141) displays the items used to examine if the various means-end elements have been appropriately demonstrated in advertisements of Islamic financial services. Items A1 to A5 measure how well the means-end elements linked to financial security are communicated in an ad, while items A6 to A11 are designed to measure the degree that elements related to social recognition have been communicated in the advertising test copies. Three additional items (A12 to A14) were included to assess the “Islamic-ness” of the Islamic financial

product in order to determine if respondents will perceive the Islamic financial products to be Islamic in nature and in compliance with the *Shariah*.

Table 10: Items measuring the degree by which the different means-end elements are communicated in advertisements of Islamic banking

Items	
A1	The ad communicates a competitive profit.
A2	The ad communicates monthly financial gain in the absence of interest for my deposit.
A3	The ad communicates that I will be able to save money each month.
A4	The ad communicates that the organisation is stable and is safe for me to deposit my money.
A5	The ad communicates a sense of financial security for me.
A6	The ad communicates staff personnel that are friendly and polite.
A7	The ad communicates that staff members will be readily available to answer my queries.
A8	The ad communicates that staff is approachable and I will feel comfortable talking to him or her.
A9	The ad communicates that the organisation appreciates me as a customer.
A10	The ad communicates staff members will respect me as a customer.
A11	The ad communicates a sense of belonging to the organisation.
A12	The ad communicates that the financial product is in compliance with the <i>Shariah</i> .
A13	The ad communicates that the bank's operation is in accordance with Islamic laws.

Note: Questions A2 and A3 were adjusted to accommodate the financial gain that one gains upon maturity of an Islamic bond. To be more specific, in the context of an Islamic bond, the questions were changed to:
A2. The ad communicates financial gain upon maturity of the five-year term.
A3. The ad communicates that I will have more savings at the end of the bond term.

Another set of measurements was included in the pilot study to examine whether the rational appeal was presented in a factual and formal manner, and whether the emotional appeal conveyed message elements in an emotional and subjective nature. Table 11 (p.142) illustrates the items seeking to assess if there exists significant difference between the two different types of advertising appeal, and these items were adapted from Liu and Stout's (1987) four seven-point bipolar scales of rational/emotional appeal.

Table 11: Items assessing the degree of difference between rational and emotional appeal

Items		
B1	The ad is communicated as:	Tangible -- Intangible
B2	The ad is communicated as:	Logical -- Emotional
B3	The ad is communicated as:	Objective -- Subjective
B4	The ad is communicated as:	Factual -- Non-factual

Source: Liu, S. S., & Stout, P. A. (1987). Effects of message modality and appeal on advertising acceptance. *Psychology and Marketing*, 4(3), p.167-187.

Participants and Procedures

The sample comprised of first and second year students registered with the Faculty of Business, Economics and Policy Studies of Universiti Brunei Darussalam, and they were allocated to one of the eight groups. The pilot study was conducted in the first week of February 2007 during term-time of the semester. The questionnaire was distributed to the student sample fifteen minutes before the end of a lecture session, with prior consent from the course convenor. Respondents were handed out a questionnaire containing an A4-sized colour ad of a financial product, and they were requested to rate their perceptions after they finished perusing an experimental ad at their own pace. A total of 224 questionnaires were collected, displayed in Table 12 (p.143). Some collected questionnaires were discarded as they were incomplete. The sample was collected on convenience sampling as the primary purpose was to test if the cues have been appropriately depicted and the effectiveness of stimuli manipulations in the experimental ads.

Results of Pilot Study 1

Reliability analyses of the measurement scales illustrated in Table 9 to 11 were conducted. Cronbach alpha for items measuring the degree by which means-end elements are communicated in the ads for conventional banking (those presented in Table 9, p.140) was reported at .782, above the recommended guideline of .70 denoting good internal consistency. Likewise, Cronbach alpha on the degree that means-end elements are depicted in advertisements of Islamic banking (those in Table 10, p.141) was reported at .861. Items measuring the degree of difference between rational and emotional appeal

(those in Table 11, p.142) demonstrated good internal consistency of the construct with Cronbach coefficient reported at .744.

Table 12: Number of advertisements collected by product type and advertising appeal in Pilot Study 1

Product Type	Type of Appeal		Total
	Rational Appeal	Emotional Appeal	
Savings Account	29	27	56
Bond	30	29	59
Islamic savings account	26	26	52
Islamic bond	28	29	57
Total	113	111	224

Mean scores for the items measuring the degree by which the elements were communicated by type of appeal are reported in Table 1 (p.343) of Appendix 6. Results indicated that the means for A1 to A5 were higher for rational ads, and higher mean scores were reported for A6 to A11 in the emotional ads. The findings denote that respondents perceived higher level of message elements related to financial security in a rational appeal, and respondents associated a higher presence of social recognition in an emotional appeal. These suggest that means-end elements were properly projected in the relevant appeal.

Independent sample t-tests were conducted to determine if statistical significant differences exist on depictions of message elements in the two different types of advertising appeal. Referring to Table 2 (p.344) in Appendix 6, except for A3, all items measuring the degree of element depictions related to financial security (A1 to A5) and social recognition (A6 to A10) exhibited significant differences at $p = .05$ statistical level. The results indicated that the primary attribute in one appeal type differs significantly from the other appeal, implying that depictions of a salient attribute in an appeal produced a main effect related to the intending personal value. For instance, tangible cues of price have been emphasised in a rational appeal, and respondents perceived the elements relating to financial security to be significantly different from those

communicated in emotional appeal. A3 is concerned about one's gain of monthly or annual returns on deposits, and this information was communicated in both rational and emotional appeal, but to a lesser extent in emotional appeal. Thus, this may have resulted in the non-significant difference of A3 in rational and emotional appeal. This research believes that it does not have a major impact on the overall feel in rational and emotional appeal. No significant difference was observed in elements measuring the degree of a religious content between rational and emotional. The Islamic financial products were manipulated at a similar degree of representations, and thus, are believed to not influence the overall feel in the two different types of advertising appeal.

Another set of independent sample t-tests was conducted to determine if significant difference exists between the two types of advertising appeal. The results presented in Table 3 (p.345) of Appendix 6 indicated no significant difference between the two types of appeal at $p = .05$ significant level. The findings signify that respondents did not perceive rational ads that are cognitive in nature (make them think) to be significantly different from emotional appeals intending to create a sense of subjective affection (appeal to their emotions).

Some participants were interviewed immediately after the questionnaires were collected. A respondent mentioned that the rational ad gave her a sense of financial rewards, but also projected a strong sense of good customer service. Another respondent discussed that she did not "feel" the presence of customer service in an emotional ad. These suggested that the rational ads have a strong presence of service-oriented quality, while the emotional ads lacked depictions of subjective elements. Following discussions with a few more respondents, apparently the emotional ads had been conveyed in a logical and objective manner. For instance, documentations of service excellence spelt out in an emotional appeal encouraged respondents to think and make judgments on service quality of a financial service provider, and failed to generate subjective emotions. As there were concerns about the lack of significant difference between rational and emotional appeal, the ads were revised accordingly and a second pilot study was conducted.

3.1.4 Pilot Study 2: Revision of Ad Stimuli and Manipulation Checks

Findings from the first pilot study indicated that the various means-end elements conveying a specific message to respondents were adequately communicated in the advertisements. However, rational and emotional ads were not perceived to be significantly different from each other. Thus, the experimental ads were revised as follow:

- (i) Statements in rational appeal that began with “our”, “we” and “you” were replaced, as these terms were believed to have conveyed messages to be personally related to the respondents. The changes made to the rational ads are illustrated below.

From:	To:
<i>The eye-catching statements</i>	
Our high interest rate will reward you every month on your hard-earned cash.	Receive interest every month for your hard-earned cash.
We prioritise ensuring that your money is fully-secure with us.	Federal Eastern Bank makes it a priority that your savings will be financially-secure.
You can be sure that your money is secure with the Federal Eastern Bank.	Improve your financial security with Federal Eastern Bank.
<i>The smaller texts</i>	
Our staff members ensure that you will...	The Federal Eastern Bank always makes sure that customers will...
We make it a priority that...	The Bank makes it a priority...

- (ii) Emotional appeal was changed to a new “feel”; from a blue to an orange theme in the advertising copies. The argument was that an orange tone is normally attached to a feeling of warmth and may enhance respondents’ affections in an emotional appeal. More emphasis on service excellence was made, and some descriptions of message elements were rephrased.

From:	To:
<i>The eye-catching statements</i>	
We pride ourselves on putting you first for your financial needs.	Excellent service with a smile is our motto.
Our friendly and professionally-trained staff are always available to assist you.	Be part of our growing financial organisation and experience what it is like to be one of our privileged customers.
<i>The smaller texts</i>	
Earn interest with our Regular Savers Account, offering you a high interest rate of 4.5 percent on your savings.	Federal Eastern Bank has paid much attention to listening to customers' needs...
Talk to our friendly, experienced and professionally-trained staff who ...	Our service-oriented staffs are always available to give you the best advice...

- (iii) Pictures at the bottom of the previous emotional ads were replaced with images of the same model. One showed a customer being greeted with an extended hand-shake. The second picture shows a customer signing an agreement. The same model was used in both pictures to convey an overall feel of friendliness by a member of the organisation, aimed at activating social recognition in the minds of consumers.
- (iv) The Al-Wadiah Savings Account is renamed as Al-Wadiah Account by dropping the word “savings” to give an extra boost on Islamic-ness of the Islamic savings account.

Appendix 7 (p.346) displays the revised advertisements by product type x advertising appeal x banking operation. Participants and results of the second pilot study are provided in the next section, and discussions are made to assess if the various means-end elements have been properly communicated in advertisements and if any significant difference between rational and emotional appeal exist in the different experimental groups.

Participants and Procedures

Participants in the second pilot study were third and fourth year students registered with the Faculty of Business, Economics and Policy Studies of Universiti Brunei Darussalam. Similar to the data collection method in the first pilot study, respondents were allocated to one of the eight treatment groups: advertising appeal (rational vs. emotional) x type of financial product (savings account vs. bond) x type of banking system (conventional vs. Islamic).

The second pilot study was conducted in the last week of February 2007, and the questionnaire was distributed to the student sample fifteen minutes before the end of a lecture session. Respondents received a booklet, containing an A4-sized colour ad of a financial service and questions pertaining to their perception of the advertisement. Table 13 (p.147) displays the number of questionnaires collected by product type and advertising appeal, with a total of 131 valid questionnaires collected.

Table 13: Number of advertisements collected by product type and advertising appeal in Pilot Study 2

Product Type	Type of Appeal		Total
	Rational Appeal	Emotional Appeal	
Savings Account	16	16	32
Bond	17	17	34
Islamic savings account	18	18	36
Islamic bond	14	15	29
Total	65	66	131

With the same instruments outlined in Section 3.1.3 (p.138), statistical analyses were made to determine if the different means-end elements had been adequately communicated in the revised ads, and if a statistical significant difference exists between rational and emotional appeal.

Results of Pilot Study 2

Assessments on how well the message elements were depicted in the respective advertising appeal and if significant difference exist between the two types of advertising appeal were made by examining mean scores and independent samples t-tests, respectively. The results are provided in Appendix 8 (p.354). Mean scores of individual items, by advertising appeal, measuring the degree that the means-end elements were depicted in the ads were reported in Table 1 (p.354) of Appendix 8. Higher mean scores were found on items A1 to A5 for rational appeal, indicating that elements projecting means-end linkages for financial security had been properly and adequately communicated; while means for the same items were found to be lower in an emotional appeal. On the other hand, the means for A6 to A11 measuring message elements concerning social recognition were found to be higher in emotional advertisements, indicating that tangible cues representing service-oriented quality were properly depicted in emotional appeal.

The above findings indicated that tangible cues aimed at triggering the intending personal value were adequately communicated to recipients. Take for instance, the mean score for A5: “The ad communicates a sense of financial security for me” was found to have a mean of 3.83 in rational appeal, while the mean for A10: “The ad communicates staff members will respect me as customer” for the same appeal was reported at 2.71. These indicated that respondents relate to message elements of financial security more strongly in a rational appeal than tangible cues concerning social recognition. The same trend was also observed for emotional appeal, suggesting that respondents perceived higher level of means-end elements associated with social recognition, compared to messages relating to financial security. The findings provide indications that respondents were able to identify the appropriate message elements and the intending personal values from the tangible cues in the relevant advertising appeal.

Independent sample T-tests were conducted to examine if a statistical difference exists between rational and emotional appeal for the individual means-end elements. Results in Table 2 (p.355) of Appendix 8 indicated

statistical significant differences for the various elements depicted in rational and emotional appeal (A1 to A11) at $p = .05$ statistical level. The findings signalled that respondents perceived the two types of advertising appeal as uniquely different from one another. However, no significant difference was found for A12 to A14 which measure perceptions on the “Islamic-ness” of an Islamic financial service, at $p = .05$ significant level. Tangible cues of a religious value in the Islamic banking ads were depicted at equal degrees of representation in both appeals; thus, the research believed that lack of significant difference for elements related to religious value in advertising appeal does not represent a serious threat for the research since they were included in the experimental ads to stimulate devoutness to religious value.

The mean scores for A1 to A11 in the first and second pilot study were also compared, and results suggested that the tangible cues of means-end elements in the revised ads were better communicated; indicated by the higher mean scores of the various items in the second pilot study. A next set of individual sample T-tests was conducted to determine if significant difference exists between rational and emotional appeal. Significant differences at $p = .05$ significant level were found for B2, B3 and B4 shown by the results in Table 3 of Appendix 8. It indicated that the advertising structures between rational and emotional appeals were uniquely different from one other; suggesting that cues in the rational appeal were delivered in a formal and factual manner, while message elements in the emotional ads were conveyed to respondents in a subjective and emotive manner. No significant difference was reported for B1 measuring the tangible-intangible aspect of the advertisement ($F = .658$, $df = 129$, $p = .234$). This may have been due to respondents’ lack of understanding of the meaning of tangible and intangible since the terms are not commonly used in everyday language, as revealed by some respondents in a follow-up interview. Table 14 (p.150) summarises the main findings of Pilot Study 1 and Pilot Study 2.

Favourable results indicated that the means-end elements were appropriately depicted in the revised rational and emotional ads in the experimental groups. The second pilot study also demonstrated the fact that a significant difference

exists between rational and emotional appeal, at the $p = .05$ significant level. Following successful manipulations of tangible cues, a third pilot study was conducted to determine the suitability of the structure and layout of the questionnaire for the main data collection and to identify any issues on the questionnaire. (Perdue & Summers, 1986) stressed that pre-testing should be carried out by the same procedures and experimental instruments as that of the main experiment.

Table 14: Summary of results for Pilot Study 1 and 2

Items	Results
<i>Pilot Study 1</i>	
Tangible cues related to:	
Financial security (A1-A5)	Except for A3, significance difference at $p = .05$
Social recognition (A6-A11)	Significance difference at $p = .05$
Devoutness to religion (A12-14)	No significant difference at $p = .05$
Advertising appeal (B1-B4) Rational vs. emotional	No significant difference at $p = .05$
<i>Pilot Study 2</i>	
Tangible cues related to:	
Financial security (A1-A5)	Significance difference at $p = .05$
Social recognition (A6-A11)	Significance difference at $p = .05$
Devoutness to religion (A12-14)	No significant difference at $p = .05$
Advertising appeal (B1-B4) Rational vs. emotional	Except for B1, significance difference at $p = .05$

3.1.5 Pilot Study 3: Structure and Layout of the Questionnaire

Although Malay is the official language of Brunei, the advertisements and questionnaire were developed in the English language for participants to evaluate the advertisement they will be exposed to, and respond to questions on their perceptions and attitudes. The education system in the country runs on a bilingual system, where English and Malay are widely spoken and written. English was preferred over Malay as the language to use in both advertisements and questionnaire, as (i) most financial service advertisements in Brunei are in English, thus the experimental ads were created to resemble

those print ads in marketplace; (ii) the samples are those working people in Brunei, who are most likely to have the ability and capacity to understand English; (iii) to minimise loss of meaning resulting from translations of certain terms from English to Malay in the advertisements and questionnaires.

The aim of the third pilot study is to determine if the structure, layout and terminology used in the questionnaire during the main experiment allowed respondents to fill in the questionnaire with minimal error. It is important to ensure that the structure and layout of the questionnaire were perceived by respondents as easy to complete and they do not create frustration because of time-consumption, as may happen if respondents were to find it difficult to understand the questions, or the layout of the questionnaire appeared overcrowded. The pilot study also seeks to find out if respondents face difficulty rating any of the different constructs or potentials of misinterpreting questions. Twelve respondents were selected from the target audience and were randomly assigned to one of the eight experimental groups. As the questionnaire was similar in each group, this research considered that the number is adequate for the pilot study.

The respondents were requested to fill in a self-administered questionnaire made up of structured scale items divided into two sections. Measurements of the different constructs are discussed in Section 3.2 (p.155) of this thesis. The first section of the questionnaire collected three sets of information about the respondents: (i) demographic profile; (ii) their level of religious commitment; and (iii) their involvement towards a financial product. Seven nominal items were used to collect demographic characteristics of the participants. Worthington et al.'s (2003) Religious Commitment Inventory-10 was used to measure a respondent's commitment towards his/her religion, consisting of ten Likert-scale items. Section 2.3.1 (p.55) discussed that involvement affects one's motivation to elaborate information in advertisements. Thus, the respondent's involvement towards a financial product was measured with Zaichkowsky's (1994) Revised Personal Involvement Inventory; made up of ten items on a seven-point semantic-differential scale. Two dichotomous miscellaneous items were included to determine whether respondents' holding

a particular financial product and their intention of opening or purchase of that financial product in the near future influences their perception and attitudes towards a financial service.

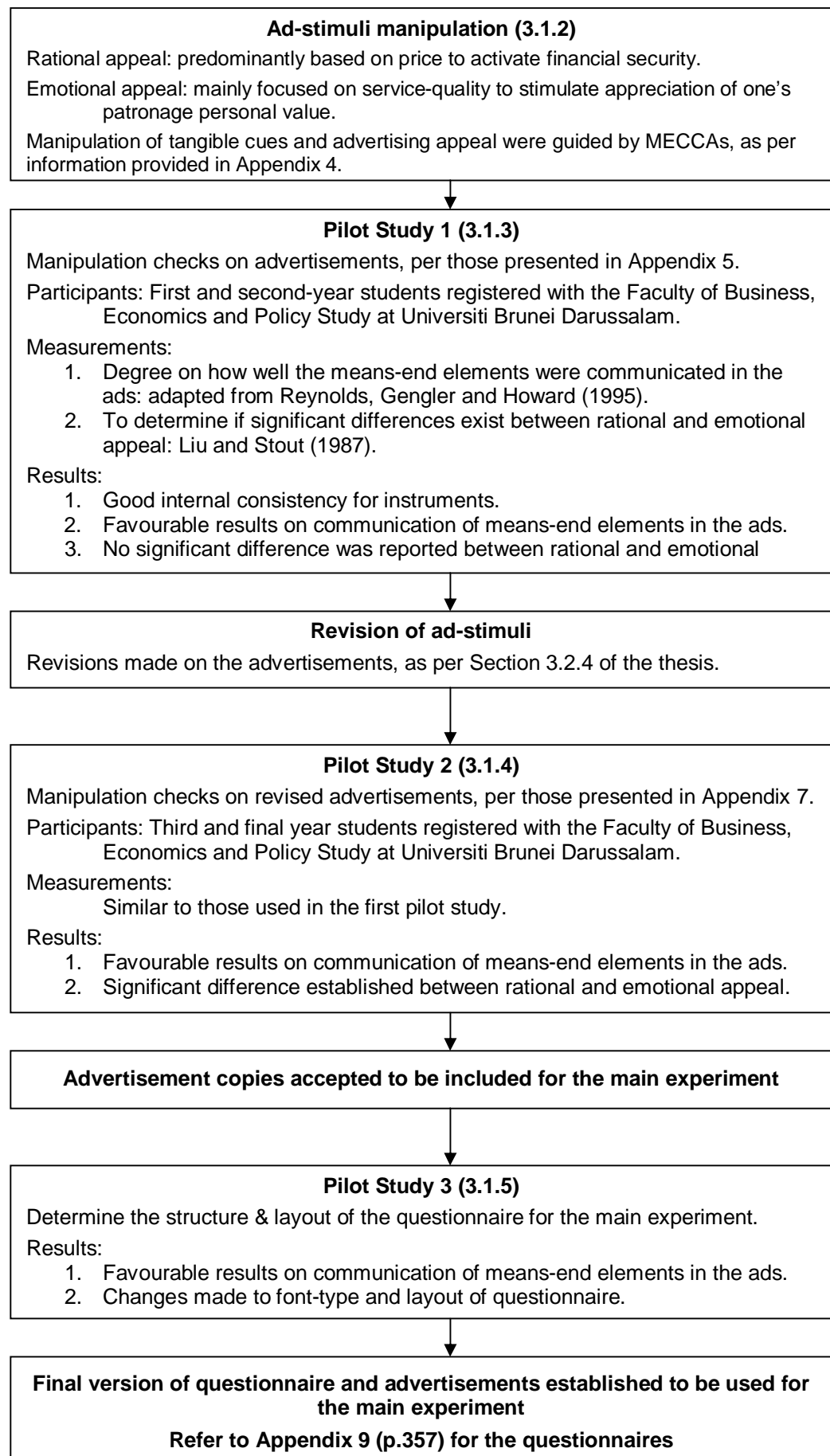
In the second section, prior to the experimental ad to which the respondents were exposed, a scenario was described to bring respondents' attention towards a financial product. The aim of this scenario was to engage them into a temporal mental state of depositing extra cash with a financial service organisation. This form of temporal mental state was discussed by Michaelidou and Dibb (2006) as situational involvement: a temporary interest or concern with an object triggered by a particular cause. The reason for activating respondents' temporal state of interest or motivation with a financial product was to induce their interest in a financial product, so that more attention was devoted to evaluate message elements rather than looking at the advertisement without an objective in mind.

After perusing the experimental ad, respondents were instructed to respond to several sets of questions at their own pace. Five constructs of interest to this research were included in the second section: (1) the strength of connections between attributes, consequences and personal values; (2) perceived personal relevance of the product in meeting their personal goals; (3) perceived tangibility; (4) attitude towards the advertisement; and (5) attitude towards the brand. A total of thirty-eight items were included; where most items were Likert-scale while attitudinal measures consisted of semantic-differential scale.

After respondents completed the questionnaire, they were interviewed individually to determine any difficulty while responding to the questionnaire. Some respondents voiced the fact that they did not understand the terms: *involving/uninvolving* and *tangible/intangible*, and opinions were made on the font size and type, and tabular layout of the questionnaire. Respondents were thanked for their participation in the pilot study. Taking this into consideration, a decision was made to include explanations of the terms, *involving* and *tangible* in the questionnaire, to avoid respondents' misconceptions of these terms as they are not frequently used by people in the country. The

questionnaire was modified, by changing font-type and alternate questions were shaded with grey colour to make the questionnaire easy on the eyes of the respondents.

The final version of the questionnaires to be used for the main experiment is presented in Appendix 9 (p.357). The questions are similar in all cases, except that the term “item” and advertisement were replaced with the appropriate financial product in each experimental group. Figure 17 (p.154) outlines the research design which began by identifying the appropriate message elements to include in the experimental ads, with parentheses in the diagram indicating the respective sections that were explained in the thesis. Two pilot studies were carried out to ensure that tangible cues of means-end elements were adequately communicated and to ensure that rational and emotional appeals were uniquely different from one another. With satisfactory results on manipulation of ad stimuli, another pilot study was carried out to determine suitability of the questionnaire to be used in the main experiment. With some modifications to the layout of the questionnaire, the final version of the experimental ads and questionnaires are ready for the main experiment. The next section elaborates on the various scales used to measure the different constructs proposed in the models to enhance advertising effectiveness for financial services as a whole (those constructs illustrated in Figure 11, p.97), and for Islamic banking (those constructs illustrated in Figure 12, p.100).

Figure 17: An overview of the research design

3.2 Measurements

This section outlines the measurements of the different constructs that were included in the proposed models to enhance advertising effectiveness for financial services, and Islamic banking. This section is organised in four sub-sections. The first section collects a demographic profile of the respondents, while the second section discusses the measurement scales for the various dimensions in the means-end chain connectivity construct (MECC), more specifically, those concerned with strength of means-end connectivity (SCC) and realisation of personal relevance (RPR). The third section discusses measurements of product involvement (INV) and religious commitment (REL) which were proposed to influence an individual's elaboration of message contents. Finally, the last section explains the scales used to measure perceived tangibility (PT), attitude towards the advertisement (ATTad) and attitude towards the brand (ATTb).

3.2.1 Profile of the Respondents

The first section of the questionnaire concerns demographic characteristics of respondents, pertaining to their gender, age, religion, highest level of education, type of employer, occupation group and monthly income level. The questions are nominal in nature, displayed in Table 15, seeking to examine whether demographic background may have an impact on variables of interest in this research.

Table 15: Items to determine demographic characteristics of respondents

P1.	Gender - Male/Female
P2.	Age - Less than 20 years/20-29 years/30-39 years/40-49 years/More than 50 years
P3.	Religion - Muslim/Buddhist/Hindu/Christian/Others
P4.	Highest level of education - Primary/Secondary/College or University/Postgraduate (Master degree/PhD)/Professional
P5.	Type of employer - Government/Private sector/Self-employed
P6.	Occupation - Professional/Administrator/Clerical/Academic/Own business/Others
P7.	Monthly income - Less than \$1,000/\$1,000-\$1,999/\$2,000-\$2,999/\$3,000-\$3,999/ More than \$4,000

3.2.2 The Independent Variables: SCC and RPR

This section discusses the scales used to measure the strength of connections between means-end elements and perceived personal relevance. With reference to the conceptual framework of enhancing advertising effectiveness for services in Figure 9 (p.88), the strength of means-end connectivity and realisation of personal relevance constitute the means-end chain connectivity construct. Thus, it is important to ensure that appropriate scales have been used to measure these constructs.

Strength of Means-End Chain Connectivity (SCC)

The conceptual framework to enhance advertising effectiveness for services in Section 2.7 (p.84) argued that those consumers who are able to infer linkages between tangible cues (attributes) with positive consequences, and to personal values, are more likely to perceive personal relevance of the service on meeting their personal end-goals. The stronger the degree of means-end connectivity, the higher the likelihood that consumers realise the service is instrumental to satisfying their personal goals. Thus, a scale to measure the strength of means-end chain connectivity between attributes, consequences and values is needed in the thesis.

The strength of means-end connectivity (SCC) was measured by the strength of cognitive linkages between attributes-consequences-values of the advertised service, by adapting Reynolds, Gengler and Howard's (1995) measurements of the various two "adjacent" means-end elements: concrete attribute-functional consequences; concrete attribute-psychosocial consequences; abstract attribute-psychosocial consequences; psychosocial consequences-values. Measurements of the strength of connection between two means-end elements are important to determine whether tangible cues displayed in advertisement trigger a means-end component at the higher level of abstraction. In contrast to Reynolds et al.'s (1995) three-point scale to measure the strength of connection between attributes, consequences and values, respondents in the experiments were requested to rate their agreement or disagreement along a five-point Likert scale, ranging from *1 = strongly disagree*; *2 = disagree*; *3 = neither agree nor disagree*; *4 = agree*; *5 = strongly agree* on the ads that they were exposed to.

This was to expand the degree of variations for respondents to rate the perceived strength of connection between the various adjacent elements.

Table 16: Measurements on the strength of means-end connectivity between attributes, consequences and personal values

	Items
FSSC	Financial security strength of connectivity (Definition: The perceived strength of means-end chain connections between attributes, consequences and values made in the minds of the consumers related to financial security)
ACV1	The <i>item</i> is a sign of monthly financial gain for me. (A-C)
ACV2	<i>Item</i> paid into my account means I am saving more every month. (A-C)
ACV3	<i>Item</i> into my account provide me a peace of mind on my financial security. (C-V)
ACV4	When I am saving more every <i>item</i> , I feel that my financial security has improved. (C-V)
SRSC	Social recognition strength of connectivity (Definition: The perceived strength of means-end chain connections between attributes, consequences and values made in the minds of the consumers related to social recognition)
ACV5	Friendly service means staff is readily available to help me. (A-C)
ACV6	Quality service will allow me to be more comfortable approaching the staff to answer my questions. (A-C)
ACV7	When staff personnel are approachable, I feel appreciated by the bank. (C-V)
ACV8	Friendly and good services give me a sense of being part of the financial organisation. (C-V)
ACV9	Friendly and good services provide me a feeling of being respected by members of the bank. (C-V)

Source: adapted from Reynolds, T. J., Gengler, C. E., & Howard, D. J. (1995). A means-end analysis of brand persuasion through advertising. *International Journal of Research in Marketing*, 12(3), 257-266.

Note: The term *item* was replaced with the appropriate financial gain in the experimental group.

Section 2.7.1 (p.96) elaborated that the strength of means-end connectivity dimension encapsulates with two specific personal values deemed important to the financial consumers; which are financial security and social recognition. The two personal values dimensions in SCC are: (i) strength of connectivity for financial security (FSSC); and (ii) strength of connectivity for social recognition (SRSC). Table 16 displays the items used to measure the strength of connections between means-end elements for financial services; with ACV1

to ACV4 measuring the strength of means-end connectivity for financial security (FSSC), while ACV5 to ACV9 are measurements of the strength of means-end connectivity for social recognition (SRSC).

Realisation of Personal Relevance (RPR)

Realisation of personal relevance (RPR) is another dimension in the MECC proposed to have significant impact on advertising effectiveness for services, when consumers are able to translate attributes at the lower level of the means-end chain (tangible cues) into immediate values. A measurement scale to determine the extent that consumers recognised the advertised service is instrumental to satisfy their personal goals was developed by the researcher.

The proposed model to enhance advertising effectiveness for financial services (Figure 11, p.97) suggested that RPR consists of two dimensions; related to financial security and social recognition. Meanwhile, the RPR construct in the proposed model to enhance advertising effectiveness for Islamic banking (Figure 12, p.100) was proposed to be made up of three dimensions: financial security, social recognition and devoutness to one's religion. Table 17 (p.159) illustrates the items measuring the three dimensions in the RPR construct. These items were developed for the thesis, where RPR represents an activation of a specific personal value that consumers are able to relate and realise that the advertised service is important to satisfy a particular end-goals. PV1 to PV5 are items measuring the extent that consumers realised the relevance of the advertised service on satisfying their needs for financial security (FSPR); PV6 to PV15 measures the degree that social recognition was deemed personally relevant to the consumers (SRPR); and for Islamic banking, PV16 to PV20 are used to measure the degree of realising a devoutness to religious value (DRPR). The degree of perceived personal relevance was measured along a five-point Likert scale, ranging from *1 = strongly disagree*; *2 = disagree*; *3 = neither agree nor disagree*; *4 = agree*; *5 = strongly agree*.

Table 17: Measurements on realisation of personal relevance

Items	
FSPR	Financial security personal relevance (Definition: Activation of financial security, a personal value, such that consumers recognise that the advertised service is instrumental to achieving their end-goal for financial security)
PV1	My deposits are secured with the bank.
PV2	The bank will make wise investments from my deposits.
PV3	A correct decision was made on my future security if I deposit with this bank.
PV4	This bank fulfils my need for a financially-secured organisation to deposit my money.
PV5	This bank provides me a sense of security for my current and future financial security.
SRPR	Social recognition personal relevance (Definition: Activation of social recognition, a personal value, such that consumers recognise that the advertised service is instrumental to achieving their end-goal for social recognition)
PV6	The bank values me as a customer.
PV7	The bank personnel will be readily available to attend to my needs.
PV8	I am important as a customer of the bank.
PV9	The bank personnel appreciate my presence in the bank.
PV10	I can always rely on the bank for my financial needs.
PV11	The bank personnel will respect me as a customer of the organisation.
PV12	The bank personnel will put in effort to please me.
PV13	The bank fulfils my need on being respected whenever I patronise the organisation.
PV14	Being respected by bank personnel means a lot to me.
PV15	It is important that I am respected by others if I deposit with this bank.
DRPR	Devoutness to religion personal relevance (Definition: Activation of devoutness to religion, a personal value, such that consumers realise the advertised service to be instrumental to achieving their end-goal of adhering to their religious practices)
PV16	Banking with an Islamic bank is important to me.
PV17	If I am customer of an Islamic bank, others will respect me.
PV18	The financial product is in line with my religion.
PV19	The Islamic bank will invest my money in activities that are not against the <i>Shariah</i> .
PV20	Financial gain according to Islamic principles is important to me.

Source: Author's own

3.2.3 Covariates: REL and INV

Two covariates were included in this research, religious commitment and involvement, as these variables influence respondents' elaboration on message information in advertisements. Religious commitment was measured by Worthington et al.'s (2003) Religious Commitment Inventory (RCI-10) while Zaichkowsky's (1994) Revised Personal Involvement Inventory (RPII) was used to measure respondents' level of involvement with a financial product.

Religious Commitment (REL)

Religious commitment, also known as religiosity, strongly influences an individual's decision, motivation behaviour in a society. The role of religious commitment on an individual's personal, social and political attitudes and behaviour is well-documented in the literature (Ellison, Gay, & Glass, 1989; Mokhlis, 2006; Worthington et al., 2003). Religious commitments have been examined from the perspectives of commitment to religious institutions (Wielhouwer, 2004), participation, affiliation and devotion to religion (Ellison et al., 1989), extent of an individual's perception and conformation to normative behaviour (Mockabee, Monson, & Grant, 2001), attitudes and importance of religious experience, and belief in traditional religious creed (Hill & Hood, 1999).

In the context of this research, religious commitment was viewed as a key perspective influencing one's elaboration of message content and may have direct impact on advertising effectiveness. Worthington et al.'s (2003, p.85) definition of *religious commitment* best represents the perspective for this research, which was defined by the authors as "*the degree to which a person adheres to his or her religious values, beliefs and practices and uses them in daily life*". Worthington and colleagues (2003) explained that the level of an individual's religious commitment affects his or her personal decision-making, and argued that more religious persons hold values different from the less religious and the non-religious individuals. This suggests that the religious Muslims are more likely to expand attention to process product information and may have significant impacts on advertising effectiveness and consumers

attitudes, compared to their less-religious counterparts. The above arguments have been made in Section 2.7.2, p.99), and the relationships depicted in Figure 12 (p.100). Since religious commitment affect consumers' motivation to elaborate on product information, a scale was needed to measure the religious commitments of the Muslims respondents.

Worthington et al. (2003) noted that early measures on religious commitment were operationalised by some scholars, like Glock and Stark's (1966) Dimensions of Religious Commitment inventory and King and Hunt's (1969) Basic Religious Scales. These instruments were criticised by Worthington et al. (2003) due to some inadequacy, such as: (i) they were developed for use with individuals belonging to the Judaic and Christian faith; (ii) focused mainly on a person's belief and adherence to traditional doctrines; and (iii) relatively lengthy to administer. The beliefs and religious practices of the Islamic faith are different from the Christian, Judaism, or Buddhism. Therefore, it is important to make use of a measurement scale designed to measure multi-faiths. Only a handful of studies had directly measured the religious commitment of Muslims. Michell and Al-Mossawi (1999) adapted and modified a religious scale meant for Christians, while Fam, Waller and Erdogan (2004) measured religious commitment of Muslims based on religious belief and intensity of religious belief. However, these measurement scales were considered to be inappropriate for this research as Michell and Al-Mossawi (1999) measured the level of one's religiosity by participants' reactions to specific situation or circumstances, while Fam et al. (2002) did not elaborate on elements that constitute an individual's religious belief and intensity of religious belief in their study.

Thus, the current study adopted Worthington et al.'s (2003) Religious Commitment Inventory (RCI-10) to measure respondents' religiosity, aimed at determining if religiosity has an effect on consumers' decision to maintain an account with an Islamic financial service provider. Table 18 illustrates the RCI-10, consist of ten Likert-type statements, where respondents were asked to rate themselves from *1 = not at all true of me*; *2 = somewhat true of me*; *3 = moderately true of me*; *4 = mostly true of me*; and *5 = totally true of me*. The

RCI-10 has demonstrated reliability and validity in some studies (Mokhlis, 2006; Worthington et al., 2003). Some advantages of RCI-10 over others include: (i) it measures both an individual's personal religious experience (cognitive dimension) and affiliation with organised religious activities (behavioural dimension); (ii) is applicable to many religious faiths; and (iii) the shorter version of measurement on religious commitment is easy to administer and reduces respondents' time to answer individual questions.

Table 18: Worthington et al.'s (2003) Religious Commitment Inventory-10 (RCI-10)

	Items
REL	Religiosity (Definition: The degree to which a person adheres to his or her religious values, beliefs and practices and uses them in daily life)
REL1	I often read books and magazines about my faith.
REL2	I make financial contributions to my religious organisation.
REL3	I spend time trying to grow in understanding of my faith.
REL4	Religion is especially important to me because it answers many questions about the meaning of life.
REL5	My religious beliefs lie behind my whole approach to life.
REL6	I enjoy spending time with others of my religious affiliation.
REL7	Religious beliefs influence all my dealings in life.
REL8	It is important to me to spend periods of time in private religious thought and reflection.
REL9	I enjoy working in the activities of my religious organisation.
REL10	I keep well-informed about my local religious group and have some influence in its decision.

Source: Worthington, E. L. J., Wade, N. G., Hight, T. L., McCullough, M. E., Berry, J. T., Ripley, J. S., et al. (2003). The Religious Commitment Inventory-10: Development, refinement, and validation of a brief scale for research and counseling. *Journal of Counseling Psychology*, 50(1), p.87.

Involvement (INV)

The concept of involvement is well-accepted in the literature as “a motivational variable reflecting the extent of personal relevance of the decision to the individual in terms on basic goals, values and self-concept” (Gabbott & Hogg, 1999, p.160). Involvement was recognised by this research as a construct that affects consumers' elaborations of product information in

advertisements (Section 2.3.1; p.55 and Section 2.7; p.84 has expanded on this discussion). There are some consumers who are able and motivated to process messages embedded in advertising, and those who are unwilling to devote cognitive efforts when exposed to advertisement, as they may deem the advertised product or service is not personally relevant to them.

Section 2.3.1 (p.55) has explained that involvement was determined by product knowledge and self-related knowledge. So, instead of measuring respondents' experience, familiarity, knowledge and concern on financial security to determine involvement with a financial product, this research considers that it is more appropriate to directly measure respondents' level of involvement with a particular financial product. This is because the existing measurements of involvement are well-established in the literature, which has demonstrated reliability and validity.

Involvement had been studied from the perspective of the product, the person, the situation, the advertising and the purchase decision (Aldlaigan & Buttle, 2001; Foxall & Pallister, 1998; Laurent & Kapferer, 1985; Mittal, 1989; Zaichkowsky, 1985). Under specific circumstances, involvement requires different measurement scales. In the context of this research, involvement by personal relevance of the product category domain is the dominating factor. Involvement has been defined in various contexts, but Zaichkowsky's (1985, p.342) definition was considered to be the most relevant for this research, defined by the author as "a person's perceived relevance of the object based on inherent needs, values and interests". Zaichkowsky's (1994) Revised Personal Involvement Inventory (RPII) was preferred over other measurements, such as Mittal's (1989) Purchase-Decision Involvement Scale (PIS) or Laurant and Kapferer's (1985) Consumer Involvement Profile (CIP).

Mittal's (1989) PIS stressed the measuring purchase-decision involvement, which consists of four items: degree of caring, perceived brand differences, importance of right brand selections and concern with the outcome; measured on a 7-point scale. Coefficient alpha was reported to be satisfactory measuring the purchase-decision involvement construct. Foxall and Pallister (1998) re-

evaluated the purchase-decision involvement scale by comparing Mittal's (1989) PIS and Zaichkowsky's (1994) RPII between four types of financial product. Foxall and Pallister (1998) found that both inventories' measurements exhibited high and acceptable levels of reliability, convergent and discriminant validity. The authors also noted that the PIS produced Cronbach alphas consistently lower than those of the RPII.

Another well-accepted measurement of involvement is Laurant and Kapferer's (1985) CIP, measured by five antecedents of involvement, namely:

1. Interest: the personal interest a person has in a product (its personal meaning or importance);
2. Pleasure: the hedonic value of the product, its ability to provide pleasure and enjoyment;
3. Sign: the degree to which it expresses the person's self;
4. Importance risk: the perceived importance of the negative consequences of a mispurchase;
5. Risk probability: the perceived probability of making a mispurchase/poor choice.

The CIP consists of 15 items measured by a five-point Likert scale ranging from 1 = *strongly disagree* to 5 = *strongly agree*; with three items measuring each of the five dimensions. Laurant and Kapferer (1985) reported that Cronbach's coefficients were satisfactory for all five antecedents of involvement. In a separate study, Aldlaigan and Buttle (2001) compared Zaichkowsky's (1985) original PII with the CIP scale on eight financial products, and reported that both measures demonstrated high reliability on the coefficient alpha. However, Cronbach coefficients for the CIP were found to be lower compared to the PII. Bienstock and Stafford (2006) explored the use of the RPII in three sets of consumer service contexts: (1) male versus female dominated services (auto-repair and maid service); (2) hedonic versus utilitarian services (restaurant and bank); and (3) professional versus retail services (dental and hair-styling); and results indicated satisfactory reliability in all three groups of services. The findings by Bienstock and Stafford (2006)

indicated that the RPII is more appropriate to measure product involvement for this research.

The studies by Aldlaigan and Buttle (2001), Bienstock and Stafford (2006) and Foxall and Pallister (1998) which evaluated and compared the RPII, PIS and CIP involvement scales denoted that Zaichkowsky's (1994) Revised Personal Involvement Inventory was more appropriate to measure respondents' level of involvement with a financial product. This is because the RPII: (i) exhibited higher reliability scores compared to the other involvement inventories; (ii) measuring the personal relevance domain of product involvement was more appropriate compared to one that measures purchase-decision involvement (PIS) and one that seeks to explore the relationships between antecedents of involvement with a product category (CIP); and (iii) were used in previous studies, such as Aldlaigan and Buttle (2001), Bienstock and Stafford (2006), Flynn and Goldsmith (1993), Foxall and Bhate (1993), and Foxall and Pallister (1998) allowing comparisons with them.

Zaichkowsky's (1985) PII was made up of 20 items which was subsequently reduced to ten items by eliminating redundant items. The revised PII was reported by Zaichkowsky (1994) to be context-free and measured by ten items on a seven semantic-differential scale; with high reliabilities reported on involvement with products, advertisements and purchase decisions. Thus, Zaichkowsky's (1994) RPII as presented in Table 19 (p.166), was used by this research to measure respondents' involvement with a financial product

Table 19: Zaichkowsky's (1994) Revised Personal Involvement Inventory

The <i>item</i> is:	
INV	Involvement (Definition: A person's perceived relevance of the object based on inherent needs, values and interests)
INV1	unimportant to me -- important to me
INV2	boring to me -- interesting to me
INV3	irrelevant to me -- relevant to me
INV4	unexciting to me -- exciting to me
INV5	means nothing to me -- means a lot to me
INV6	unappealing to me -- appealing to me
INV7	mundane to me -- fascinating to me
INV8	worthless to me -- valuable to me
INV9	uninvolving to me -- involving to me
INV10	not needed by me -- needed by me

Source: Zaichkowsky, J. L. (1994). The Personal Involvement Inventory: Reduction, revision and application to advertising. *Journal of Advertising*, 23(4), p.70.

Note: The term *item* was replaced with the appropriate financial product in the experimental group.

3.2.4 Dependent Variables: PT, ATTad and ATTb

This section discusses the measurement scales of three dependent variables to investigate the impact of tangible cues on advertising effectiveness. Perceived tangibility was measured with Hill et al.'s (2004) visualisation of a product after respondents saw an experimental ad, while attitudinal measures were adopted from previous studies, such as MacKenzie and Lutz (1989), Ruiz and Sicilia (2004) and Stafford and Day (1995).

Perceived Tangibility (PT)

Section 2.1.1 (p.16) explained that services are often associated with mental intangibility, due to 'inaccessibility to the senses'. Mental intangibility refers to the lack of clear mental tangible aspects for a service (Laroche et al., 2001), where consumers found it more difficult to evaluate services. It was explained that perceived tangibility may be improved through advertising to aid consumers' evaluation of a service's offerings. Perceived tangibility was defined as the degree of visualising mental representations of a service's

attributes and features in the mind of consumers. The research argues that improved visualisation of intangible benefits of services translates to improvements on perceived tangibility aiding consumers' evaluation of services. Thus, perceived tangibility is measured by the extent that respondents are able to visualise the benefits and qualities of a financial service after seeing an experimental ad.

Hill et al.'s (2004) visualisation of a product after respondents saw an advertisement of a financial service was adopted by the current study, assessed by four items along a 9-point Likert scale, ranging from 1 = *strongly disagree* to 9 = *strongly agree*. The items measuring perceived tangibility is presented in Table 20, and Hill and colleagues (2004) reported satisfactory Cronbach alpha coefficient of 0.91 of the degree of visualising a service.

Table 20: Measurements of perceived tangibility

Items	
PT	Perceived tangibility (Definition: The degree to which consumers can visualise mental representations of a service's attributes and features in their minds)
PT1	This ad made the <i>item</i> more tangible.
PT2	The ad made it easy to visualise the <i>item</i> .
PT3	I have a very clear picture of the <i>item</i> shown in the ad.
PT4	The ad made the <i>item</i> easy to picture.

Source: Hill, D. J., Blodgett, J., Baer, R., & Wakefield, K. (2004). An investigation of visualisation and documentation strategies in services advertising. *Journal of Service Research*, 7(2), p.164.

Note: The term *item* was replaced with the appropriate financial product in the experimental group.

Attitudinal Measures: ATTad and ATTb

Respondents' attitudes towards the advertisement and brand were assessed with semantic differential scales adapted from relevant studies (MacKenzie & Lutz, 1989; Ruiz & Sicilia, 2004; Stafford & Day, 1995) and these items measuring the respective construct was considered appropriate in the context of this research. Attitude towards the advertisement (ATTad) refers to an

enduring feeling and evaluative judgment towards an advertisement after an individual saw the message content embedded in the advertisement, while attitude towards the brand (ATTb) refers to an individual's enduring feeling and evaluative judgment towards a brand.

Attitude towards the advertisement was assessed using five seven-point semantic differential scales: interesting-uninteresting, like-dislike, positive-negative, favourable-unfavourable and appealing-unappealing. To measure attitude towards the brand, this research made use of five seven-point semantic differential scales: good-bad, favourable-unfavourable, positive-negative, satisfactory-unsatisfactory and meant for me-not meant for me. Table 21 illustrates the items measuring attitude towards the advertisement, while Table 22 (p.169) reflects measurement items on attitude towards the brand.

Table 21: Measurements of attitude towards the advertisement

Items	
ATTad	Attitude towards the advertisement (Definition: An enduring feeling towards and evaluative judgment of an advertisement after an individual saw the message content embedded in the advertisement)
AD1	Did you find this advertisement interesting or uninteresting?
AD2	Did you like or dislike this advertisement?
AD3	Did you find the content in the advertisement positive or negative?
AD4	Did you find the content in the advertisement favourable or unfavourable?
AD5	Did you find this advertisement appealing or unappealing?

Source: adapted from MacKenzie and Lutz (1989); Ruiz and Sicilia (2004) Stafford and Day (1995)

Table 22: Measurements of attitude towards the brand

Items	
ATTb	Attitude towards the brand (Definition: An individual's enduring feeling and evaluative judgment towards a brand)
AB1	Did you think the <i>item</i> to be good or bad?
AB2	Did you find the <i>item</i> favourable or unfavourable?
AB3	Did you perceive the <i>item</i> to be positive or negative?
AB4	Was the <i>item</i> satisfactory or unsatisfactory to you?
AB5	Was the <i>item</i> meant or not meant for you?

Source: adapted from MacKenzie and Lutz (1989); Ruiz and Sicilia (2004) Stafford and Day (1995)

Note: The term *item* was replaced with the appropriate financial service in the experimental group.

Section 3.2 (p.155) of this thesis discussed several sets of structured scales used to measure participants' responses pertaining to their demographic background, their religious commitment and level of involvement with a financial product, the strength of means-end linkages, degree of perceived personal relevance, perceived tangibility, attitude towards the advertisement and attitude towards the brand. It should also be noted that fifty-percent of the total questionnaires were reverse-styled to minimise response bias due to order of questions. This research considered the above measurement scales are adequate to provide insights into the different research questions, in order to test the hypotheses, and to assess the proposed models to enhance advertising effectiveness for financial services. The next section discusses data collection of the main experiment, which was conducted in Brunei.

3.3 Data Collection

The main experiment was conducted in Brunei, an Islamic monarchical state situated in South-east Asia. The country is politically, economically and socially stable, with high per capita income derived from the oil and gas reserves. According to the country report issued by the International Monetary Fund (IMF), in 2005 the oil and gas industry contributed approximately 66 percent to Gross Domestic Product (GDP) (IMF, 2006), generating revenues

for the government to improve the standard of living for its nationals. The country's development of infrastructures and social welfares are essentially sustained by the oil and gas revenue. At the international level, Brunei is a member of the World Trade Organisation and had been a contracting party to the General Agreement on Tariffs and Trade since December 1993. Brunei's trade and investment policies are strongly linked to regional trade and investment partners – Association of South-east Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC).

Brunei operates on a heterogeneous banking system, where both conventional and Islamic banks operate alongside each other. The presence of several international banks contributes to the strong financial infrastructure in the country, and the Islamic banks are relatively well-developed in Brunei compared to other countries. The main experiment was carried out in Brunei as the financial industry is well-established and the high literacy of the population allows participants to evaluate the experimental ads and respond to the questionnaire. The next sub-sections outline the demographic characteristics, the financial industry and trends in the banking sector of the country, outlining suitability of Brunei to carry out the main experiment. This was followed by discussions of the participants and experimental procedure of the experiment.

Brunei's Population Characteristics

According to census statistics issued by the Department of Statistics, the population in 2001 was recorded at 332,844, a fourfold increase from 1960. As at 2001, the population of Brunei was characterised as young (about 39 percent was under 20-year-old and another 21 percent was between 20-to-29 years old), reside in urban areas (72 percent) and practise the Islamic faith (about 75 percent).

Brunei Malays were the dominant racial group (60 percent), followed by Chinese (11 percent) and people from the indigenous group comprised another 6 percent. Another group categorised as "others" were made up of racial groups of foreigners working in the country, including Caucasians, Filipinos, Thais and Indians, and was recorded at 11 percent of the population. Islam is

the main religion in the country, practised by 75 percent of the people in Brunei. The culture of a society is closely related to the religious values, beliefs and practices of one's self. Thus, the Malay culture guided by the principles of Islam dominates many aspects of everyday living and practices in the Bruneian society. Other religions like Christianity and Buddhism are practised by the minority racial groups, making up 9.4 percent and 8.6 percent, respectively.

Free education is provided for citizens and permanent residents up to tertiary level to expand the potentials of human resources in the country. Literacy rate for the country increased significantly from 69.4 percent in 1971 to 89.2 percent in 1991 and to 94.5 percent in 2001. Literacy by age group revealed that illiteracy exists mainly in the older generations (those above 60 years old), with about 55 percent of them being illiterate as at 2001. The education system is bilingual, and in 2001, 86 percent of the population was able to read and write in Malay, with 63 percent of them able to read and write in English.

The citizens and permanent residents were mainly engaged in some dominant occupational groups, with up to 41 percent of the workforce occupied in the following sectors: (i) service and shop market sales; (ii) technicians and associate professionals; (iii) clerical; (iv) professionals; and (v) legislators, administrators and managers. Jobs at the elementary levels, such as cleaners, labourers and production craftsmen were filled by foreign workers. Of the total workforce in the country, about 64 percent of the locals held positions in various government agencies; nearly twice those engaged in the private sector (36 percent). This was mainly due to attractive remunerations among other benefits given to government employees. On the other hand, foreign workers dominated the private sector with about 93 percent engaged in this sector.

Brunei's Financial Industry

Statistical data issued by the International Monetary Fund (2006) reported that banking and financing activities contributed about 3.0 percent or B\$472 millions, to Brunei's GDP in 2005. This sector is identified by policy makers of the country as a potential area for diversification of the country's reliance

from the oil and gas sector, with emphasis on positioning the country's position in the global financial market as a major player in Islamic banking and insurance (Bulletin, 2004).

The financial industry is monitored and regulated by the Ministry of Finance as no central bank was established to overlook activities in the financial sector. The Sultan of Brunei, also the Minister of Finance, is assisted by appointed senior government officials who are in charge of various departments and divisions under the Ministry of Finance. All commercial banking activities, such as the introduction of new financial products or the opening of a new branch, have to obtain approvals through the Financial Institutions Division (FID) of the Ministry.

The financial system of Brunei operates on a heterogeneous banking system, with both conventional and Islamic financial service providers operating around the country. There are eight commercial banks; six foreign banks – namely Citibank N.A, HSBC, Maybank, United Overseas Bank, RHB Bank and Standard Chartered Bank and two local banks: Baiduri Bank and Bank Islam Brunei Darussalam (BIBD). All banks offer consumer banking facilities and financial products such as savings, current and fixed deposit accounts (in Brunei dollars and foreign currencies), personal loans and overdrafts, credit cards, remittances, unit trusts, insurance and offshore banks accounts. At the corporate level, some financial products include commercial, machinery and fixed asset loans, guarantees, overdrafts, advance payment and warrant bonds.

Bank Islam Brunei Darussalam is a fully-fledged Islamic bank which was a recent merger between the Islamic Development Bank of Brunei (IDBB) and the Islamic Bank of Brunei (IBB) in 2006. The Brunei Islamic Trust Fund, more commonly known as TAIB, is a special type of depository corporation established under the Constitution of Brunei Darussalam (Order under section 83[3] Emergency (Perbadanan Tabung Amanah Islam Brunei) Order, 1991; and operates according to Islamic banking practices. TAIB was often thought of as an Islamic bank in the country, since the financial products and operations are in line with practices of Islamic banking.

Three finance companies operate in the country: Baiduri Finance Berhad, IBB Kredit Berhad and HSBC Finance (Brunei) Berhad, and they are subsidiaries of the parent company. These finance companies are mainly involved in hire-purchase financing of cars and other consumer durables, and in mortgage lending. They compete with banks in attracting non-transferable and savings deposits, however they are restricted from taking demand deposits. Although they fell under the umbrella of the parent company, these finance companies undertake different promotional strategies to attract prospective customers as they are in direct competition with the parent company and other financial institutions operating in the country. IBB Kredit Berhad undertakes finance practices according to the Islamic principles, while Baiduri Finance and HSBC Finance take on the role of the conventional financial modes. Although TAIB was not categorised as a finance company by FID, it nevertheless provides mortgage and hire-purchase facilities similar to the other three finance companies.

The better established banks, such as HSBC and Standard Chartered Bank, were observed to be more aggressive in terms of offering new products and innovative services to capture a larger share of the consumer market. Arms-length banking methods include e-payment, SMS-banking, Internet or phone banking to facilitate customers' requirements offered by these banks. To capture a share of the customer base at the higher-end, these banks offer exclusive and premier services to meet their banking requirements.

The three oldest banks: Citibank, Standard Chartered Bank and HSBC held about 70 percent of the banking system's total assets (IMF, 1999). In recent years, it was observed that HSBC and Standard Chartered Bank were constantly promoting consumer banking products and innovative services, while Citibank maintained its position in the country as a corporate bank focused on maintaining relationships with its corporate customers. The other foreign banks have been rather passive with few promotional activities. Of the local banks, Baiduri Bank and Bank Islam Brunei Darussalam played a more

active role in introducing new financial products, banking facilities and services.

The financial services industry in Brunei is less complex than those in neighbouring countries such as Singapore, Malaysia and Indonesia, where the financial services sector contributes about 10 percent to GDP in these countries. Brunei's financial services industry is not at the advanced stage, unlike its counterparts, as no capital market operates in the country. The consumer banking industry is dominated by the established banks, such as HSBC and Standard Chartered Bank, but the local banks have been catching up in recent years. Although the banking sector in Brunei does not have a high number of financial institutions like the United Kingdom or Singapore, it is very competitive as the banks are competing for the same customer base: a working population of 157,000 persons (as at 2001) eligible for advances and possessing a propensity to save.

Table 23 (p.175) displays the average interest rates offered by the banks to the consumer market for three consecutive years, from 2003 to 2005. Interest rates were considerably low in the country and have been falling over the years. In 2005, the annual interest rate for a savings account was about .9 percent while an annual return of 1.6 percent was offered for a 12-months fixed deposit account. According to the Fiscal and Monetary Review 2005 issued by the Brunei government, despite the low interest rates for deposit accounts, there was an increase of 8 percent from the year 2004 to 2005 in total deposits – about \$11,800 millions were deposited into banks. Fixed deposits made up 68.5 percent of total deposits, with another 19.2 percent from demand deposits, followed by 10.9 percent and 1.4 percent from savings and other deposits, respectively. In 2005, residents in the country held about 54 percent of all deposits, while another 40 percent were deposits from the government. This meant that about \$6,400 millions were deposits by residents in the country.

Table 23: Interest rates for savings and fixed deposit accounts for 2003, 2004 and 2005

	2003	2004	2005	Percentage change (2004 to 2005)
<i>Average Savings Rates</i>				
12 months	1.125	0.996	0.873	-12.3%
<i>Average Fixed Deposit Rates</i>				
3 months	1.046	1.043	0.970	-7.0%
6 months	1.224	1.231	1.175	-4.5%
12 months	1.620	1.635	1.611	-1.5%

Source: Brunei Government. (2006). *Fiscal and Monetary Review 2005*: Ministry of Finance, p.8.

Commercial banks operating in the country have to sought-after the consumer market to warrant their operations in the country. Lending to the commercial sector had reduced in proportion due to the enforcement of stricter credit policies to the commercial sector, shrinkage of construction-related companies and the property market, and the increased financial aids offered by the government to local establishments in order to boost the foundation of Small-and-Medium Enterprises around the country, as seen in Table 24 (p.176). The directions of loans in the country pointed out that credits extended to the construction industry dropped by 10 percent, general commerce by 3 percent and transportation by 2 percent from September 1998 to December 2005, while there was an increment of 1 percent in the manufacturing sector.

Consumer banking appears to be the main activity, with personal loans and mortgages accounting for close to 70 percent of total loans in the country in 2005. Table 24 revealed that as at December 2005, personal loans accounted for 53 percent while mortgages comprised another 16 percent of total loans. Mortgages leaped from nil to 16 percent while personal loans rose by a mere 1 percent for the period 1998 to 2005. A reclassification of loans for purchase of land, home improvement, purchase of motor vehicles, boats and equipments, which previously were classified under personal loans, were categorised under mortgages; henceforth, the 16 percent increment in mortgages. Personal advances accounted for 52 percent of total loans in 1998, and then rose to 59 percent and 61 percent in the year ending 2003 and 2004, respectively.

However, as the result of a directive cap on personal lending issued in May 2005 by the Ministry of Finance, there was a fall of 8 percent from 2004 to 2005. The amount for personal loans and mortgages were \$2,456 millions and \$726 millions, respectively, as at 2005, which was rather substantive for a country with a working population of 157,000. This was evident by the constant promotions of credit products to the domestic consumer market. In general, consumers in the country acquired personal loans and advances or mortgages to finance their purchase of consumer durable items, cars or renovations for their home.

Table 24: Loan composition by sector for Q3 1998, 2003, 2004 and 2005

Sector	Sep-98	Dec-03	Dec-04	Dec-05
Agriculture	1	1	1	1
Credit & Financial Institutions	2	1	0	0
Manufacturing	3	2	2	4
Transportation	6	4	4	4
Construction	21	10	10	10
General Commerce	14	11	11	11
Professional Services	1	2	1	1
Mortgage*	0	10	9	16
Personal	52	59	61	53
Total Loans	100	100	100	100

Source: Brunei Government. (2004, 2006). *Fiscal and Monetary Review 2003; Fiscal and Monetary Review 2005*: Ministry of Finance.

* Mortgage was introduced as a separate category in 2001

Note: TAIB was not included in the above table, as it was not classified as a bank by the Ministry of Finance.

Islamic Banking in Brunei

Islamic banking is growing in the global financial industry, influenced by the number of rich individuals and high number of Muslims around the world. Realising the potential in this area, the Brunei International Financial Centre was set up in 2000, and one of its objectives is to position the Islamic state as a major player in Islamic banking and insurance. Islamic banking was introduced into the country with the establishment of the Islamic Trust Fund

(TAIB) in 1991. The first fully-fledged Islamic bank was established in 1993: the Islamic Bank of Brunei Berhad (IBB), which was a conversion from conventional banking and was previously known as the International Bank of Brunei. Similarly, the Development Bank of Brunei was converted into a second fully-fledged bank in 2000 and was known as the Islamic Development Bank Berhad (IDBB). More recently, in 2005, the Ministry of Finance announced that IBB and IDBB were merged as a single Islamic financial institution – Bank Islamic Brunei Darussalam (BIBD) to strengthen the organisation's financial position in the country, and to expand into investment and fund management, corporate and investment advisory services.

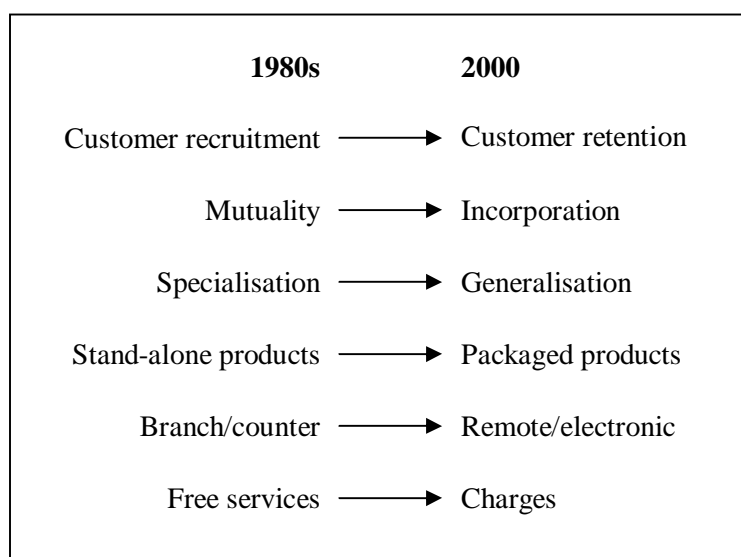
A wide variety of Islamic financial products are available to domestic customers by the Islamic bank. It is interesting to note that HSBC and Citibank which offer some Islamic financial products to customers in some countries, through an Islamic window, do not have this facility in Brunei. Perhaps it is at the banks' discretion to maintain their image in the country as an established international conventional bank. The first Islamic bond, Sukuk Al-Ijarah, was issued in April 2006 and was viewed as a development of the Islamic financial sector in the country, since no conventional bonds had been issued before. Compared to many countries, Brunei is relatively well-advanced in Islamic banking as evident by the variety of Islamic financial products available in the market. Efforts are still continuing to develop new Islamic financial products and services to ensure growth of the Islamic financial industry. With background information on demographic characteristics and the banking industry, the next section discusses some strategies of retail banks in response to the changing environment of financial services in the country.

Trends in the Consumer Banking Environment of Brunei

This section provides some insights into the changing trends seen in the banking sector of Brunei. It was based on Harrison's (2000) explanation of strategies adopted by banks in response to advancement in the banking industry in the United Kingdom. Figure 18 (p.178) illustrates some strategic movements in the banking industry in response to deregulation and competition in the financial industry of the United Kingdom. Although these

trends were observed in the United Kingdom, some similar themes are emerging in the banking environment of Brunei mainly derived from intense competition in the marketplace. In contrast to the deregulated financial services sector in the UK, the banking sector in Brunei is still under close scrutiny by the government, with all activities monitored and to be reported to the Financial Institutions Division of the Ministry of Finance. Five trends were observed in the financial sector of the country, in response to competition in the marketplace, from the 1980s to date; that is, customer retention, generalisation strategy, packaged products, remote/electronic distribution and charges for financial facilities.

Figure 18: Strategic responses to challenges in the financial services environment



Source: Harrison, T. (2000). *Financial Services Marketing*: Pearson Education Limited, UK, p.33

Customer retention

With a working population of approximately 157,000 at 2001, banks are striving hard to acquire new customers. Local banks, such as TAIB and Baiduri Bank, are constantly promoting attractive rewards to expand their customer base. As competition intensifies and new customers are more costly to acquire, banks are turning their attention to existing customers to ensure they remain with the bank for their financial needs. For instance, before a

customer finishes repayment for a personal loan, bank personnel will contact and offer the customer an option of topping up the existing loan. Many banks are focusing their strategy on maintaining relationships with their existing customers. Banks are also adopting policies of cross-selling other products to their existing customers, based on their in-house database system, to make sure that the customer stays with the bank.

Incorporation

Incorporation of mutual organisations such as building societies, life assurance offices, friendly societies and credit unions are not applicable as these organisations were never established in the country.

Generalisation strategy

Banks have moved from specialising in specific product class to generalisation strategy to cater for the needs of different segments in the market. By offering a general product class to the different groups, banks are more efficient in targeting potential customers and tailor specific products and services to meet their requirements. For instance, PowerVantage (HSBC) and Smart Executive (Standard Chartered Bank) caters for the young, middle-income executives group; HSBC's Premier, Standard Chartered Bank's Priority Banking and Baiduri Bank's Prestige are tailored to the higher-end customers. This strategy is a method of customer retention and also enables banks to cross-sell products to customers belonging to one of these groups as the chances of meeting the minimum criteria are higher. The richer individuals and higher income groups are more likely to be profitable customers; thus, the move towards segmenting customers by specific criteria.

Packaged products

Generalisation of products enabled bank staff to offer packaged products and bundles to existing customers. From the bank's perspective, cross-selling of products is easier when a customer fulfils the minimum eligibility for a financial product and, in most cases, these products were tailored to meet the requirements of customers. For example, HSBC Premier's customers are given discounts on purchase of telegraphic transfers and demand drafts, commission-

free foreign currency exchange, special interest rates for advances and free credit cards with a minimum of \$20,000 credit limit. For the customers, these packaged products may be perceived to be more attractive compared to individual purchase of financial products.

Electronic distribution

Advancement of technology enabled banks the ability to serve customers at arm's length. Automated-teller machines allowed customers to withdraw and deposit money at various locations at all times of the day, while innovative technology enabled customers to make use of the internet, telephone and mobile phone for their banking needs which helped save time going to the physical outlet of the bank. This mode of reaching out to the customers was viewed as an advantage to the banks as there are fewer queues in the bank reducing the level of stress to front-line staff.

Service fees

In recent years, some banks started to implement various service charges as an attempt to filter out less profitable customers and to reduce their overhead costs. For instance, unless belonging to one of the exclusive groups of the bank, transactions made over the counter may incur some form of service charges. HSBC, for example, will charge customers should they make over-the-counter transactions more than three times in a month on their savings or current accounts. In other instances, savings accounts incurred a certain fee for being inactive over a certain period of time, or the account balance was under a minimum level, or the customers had insufficient funds to meet a loan or credit repayment.

In summary then, the demographic profile of the residents in Brunei was characterised as relatively young, with about 60 percent of them under the age of 30, residing in urban areas around the country and 75 percent of them are Muslims. There are several racial groups in the country, and Brunei Malay is the dominant racial group guided by the principles of Islam in their daily practices. With free education, close to 95 percent of the residents were literate, and a high percentage of them were able to read and write in both English and

Malay. An account of the financial industry was highlighted in the second section, where the industry operates on a heterogeneous system with both Western-style and Islamic banking running alongside each other, and closely monitored by the Ministry of Finance to maintain stability in the consumer banking environment.

Several foreign banks were incorporated in the country, where the banking sector was dominated by HSBC, Standard Chartered Bank and Citibank; but local banks like Baiduri Bank and BIBD were observed to be rather aggressive in their promotional strategies to compete with their foreign counterparts. Because of a slow-down of the commercial sector, personal lending and mortgages were the main activities in the banking sector for the period 1998 to 2005, as evident in Table 24 (p.176). An insight into the changing trends of the consumer banking industry in Brunei revealed that banks are moving into keeping their existing customers, engaged with classification scheme to tailor products meeting the needs of customers and are actively involved with technology to meet customers' needs for out-of-office banking transactions. After highlighting the population demographic characteristic, profile of the financial industry and some emerging trends in the consumer banking sector, the next section explains the choice of sampling technique, experimental procedures and a background profile of the participants of this research.

3.3.1 Sampling

As the context of this study was concerned with enhancing advertising effectiveness for financial services, the population was identified as those employed persons in the country who draw regular incomes and are more likely to be concerned about their financial security. They are also more likely to have the propensity to save compared to the unemployed. Students, housewives, people who are retired and those not actively seeking employment were excluded from the criteria of the target population.

Selection of participants in this research was based on purposive sampling, also known as judgmental sampling. It is a form of non-probability sampling where participants were not selected randomly, but on the basis of the

researchers' knowledge of a population. Probability sampling was recommended to draw statistical inferences about the population, as every case in the population has a known chance of being included in the sample (Creswell, 2003). Hayes (1997) explained that probability sampling increases the likelihood of a sample to be representative of the target population, as a biased sample may occur with non-probability sampling. This research acknowledged some drawbacks of judgmental sampling, but it was believed that purposive sampling was appropriate for this study.

The working population of Brunei was estimated at 169,000 in 2005 (Brunei Government, 2005), and this group was identified as the target population for this research. It was not possible to gather a list of the names of every working person in the country, and which called for a non-probability sampling technique. Babbie (2005) discussed that at times, it is appropriate to select a sample based on the purpose of the research, its elements and knowledge of a population, and to collect sufficient data for the purpose of the research. The purpose of this research is to illustrate that consumers who are able to connect tangible attributes with personal values upon exposure to advertisements are more likely to visualise service features and benefits, and develop positive attitudes toward the advertisement and brand. Thus, the experimental ads directed at the working population were considered to be appropriate as the sample group to test the proposed conceptual model of enhancing advertising effectiveness for services, via a visualisation strategy.

The people of Brunei are generally well-informed of the various financial products available in the country as, together with the local banks, there are a number of well-established foreign banks contributing to the strong infrastructure in the country. Additionally, some banks had been aggressively promoting new financial products in the marketplace in recent years. Therefore, participants were aware of promotions carried out by financial institutions in the country, which allowed them to pass judgments on advertisements of financial services. Islamic banks with a variety of Islamic financial products have been operating in the country since 1993, and since the majority of the population are Muslims, they are generally familiar with Islamic financial

products. Thus, participants were able to evaluate message elements of either an experimental ad for a conventional or Islamic financial service provider, and allow comparisons to be made on advertising effectiveness of conventional and Islamic banking.

As a former British territorial state, Brunei adopted the British education system and students are required to sit public examinations at Form 5 and 6 where the GCSE and GCE papers were set by the University of Cambridge. The government made it a policy that students have to complete at least upper secondary school (Form 5) before they are allowed to seek employment in the job market. With the high literacy rates, the likelihood of members in the working population who are able to evaluate the experimental ads is high. Therefore, the researcher believed that judgmental sampling was an appropriate sampling technique for the experiment. Lunsford and Lunsford (1995) recommended that should judgmental sampling be adopted for a research, a random technique of selecting participants should be employed to the maximum possibility to ensure a close representation of the population. This research made use of judgmental sampling with random selection of participants to ensure that sample biases were kept at a minimal level and that the participants were representative of the target population.

Experimental Procedure

Following three pilot studies on manipulation of ad stimuli and layout structure of the questionnaire, the main experiment was implemented in Brunei where the financial services industry was well-established with both conventional and Islamic banking operating alongside each other. Interest rates on savings and credit products are closely monitored by the Ministry of Finance, maintaining stability in the financial industry.

Respondents were randomly assigned to one of the eight groups: type of financial product (simple vs. complex) x banking operation (conventional vs. Islamic) x advertising appeal (rational vs. emotional), and they were requested to respond to a self-administered questionnaire at their own pace made up of two sections (as illustrated in Appendix 9, p.357). The first section collected

three sets of information about the respondents: (i) demographic characteristics; (ii) commitment towards their religion; and (iii) involvement towards a financial product. The second section asked participants to respond to questions on their perceptions and attitudes after they saw an experimental advertisement of a financial service provider. After respondents completed the questionnaire, they were thanked for their participation in the survey.

Field work for the main experiment was carried out for a period of six weeks, starting from the third week of March and ending in the third week of April 2007. A total of five hundred and twenty-seven questionnaires were distributed to employees of the government, semi-government agencies and the private sector. Four-hundred and eighty-eight questionnaires were returned, and twenty questionnaires were discarded as not usable or incomplete for the study. A total of four hundred and sixty-eight questionnaires were deemed valid for data analysis. Table 25 (p.184) shows the number of participants allocated to each of the eight groups, with about twenty-five percent of them exposed to an advertisement of a savings account, a bond, an Islamic savings account or an Islamic bond; and about half of the participants in each group were exposed to either a rational or emotional appeal of the respective financial product.

Table 25: Number of advertisements collected by type of financial product and advertising appeal

Type of financial product	Type of appeal				Total	
	Rational appeal		Emotional appeal			
	Count	Percent	Count	Percent	Count	Percent
Savings account	63	13.5	62	13.2	125	100
Bond	57	12.2	56	12.0	113	100
Islamic savings account	59	12.6	64	13.7	123	100
Islamic bond	54	11.5	53	11.3	107	100
Total	233	49.8	235	50.2	468	100

3.3.2 The Participants

This section describes the demographic characteristics of the participants; followed by the number of participants who currently hold a financial product and an intention to purchase the financial product of the advertisement in the group they are allocated.

Demographic information of the participants is displayed in Appendix 10. Fifty-six percent of the participants were males while females made up the other forty-four percent. In terms of age, more than half of the participants belonged to the 20-to-29 years age group (54 percent), followed by about 25 percent in the age group of 30-to-39 and another eleven percent in the 40-to-49 age category. About seventy-seven percent of them were Muslims, followed by eleven percent who belonged to the Christianity faith and another ten percent Buddhist followers. The percentage of participants, by religion, was a close reflection of the official statistics provided by the Brunei Government as at 2001 (Islam: 75 percent; Christianity: 9.4 percent; Buddhism: 8.6 percent and Others: 7 percent).

Sixty-two percent of the participants had completed either college or university, while eighteen percent of them held a postgraduate degree and another fifteen percent whose highest educational qualification attained was at secondary level. With the government as the largest employer in the country, a large proportion of the participants (close to sixty percent) were engaged in various sectors of the government. Thirty percent of them were in the private sector and another eight percent were engaged in semi-government organisations. In terms of the occupational group, thirty percent of the participants were in the academic field followed closely by twenty-nine percent who held posts at the administrative or managerial level and another twenty-one percent represented semi-skilled workers or held positions at the clerical level. The final demographic information was monthly income, with about thirty-eight percent of the participants at the \$2,000 to \$3,000 monthly income bracket, another thirty-two percent of them earned more than \$3,000 a month while thirty percent of them drew a monthly income of less than \$2,000.

Table 26 provides information on the number and percentage of participants who possessed or did not possess the underlying financial product in the respective group. Sixty-eight percent of those participants who were subsequently exposed to an advertisement of a conventional savings account did have a savings account with a conventional bank, and 31 percent of them did not. Out of those who would see an advertisement of a bond, seventy-four percent of them did not possess any bond and twenty-six percent of the participants in this group did purchase a bond from a conventional bank. In the case of Islamic banking, two-thirds of the participants who would see an advertisement of an Islamic bond did not have an Islamic bond in possession, while 40 percent of those prior to be exposed to an advertisement of an Islamic savings account did not have a savings account with an Islamic bank. It was not surprising that many respondents have never purchased a bond as it was not widely advertised and not readily available in the country.

Table 26: Number and percentage of participants with and without the financial product of the advertisement to which they would be exposed

Type of product		Count	Percent
Savings account	Yes	85	68.0
	No	39	31.2
	MV	1	0.8
Bond	Yes	29	25.7
	No	84	74.3
Islamic savings account	Yes	73	59.3
	No	50	40.7
Islamic bond	Yes	36	33.6
	No	71	66.4

Note: MV denotes missing values

Table 27 (p.187) displays information on the number and percentage of the respondents who intend and do not intend to open a savings account or purchase a bond of a conventional/Islamic bank. Forty-seven percent of the participants who would be exposed to an advertisement of a savings account had the intention of opening another savings account while forty-eight percent

of them did not. Two-thirds of the participants who would see an advertisement of a bond had no intention of purchasing a bond in the near future. Forty-four percent of the participants who would be exposed to an advertisement of an Islamic savings account had an intention of opening another savings account with an Islamic financial institution while fifty-three percent of them did not. For those participants who would see an advertisement of an Islamic bond, fifty-four percent of them had no intention of committing to an Islamic bond in the near future, while forty-three percent of them had intention of purchasing an Islamic bond in the near future.

Table 27: Number and percentage of participants who intended to open an account of the financial product of the advertisement to which they would be exposed

Type of product		Count	Percent
Savings account	Yes	59	47.2
	No	60	48.0
	MV	6	4.8
Bond	Yes	39	34.5
	No	72	63.7
	MV	2	1.8
Islamic savings account	Yes	55	44.7
	No	66	53.7
	MV	2	1.6
Islamic bond	Yes	47	43.9
	No	58	54.2
	MV	2	1.9

Note: MV denotes missing values

To summarise, Section 3.3 (p.169) of this thesis discussed the approach involved at the data collection stage for the main experiment. This section started by describing the demographic characteristics of Brunei – the country where the collection of data for the main experiment was carried out. The country has a strong financial infrastructure, with several established foreign banks in operation and the financial system was overlooked by the Ministry of Finance. The financial industry operates on a heterogeneous banking system,

with both conventional and Islamic banks in direct competition with one another. Islamic banking began operations in 1993, and numerous Islamic financial products are available for residents of the country. Consumer banking is active in the country due to a slow-down in the commercial sector in recent years, and retail banking is moving towards strategies focused on retaining customers with the bank. With a sound financial system, and an array of conventional and Islamic banking products widely available in the country, coupled with the relatively high English capabilities of the people in the country, the target population in Brunei was considered to be suitable to carry out the experimental study.

Judgmental sampling was adopted to select participants for this research. Although probability sampling was the recommended approach to select sample, in order to avoid bias due to sample characteristics, the researcher believed that judgmental sampling was appropriate for the study. This was because the target population consisted of working persons who drew regular income and almost all of them were likely to have a savings or current account with a financial institution. Unlike some social research that focused on specific groups with specific criteria, such as smokers, married persons or those with special needs, this research is mainly concerned with the mental process of means-end linkages that respondents went through in their minds after exposure to an experimental ad, in order to test the proposed conceptual model of enhancing advertising effectiveness for services.

Judgmental sampling with maximum random possibility was used to select participants to include in the study. The participants were randomly assigned to one of the eight groups, where self-administered questionnaires were used to collect data for this research. With two structural models to enhance advertising effectiveness for financial services (explained in Section 2.7, p.84), the next section discusses the approach to analyse the collected data to provide indications for the research questions and hypotheses.

3.4 Data Analysis

This section is organised in four parts, outlining the steps involved in examining the psychometric properties of measurement instruments. The purpose of establishing construct validity is to ensure that the indicators are measuring only an underlying constructs, and that components and structures in the CFA measurement model are verified and validated in order to conduct structural equation modelling at the next stage. The procedures involved in examining construct validity are summarised and presented in Figure 26 (p.230). The first step prior to any forms of data analysis is that the dataset has to be scanned for errors, identify missing values that inevitably exist in most social research, and to treat these missing values. Treatments of missing values are detailed in the first section. The next section outlines the procedures of examining psychometric properties of measurements; explaining reasons behind the use of principal component analysis and confirmatory analysis. The third section aims to validate the measurement scales in two groups of data: (I) financial services at an aggregate level; and (II) Islamic banking. Details of establishing construct validity are included in this section. Finally, the last section discuss the approaches used to analyse the data, providing explanations on why multivariate analysis of covariance (MANCOVA) and structural equation modelling (SEM) are used to provide insights into the research questions. Table 38 (p.235) summarised the method of analysing the data by research question.

3.4.1 Data Screening and Treatment of Missing Values

The collected data was input into the Statistical Package for Social Science SPSS (v.15), and prior to analysing the data, the dataset was examined using frequency distributions, descriptive statistics and graphs to identify imputation error as scores outside the possible range can distort the analyses. Where an error was detected, the original questionnaire was examined to fix the coding error. After screening the data for any error, the next step was to examine the presence of missing data, which inevitably happens in social research that is beyond a researcher's control. Byrne (2001) stressed that there is a need to deal with missing values, regardless of the reason for the missing data, as incomplete data may lead to serious bias conclusions from the empirical study.

Missing data may happen due to procedural factors, disclosure restrictions, failure to complete the entire questionnaire, or the morbidity of the respondents (Hair et al., 1998). A researcher should determine the degree of randomness occurring in the missing data. Kline (2005, p.52) pointed out that in many circumstances, "... complete cases differ from cases with complete records for some reason, rather than randomly; thus results based on the latter may not generalise to the whole population". The author referred to this situation of data loss as *ignorable* missing data patterns, and there are two types of ignorable missing data patterns: missing at random (MAR) and missing completely at random (MCAR).

In the words of Byrne (2001), "MCAR represents the most restrictive assumption and argues that the missingness is independent of both the unobserved values and the observed values of all other variables in the data... [...] MAR is somewhat less restrictive than MCAR and argues that the missingness is independent only of the missing values and not of the observed values of other variables in the data... [...] Nonignorable is the least restrictive condition and refers to missingness that is non-random or of a system nature" (p.288). Many researchers suggested that a researcher should perform a test of randomness of missing data and determine if the missing data are classified as MAR or MCAR.

Four hundred and sixty-eight valid questionnaires were collected, and participants rated metric variables pertaining to the independent and dependent variables and covariates included in the questionnaire. Thirty-three missing values were observed in the second section of the questionnaire, and comparisons on mean differences were conducted to determine the randomness of the missing data. It is important to determine why the missing data occur in order to apply a suitable treatment for the missing data. A missing value analysis was conducted by comparing the observations of those variables with missing values (Group 1) from those without missing values (Group 2) to identify if a particular variable poses a problem in the dataset. Group 2 was gathered by deleting any case with incomplete data (listwise deletion), resulting in four hundred and thirty-nine observations.

Appendix 11 (p.373) displays the different observed variables and mean scores in Group 1 and 2. Screenings of individual variables suggested no item was particularly problematic. Comparisons were made on the mean scores of individual items in Group 1 with those of Group 2 by mean difference. The results revealed that mean difference between the two groups were small. No T-test was conducted as there were no variables with more than 5 percent missing values.

The next step was to treat the missing data. Some common approaches to handle incomplete data include listwise deletion, pairwise deletion, case substitution, mean imputation, regression imputation and multiple imputation, and there are advantages and disadvantages with each approach to treat the missing data (Byrne, 2001; Hair et al., 1998). Given the small differences on mean scores of the individual variables between Group 1 and Group 2, a decision was made to replace the missing values in the dataset with mean substitution, without losing information because of reduced sample size. Mean substitution is a popular method, where missing values are replaced with mean value of that variable based on valid responses (Hair et al., 1998). Although there are disadvantages associated with this method, such as distortions of frequency distributions, lowering of variances and correlation leading to bias on statistics, this research believed that the means substituted for the missing values would not lead to substantial biasness on statistical results.

With a cleaned dataset, prior to analysing the data, principal component analysis and confirmatory factor analysis were conducted to explore how well the scales are measuring the underlying constructs (unidimensionality) and to make assessments on construct validity. Detection of outliers, tests on normality, linearity and homogeneity of variances of the data were conducted during multivariate analysis as they require specific assumptions to be checked prior to running the analyses.

3.4.2 Procedures to Assess Psychometric Properties of Measurement Scales

This section is an explanation of the procedures used to assess how well the instruments are measuring the intending constructs; that is: are the items explaining some distinctive characteristics/properties of a particular construct? It is important to ensure that the instruments measuring an intending construct are reliable and valid. Kline (1998, p.39) summarised that the measurements of psychological variables (psychometric characteristics) of good instruments should possess the following properties:

- High reliability: internal consistency of at least .70;
- Low standard error of measurement;
- Good evidence of construct validity; and
- High discriminatory power.

Exploratory factor analysis and confirmatory analysis were employed to verify and validate the psychometric properties of the various measurement scales detailed in Section 3.2 (p.155) of the thesis. Firstly, SPSS was used to determine the underlying factor structures in the dataset using exploratory factor analysis (EFA); further details are provided in Section 3.4.2.1 (p.192). The next step involves confirmatory factor analysis (CFA) using AMOS (v.7) to assess construct validity of the different measurement scales and elaborations are made in Section 3.4.2.2 (p.194). The CFA measurement model illustrates the indicators to be loaded onto the underlying constructs and the latent variables are allowed to correlate freely with one another. When each observed variable loads on only one common factor, the condition of identifying the measurement model is met (McDonald & Ho, 2002). In addition to assessments of construct validity of the instruments utilised in this thesis, CFA also assess factor structures of constructs. Following a discussion of the procedures involved in EFA and CFA, the criteria used to assess model fit is explained in Section 3.4.2.3 (p.196).

3.4.2.1 Principal Component Analysis (PCA)

Exploratory factor analysis allows assessment of factorial validity, that is, the extent by which the items are measuring the same concepts or variables

(Bryman & Cramer, 2005), and items that are not measuring a particular construct will be identified. An advantage of exploratory factor analysis is that it rules out items contributing to multicollinearity, as related variables will combine into a single factor (Field, 2005). Bryman and Cramer (2005) explained that exploratory factor analysis primarily describes the variances shared by observations on three or more variables, and that principal components analysis and factor analysis (called principal-axis factoring in SPSS) are the two most widely used exploratory factor approaches. The two types of exploratory factor approaches aim to determine a smaller number of linear components of the original variables by accounting for variability in the patterns of correlations. Pallant (2001) and Bryman and Cramer (2005) explained that the main difference between principal components analysis and factor analysis lies on the way unique variances were estimated.

In principal components analysis, all the variances of the variables are analysed including its unique variance to produce a smaller set of linear combinations. On the other hand, factor analysis only estimates the shared variances of variables to produce factors using a mathematical model. Although both techniques use a different approach to determine a set of factors in data, they often product similar results, especially in cases when the number of variables is more than 30 or communality (the proportion of common variance present in a variable) exceed .60 for most variables (Hair et al., 1998; Pallant, 2001). As principal component analysis takes into account all the variance of the variables to establish a set of linear components belonging to a particular construct, this research adopted the principal component analysis to establish a set of underlying dimensions in a data by grouping variables in order to assess unidimensionality of constructs.

Preliminary analysis on assumption testing and suitability of the data for factor analysis has to be conducted. When results indicate that the data is suitable for factor analysis, the next step is to decide the number of factors to be extracted. Some criteria to determine the number of factors to extract include latent root criterion, a priori criterion, percentages of variance criterion, scree test criterion, and heterogeneity of the respondents. The number of factors to be

extracted in this research was guided by: (i) a priori criterion; and (ii) Kaiser's criterion. Hair et al. (1998) explained that a priori criterion is one of the criteria to decide on the number of factors to be extracted during factor analysis, where the researcher knows the desired number of factors to be extracted and is particularly useful when a researcher intends to test a theory, a hypothesis or replicate another researcher's work. According to Kaiser's criterion, factors with an eigenvalue of greater than 1 are considered significant and these factors are deemed suitable to be considered for extraction. Bryman and Cramer (2005) pointed out that Kaiser's criterion should be applied when the number of participants is greater than 250 and the mean communality is greater than or equal to .60. To aid data analysis, orthogonal rotation is conducted to assess variables loading onto a factor, and if necessary, subsequent orthogonal rotation may be conducted after variables deemed not suitable are excluded from principal component analysis.

3.4.2.2 Confirmatory Factor Analysis (CFA)

In addition to assessment of construct unidimensionality, confirmatory factor analysis helps determine construct validity and suitability of the different constructs (latent variables) to include for structural equation modelling at a later stage. In confirmatory factor analysis, a researcher has complete control over which variables describe each construct (Hair et al., 1998) and the indicators are specified to load on their underlying constructs with constructs allowed to freely correlate with one another. Confirmatory factor analysis also makes comparisons of the underlying constructs with those in a hypothetical model. Measurement errors associated with observed variables are estimated in CFA, unlike EFA which does not include errors during analysis.

With underlying factors assessed by exploratory factor analysis, a CFA measurement model was specified where latent variables loaded by related indicators were allowed to correlate freely with one another. A CFA measurement model that converged into an admissible solution with satisfactory goodness-of-fit statistics helps determine construct validity. Churchill (1979) explained that construct validity assessed the degree to which a scale measures what it intends to measure. Garver and Mentzer (1999)

suggested that construct validity should possess the following statistical properties:

1. Unidimensionality: the degree by which items represent only one underlying construct, and is assessed by the overall CFA measurement model fit and components of the measurement model fit (Garver & Mentzer, 1999). Once the measurement model demonstrates unidimensionality, then reliability may be accessed.
2. Scale reliability: the consistency of a scale to measure a latent variable. Reliable scales are made up of indicators that measure a single unidimensional construct and vary together statistically (Churchill & Peter, 1984). Scale reliability on composite reliability and variance extracted is assessed by the formulae suggested by (Fornell & Larcker, 1981).
 - (i) Composite reliability is a measure of scale reliability where assessments are made on internal consistency of a construct, which is calculated as:

$$\text{Composite reliability} = \frac{(\sum \text{standardised loading})^2}{(\sum \text{standardised loading})^2 + \sum \text{measurement error}}$$

The measurement error is 1.0 minus the reliability of the indicator, which is the square of the indicator's standardised loading. As a guideline, the indicator reliabilities should exceed .70 (Hair et al., 1998).

- (ii) Variance extracted is another measurement of reliability, reflecting the overall amount of variance in the indicators accounted for by the latent construct. The variance extracted value should exceed .50 for a construct, and is calculated as:

$$\text{Variance extracted} = \frac{(\sum \text{standardised loading}^2)}{(\sum \text{standardised loading}^2) + \sum \text{measurement error}}$$

3. Convergent validity: the extent to whether the items in a scale converge or load together on a single construct in the measurement model. Garver and Mentzer (1999) suggested that the general benchmark for convergent validity is indicated by relatively high standardised loadings of indicators to its underlying construct with value of more than .70.
4. Discriminant validity: the extent that the scales developed to measure different constructs are indeed measuring different constructs. Correlation confidence level between two constructs could be estimated by +/- two standard errors around the correlation estimate between the two factors, with value more than 1.0 indicative of violation of discriminant validity.
5. Predictive validity: assess whether the construct of interest predicts or correlates with other constructs that it is supposed to predict. It could be tested by examining the magnitude and statistical significant of correlations between two constructs that predict one another.

3.4.2.3 Model Fit Criteria

The estimated CFA measurement models and partially-latent SR model (in the data analysis section) were assessed across several indices to determine fit of the model with data. The likelihood-ratio chi-square (χ^2) statistic was commonly reported in SEM studies, by testing the null hypothesis that the estimated variance-covariance matrix deviates from the sample variance-covariance matrix because of sampling error (Baumgartner & Homburg, 1996) and therefore serves as an indicator of overall model fit (Byrne, 1994). A small χ^2 value demonstrates good fit of the model to the data, while large χ^2 value indicates bad fit. The χ^2 statistic is more meaningful by taking the ratio of χ^2 (minimum discrepancy) to degrees of freedom (χ^2/df), with ratio between 2 and 5 representing a reasonable fit (Marsh & Hocevar, 1985). For cases that made comparisons on fit of competing models that are nested, the standard way is the chi-square difference test (Joreskog, 1971). However, the main criticism of the χ^2 measure, however, was that it is sensitive to sample size

(Bentler, 1990) and therefore, other goodness-of-fit measures were used to complement and assess fit of the model with the data.

The goodness-of-fit index (GFI) represents the overall degree of fit of the squared residuals from prediction compared to the actual data, while the adjusted-goodness-of-fit index (AGFI) adjusts the number of degrees of freedom in the specified model. Hu and Bentler (1980) explained that the GFI and AGFI were classified as absolute indexes of fit as no comparisons are made with other models. GFI and AGFI values of more than .90 indicate a good-fitting model.

Incremental fit measures taking sample size into account were also commonly used in SEM studies. They included the Tucker-Lewis index (TLI), also known as the nonnormed fit index (NNFI) revised by Bentler and Bonett (1980), the normed fit index (NFI) and the comparative fit index (CFI) (Bentler, 1990). CFI compares the estimated model with a null or independence model, where covariances between all variables are zero, to estimate goodness-of-fit value ranging from 0 to 1. TLI combines measure of parsimony into a comparative index of the estimated model with the null model resulting in value between 0 and 1. The general guideline was that NFI, CFI or TLI values of more than .90 indicate a good-fitting model (Bentler, 1992). Baumgartner and Homburg (1996) discussed that the TLI expresses fit per degree of freedom, which imposed a penalty during estimation of less parsimonious models, and may be important when comparing models of different complexity.

Finally, the root mean square error of approximation (RMSEA) (Steiger & Lind, 1980) assessed model fit by taking into account the error of approximation in the population adjusting for degree of freedom, making it sensitive to the number of estimated parameters in the model. Brown and Cudeck (1993) suggested that values of less than .05 are indicative of a good fit while values ranging from .05 to .08 are considered to be acceptable, but RMSEA value of more than .10 indicate poor fit to the data.

Hair et al. (1998, p.659) recommended the following criteria as indicative of models with acceptable fits:

- Non-significant χ^2 (at least $p > .05$, perhaps .10 or .20)
- Incremental fit indices (NFI, TLI) greater than .90
- Low RMSR and RMSEA values based on the use of correlations or covariances
- Parsimony indices that portrayed the proposed model as more parsimonious than alternative models

Section 3.4.2 (p.192) explained that principal component analysis and confirmatory factor analysis are adopted to assess the consistencies of psychometric properties of the constructs to prepare the data for analysis. The criteria of validating the constructs are guided by Kline's (1998) suggestions for good psychometric properties of measurement scales, and Garver and Mentzer's (1999) guidelines to assess construct validity. The next section is an assessment on the psychometric properties of the constructs included in Section 3.2 (p.155) of the thesis.

3.4.3 Verification and Validation of Measurement Scales

It has been discussed in this thesis that constructs are appropriately defined and the instruments used to measure the intending constructs are valid and reliable. A lengthy discussion of the means-end chain connectivity (MECC), which is a combination of strength of means-end chain connectivity (SCC) and realisation of personal relevance (RPR) was explained in Section 2.7 (p.84) of the thesis. In the context of this research, the SCC and RPR constructs were proposed to consist of two values dimensions, which are: financial security and social recognition. In addition, in the case of Islamic financial service, an additional dimension was proposed: realisation of personal relevance related to devoutness to religion. The instruments to measure SCC and RPR are displayed in Table 16 (p.157) and Table 17 (p.159), respectively. Perceived tangibility (PT), attitude towards the advertisement (ATTad) and attitude towards the brand (ATTb) represent variables that help explain advertising effectiveness of services, and measurements of these dependent variables are

outlined in Table 20 (p.167), Table 21 (p.168) and Table 22 (p.169), respectively. Finally, constructs that affect consumers' elaboration of advertising messages are religiosity (REL), only for Islamic financial service, and involvement (INV). Items measuring REL and INV are illustrated in Table 18 (p.162) and Table 19 (p.166), respectively.

As the research encompasses the above constructs in a proposed model to enhance advertising effectiveness for financial services (as illustrated in Figure 11, p.97), and a second one for enhancing advertising effectiveness for Islamic financial services (presented in Figure 12, p.100), assessments of the psychometric properties of the various constructs are carried out in two separate groups: (i) financial services as a whole (encompassing both conventional and Islamic banking), and (ii) only Islamic banking. Table 28 illustrates the constructs included during PCA and CFA to assess the unidimensionality and construct validity in the two groups of financial services.

Table 28: Variables included during assessment of unidimensionality and construct validity for financial services and Islamic banking

Measurements	Financial services	Islamic banking
<i>Strength of means-end connectivity (SCC)</i>		
Financial security strength of connectivity (FSSC)	✓	✓
Social recognition strength of connectivity (SRSC)	✓	✓
<i>Realisation of personal relevance (RPR)</i>		
Financial security personal relevance (FSPR)	✓	✓
Social recognition personal relevance (SRPR)	✓	✓
Devoutness to religion personal relevance (DRPR)		✓
Involvement (INV)	✓	✓
Religious commitment (REL)		✓
Perceived tangibility (PT)	✓	✓
Attitude towards the advertisement (ATTad)	✓	✓
Attitude towards the financial product (ATTb)	✓	✓
Number of participants	468	178*

* Only Muslim participants exposed to an experimental advertisement of an Islamic financial service were included in PCA and CFA analyses.

3.4.3.1 Financial Services: Psychometric Properties of Measurements

(I) Assessments with Principal Component Analysis

Items measuring the different constructs in the proposed model for financial services, those outlined in Table 28 (p.199) were subjected to a principal component analysis. Results of the PCA indicated that the Kaiser-Meyer-Olson value was .951, above the minimum threshold of .50 (Kaiser, 1974) and Barlett's Test of Sphericity was statistically significant ($p < .001$) suggesting factor analysis was suitable for the data (see Table 1; p.375 in Appendix 12).

The principal component analysis, illustrated in Table 2 (p.375) of Appendix 12, revealed eight factors with eigenvalues of more than 1, explaining 73.5% of the total variance. Varimax rotation was conducted to determine the variables that load on a particular construct. Based on the results after varimax rotation, a decision was made to remove five variables: (i) PV14 and PV15 exhibited low communality with values less than the minimum guideline of .5; and (ii) ACV1, PV10 and AB5 cross-loaded with more than two factors at loading value suppressed at .40 during rotation. A second orthogonal rotation was performed, and the results indicated that the eight factors accounted for 76.476% of total variance. Table 3 (p.376) in Appendix 12 illustrated that all variables load substantially on only one factor, and variance contribution and eigenvalues of the different factor were included at the bottom of the table. Reliability analyses for the individual factors were conducted, denoting good internal consistency as Cronbach's coefficients for the factors were above the recommended guideline of .70. Communalities of individual items were included in Table 4 (p.377) of Appendix 12, illustrating shared variance of all variables with communality values above the recommended benchmark of .50.

Exploratory factor analysis revealed eight factors in the dataset, loaded by the respective indicators illustrated in Table 3 of Appendix 12. These factors, as previously proposed in Figure 12 (p.42), are:

1. Financial security strength of connectivity (FSSC);
2. Social recognition strength of connectivity (SRSC);
3. Financial security personal relevance (FSPR);

4. Social recognition personal relevance (SRPR);
5. Perceived tangibility (PT);
6. Attitude towards the advertisement (ATTad);
7. Attitude towards the brand (ATTb); and
8. Involvement (INV).

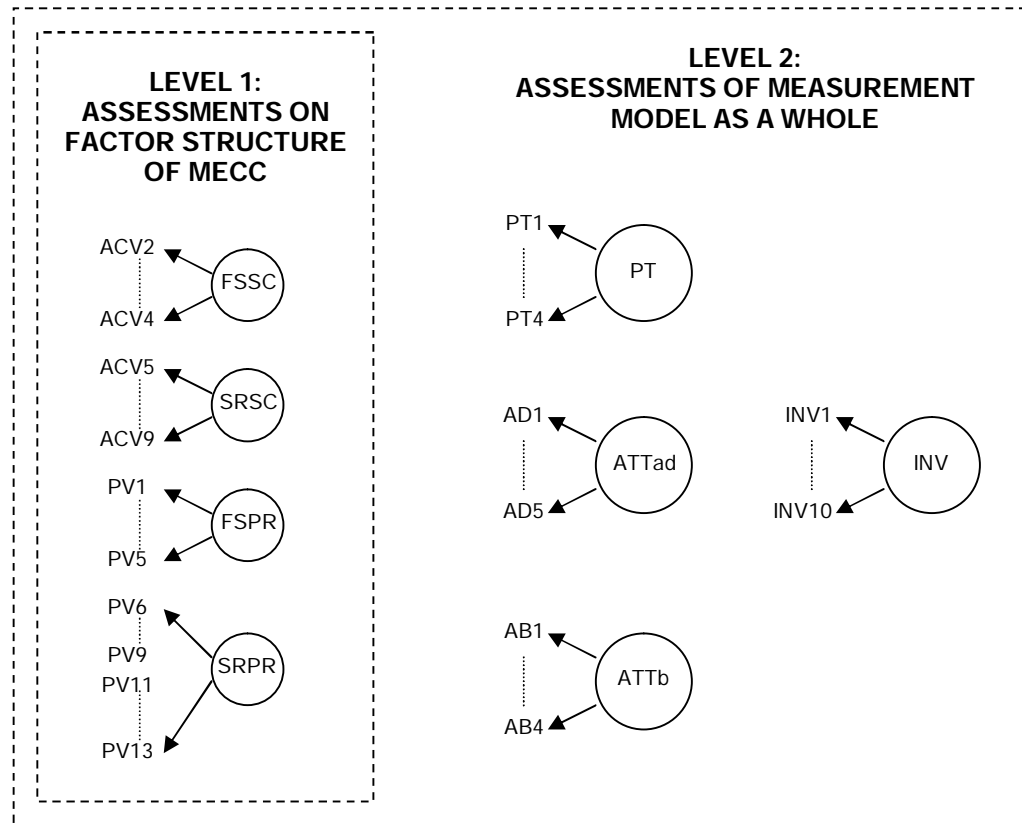
PCA results indicated that the items loaded onto its respective factor, demonstrating unidimensionality; that the items are explaining/measuring a unique characteristic of a construct. The next step made use of confirmatory factor analysis to determine factor structure and construct validity of the measurement scales.

(II) Assessments with Confirmatory Factor Analysis

This section aims to validate the measurements of the different constructs outlined in the proposed model to enhance advertising effectiveness for financial services. Findings from EFA revealed eight factors in the dataset, and which is inline with the proposed constructs as those depicted in Figure 11 (p.42). An advantage of CFA is that it allows the different constructs to be assessed on factor structures that are not explained by EFA. Confirmatory factor analyses in this section are carried out in two steps.

The MECC is a newly-proposed construct which is a combination of the strength of means-end chain connectivity (SCC) and realisation of personal relevance (RPR) of specific personal values. At Level 1, the MECC dimension was investigated to check whether it is a single construct or whether it is made of a series of components. Additionally, CFA allows for determination of the factor structure of the MECC dimension, that is whether it is composed of first-order or higher-order factor structure. After the factor structure of MECC is determined, Level 2 is an assessment of the psychometric properties of all measurement scales in the financial services group. The fit of the model was assessed using the guidelines outlined in Section 3.4.2.3 (p.196). Figure 19 (p.202) illustrates a two-stage CFA to verify and validate the measurement scales in the proposed model to enhance advertising effectiveness for financial services.

Figure 19: A two-stage confirmatory factor analyses of the proposed model to enhance advertising effectiveness for financial services



Note: Double-headed arrows between latent constructs are not depicted to allow clarity of the diagram.

Level 1: Assessing the factor structure of means-end chain connectivity

This section aims to determine the component structure of the MECC dimension. The MECC is a new construct and it is unclear whether it is comprised of a single construct or whether there exists several constructs. CFA for the MECC was compared between different alternative models, and between a first-order and higher-order structure.

1. First-Order Structure

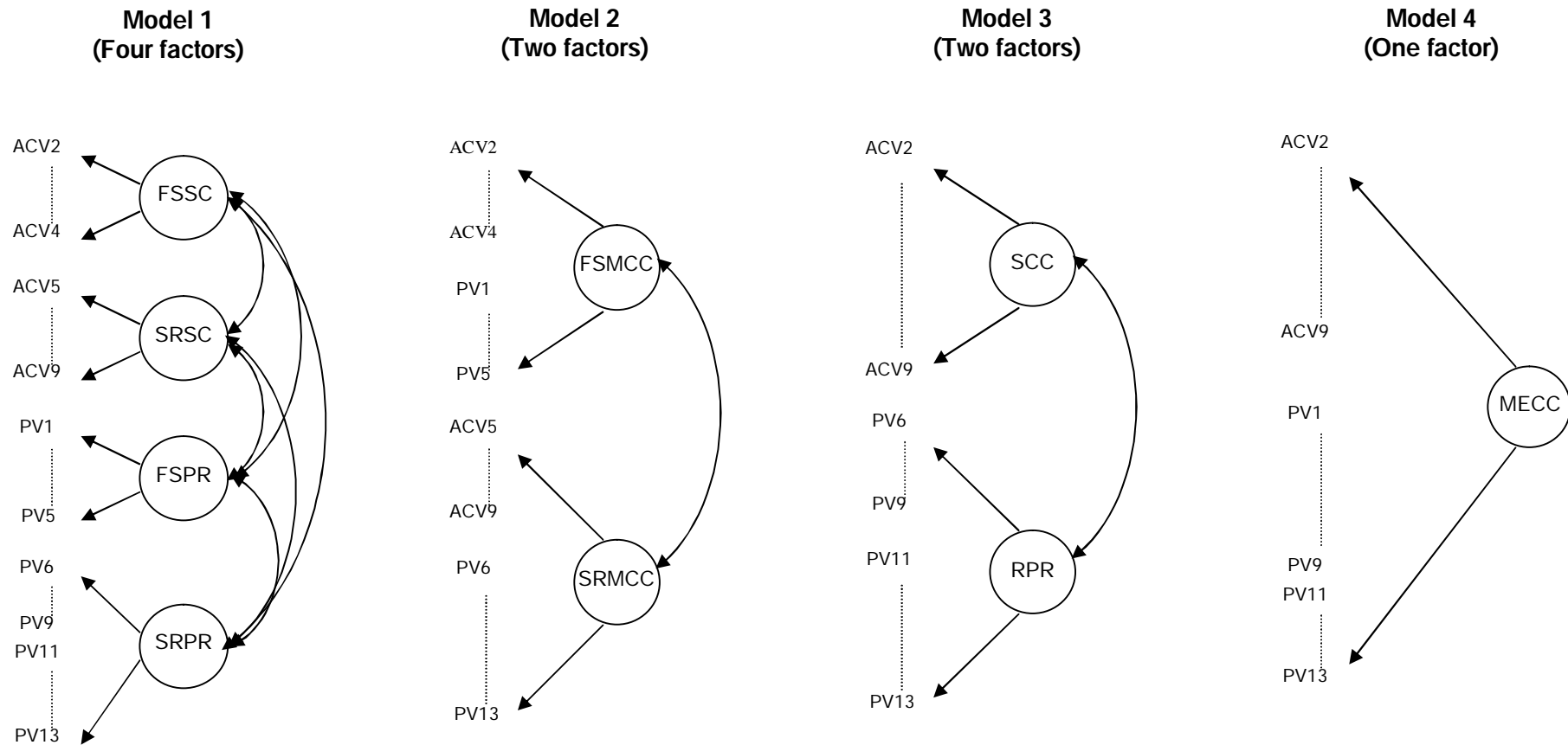
The research proposed a four-dimensional means-end chain connectivity for financial services, comprised of FSSC, SRSC, FSPR and SRPR; and these components are specified by Model 1 of Figure 20 (p.204). The four factors in the MECC construct were compared with alternative models to determine a

best-fitting measurement model in the dataset. Three alternative models are proposed conceptually.

Model 2 is a two factor model, where items related to financial security load onto the strength of means-end chain connectivity of financial security (FSMCC) while items related to social recognition load onto the strength of means-end chain connectivity related to social recognition (SRMCC). It may be possible that items loads onto its respective personal value dimension, as these items are explanatory of a specific personal value dimension of the means-end chain.

It may also be possible that items measuring the strength of means-end chain connectivity loads onto SCC latent variable, while items measuring the degree of realising personal relevance load onto RPR latent variable; because these items are conceived from a SCC dimension and a RPR dimension. Thus, a third alternative model is proposed, which is a two-factor model and labelled as Model 3 in Figure 20. Model 4 is a one-factor latent variable made up of all items measuring the MECC construct. It may be possible that the MECC is a single dimensional construct as the items represent components of linkages between means-end elements.

Models 1 to 4 in Figure 20 (p.204) were estimated with AMOS, and they converged to admissible solution. The measurement models were inspected by examining the modification indices (MI) on factor loadings, and no substantial cross-loadings were indicated by the results. Next, the hypothesised model (Model 1) was compared with the alternative models and evaluated with some goodness-of-fit indices. Results of comparisons between the different models are displayed in Table 29 (p.205), and a chi-square difference test was also estimated and the results are shown in Table 30 (p.205).

Figure 20: First-order CFA structure: Alternative measurement models of the MECC dimension in financial services

FSSC = Financial Security Strength of Connectivity; SRSC = Social Recognition Strength of Connectivity; FSPR = Financial Security Personal Relevance; SRPR = Social Recognition Personal Relevance; MECC = Means-End Chain Connectivity; FSMCC = Financial Security Means-End Chain Connectivity; SRMCC = Social Recognition Means-End Chain Connectivity; SCC = Strength of Means-End Connectivity; RPR = Realisation of Personal Relevance

Table 29: Goodness-of-fit indices of measurement models in first-order structure for financial services

Indices	Model 1 (4 factors)	Model 2 (2 factors)	Model 3 (2 factors)	Model 4 (1 factor)
χ^2	364.209	1393.937	1429.472	2271.437
DF	164	169	169	170
p	.000	.000	.000	.000
χ^2/DF	2.221	8.248	8.458	13.361
GFI	.927	.660	.681	.548
AGFI	.907	.578	.603	.442
NFI	.933	.742	.736	.580
TLI	.956	.736	.729	.550
CFI	.962	.765	.759	.598
RMSEA	.051	.125	.126	.163

Table 30: Chi-square differences between Model 1 and alternative measurement models in first-order structure for financial services

Model comparisons	$\Delta\chi^2$	ΔDF
1-2	1029.728	5
1-3	1065.263	5
1-4	1907.228	6

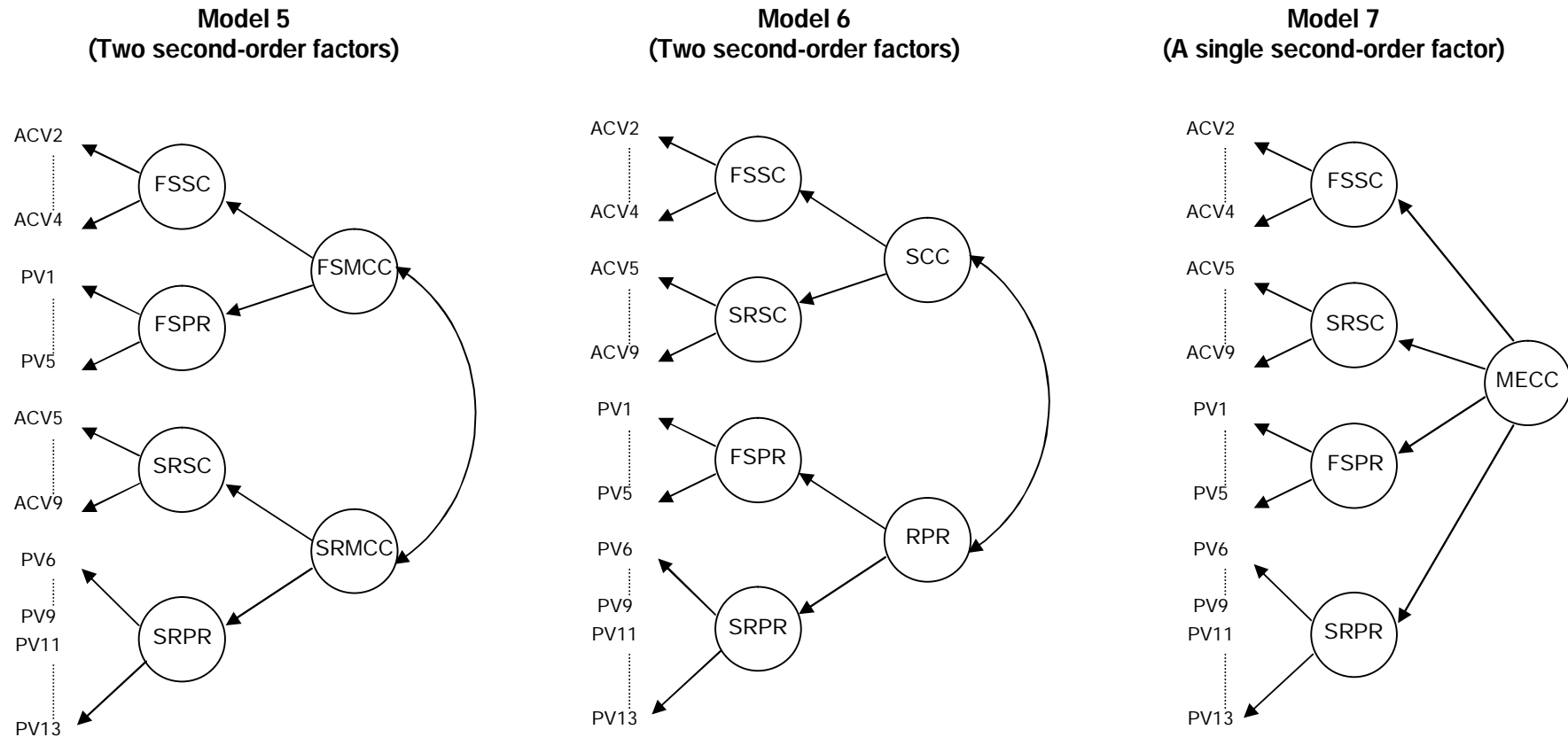
Results in Table 29 illustrates that Model 1 is the best-fitting model compared to the three alternative models. Fit indices for Model 1 are above the recommended guidelines of a good-fitting model, with RMSEA just marginal above the threshold level of .05. On the other hand, Model 2 to Model 4 demonstrated poor fit with the data, with most of the fit-indices below the recommended guidelines of a good-fitting model. The chi-square differences tests (results in Table 30) indicate that Model 1 is superior over the three alternative models; a chi-square difference of 1029.728 and 5 degrees of freedom with Model 2; a chi-square difference of 1065.263 and 5 degrees of freedom compared with Model 3; and a chi-square difference of 1907.228 and 6 degrees of freedom with Model 4. The significance of the chi-square difference test revealed that Model 1 is a better fit for the MECC dimension for financial services, compared to alternatives.

The above results indicated that the MECC construct consist of four factors; and they are FSSC, SRSC, FSPR and SRPR. The first-order structure for MECC is next re-specified and compared with higher-order structures to examine if the four factors may load with a higher-order structure.

2. Higher-Order Structure

This section assesses higher-order measurement model, among alternatives, due to parsimony purpose and relationships between factors may be described through higher-order structure. The conceptual model to enhance advertising effectiveness for services, as illustrated in Figure 9 (p.88) and discussed in Section 2.7 (p.84), argued that MECC is a combination of the strength of means-end chain linkages and realisation of personal relevance, stimulated from tangible cues in advertising, that have direct effects on the dependent variables. It may be possible that the MECC may be made up of higher-order structures, due to the existence of different dimensions in the construct. This section aims to assess whether a higher-order MECC factor structure exists, by examining three alternative second-order factor models that are conceptually developed from the four factors representing the MECC dimension (those components in Model 1) in the preceding section. These measurement models are illustrated in Figure 21 (p.211).

Model 5 is an MECC construct comprised of two second-order factors; FSMCC is the means-end connectivity for financial security loaded by latent variables related to financial security (FSSC and FSPR) and SRMCC refers to the means-end connectivity related to social recognition with SRSC and SRPR load onto the higher-order structure. It is plausible that means-end elements related to the specific personal value comes together in the mind of the consumers, and they are able to differentiate between financial security and social recognition during evaluation of advertisements.

Figure 21: Second-order CFA structure: Alternative measurement models of the MECC dimension for financial services

FSSC = Financial Security Strength of Connectivity; SRSC = Social Recognition Strength of Connectivity; FSPR = Financial Security Personal Relevance; SRPR = Social Recognition Personal Relevance; MECC = Means-End Chain Connectivity; FSMCC = Financial Security Means-End Chain Connectivity; SRMCC = Social Recognition Means-End Chain Connectivity; SCC = Strength of Means-End Connectivity; RPR = Realisation of Personal Relevance

Model 6 displayed in Figure 21 is comprised of two second-order factors – the first one is the strength of means-end connectivity (SCC) higher-order latent variable, and the second is the realisation of personal relevance (RPR) construct. This model was rationalised by the fact that latent variables concerning on the strength of means-end connectivity dimension (i.e. FSSC and SRSC) would load onto a higher-order SCC structure, and latent variables related to realisation of personal relevance (i.e. FSPR and SRPR) load to a second-order RPR dimension. Model 7 is a single second-order factor, where the MECC latent variable is represented by specific components that are, those first-order factors validated in Model 1.

The alternative higher-order structures displayed in Figure 21 were estimated with AMOS, and results converged to admissible solutions and summarised in Table 31 (p.209). The model-fit statistics denote that the three alternative models are good-fitting model to the dataset, as indicated by the favourable model-fit indices. However, comparing the model-fit indices among the three second-order factor models, there are indications that Model 5 is superior over Model 6 and 7, and is a better representation of the MECC dimension of the research.

A chi-square differences test between Model 5 and the alternative models were computed, displayed in Table 32 (p.209). The results of the chi-square difference tests revealed that Model 5 is a better model compared to the alternatives, with a chi-square difference of 63.833 and no degree of freedom differences between Model 5 and Model 6; and a chi-square difference of 88.095 with 1 degree of freedom between Model 5 and Model 7. Thus, the findings indicate that the MECC dimension is represented by higher-order factor structures consisting of a financial security dimension (FSMCC) and a social recognition dimension (SRMCC) which is superior over alternatives. Having established that Model 5 represents a good higher-order factor structures for the independent variables, among the competing model, the next step is to compare Model 5 with Model 1. Comparisons between Model 1 and 5 are required as both measurement models are good representations of the MECC construct.

Table 31: Goodness-of-fit indices of measurement models in second-order structure for financial services

Indices	Model 5 (Two second-order factors)	Model 6 (Two second-order factors)	Model 7 (Single second-order factors)
χ^2	389.058	452.891	477.153
DF	165	165	166
p	.000	.000	.000
χ^2/DF	2.358	2.745	2.874
GFI	.923	.913	.911
AGFI	.902	.890	.887
NFI	.928	.916	.912
TLI	.951	.937	.932
CFI	.957	.945	.940
RMSEA	.054	.061	.063

Table 32: Chi-square differences between measurement models in second-order structure for financial services

Model comparisons	$\Delta\chi^2$	ΔDF
5-6	63.833	-
5-7	88.095	1
6-7	24.262	1

3. Parsimonious Consideration

Model 1 is a first-order structure composed by four latent variables – FSSC, SRSC, FSPR and SRPR. On the other hand, Model 5 is a second-order structure consisting of two higher-order latent variables (FSMCC and SRMCC) loaded by variables explaining the means-end connectivity related to specific personal values that consumers seek from financial services. Both measurements are feasible models that could be adopted by the research, as they are good representation of the MECC dimension. Thus, in consideration of parsimony, Model 1 and Model 5 were compared by a set of parsimonious fit indices (PGFI, PNFI and PCFI), and the indices are displayed in Table 33 (p.210). The parsimony indices of both models are nearly equal, a difference of

just .001. Taking into account that the indices for Model 5 are slightly better and in the interest of parsimony, the higher-order structure (Model 5) is thus selected as a better representation of the MECC dimension of the research.

Table 33: Parsimony Index for Model 1 and Model 5

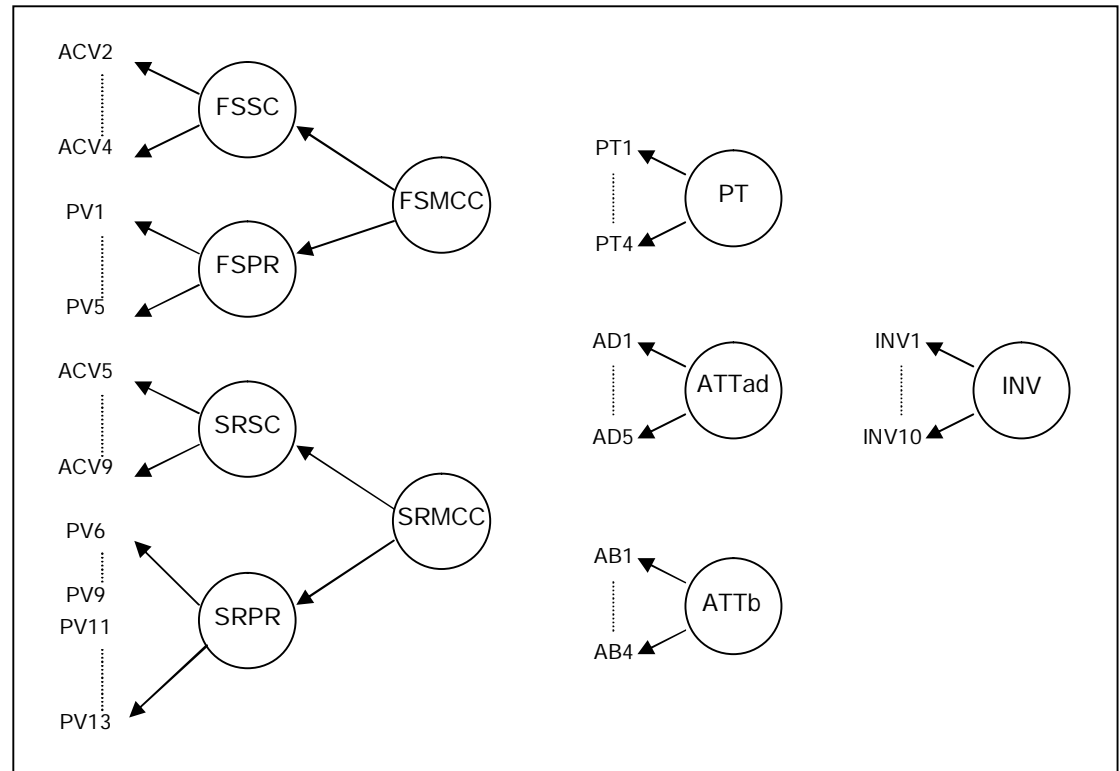
Model	PGFI	PNFI	PCFI
1	.724	.805	.830
5	.725	.806	.831

Having established that the MECC dimension of the research is best-represented by two higher-order factor structures, encompassing latent variables related to financial security (FSMCC) and social recognition (SRMCC); and this was indicated by the favourable model-fit indices. The next step is to inspect the measurement model for weak factor loadings and examine the modification indices for factors that may cross-load. An inspection of factor loadings and modification indices did not reveal any substantial issue. Construct validity for the MECC dimension shall be assessed together with the other constructs in the second stage of confirmatory factor analysis.

Level 2: Assessing the measurement model as a whole

Confirmatory factor analysis at Level 2 encompassing all constructs predicted to affect or enhance advertising effectiveness for financial would paint a bigger picture on the psychometric characteristics of the measurement scales. Together with the latent constructs established in Level 1, the inclusions of the latent variables (PT, ATTad, ATTb and INV) in a second CFA allows a thorough examination of construct validity. The measurement model at Level 2 CFA is depicted in Figure 22 (p.211).

Figure 22: Confirmatory factor analysis at Level 2 to verify and validate the measurement model – Financial services



Note: Double-headed arrows between latent constructs are not depicted to allow clarity of the diagram.

The above measurement model was estimated with AMOS and the data converged to an admissible solution and goodness-of-fit indices indicated a moderate-fitting model. However, inspections of the modification indices revealed that AB4 had cross-loaded with three latent variables, indicated by the high MI values. AB4 was subsequently dropped from the CFA measurement model, and the model was re-estimated with the same data. Selected goodness-of-fit measures, standardised factor loadings, composite reliability and variance extracted of the constructs shown in Figure 22 are included in Table 34 (p.213), and discussions of the results are made.

Overall Model Fit

This section outlines the psychometric characteristics of the components in the measurement model that explain advertising effectiveness for Islamic banking. Assessments on unidimensionality, scale reliability, convergent validity,

discriminant validity and predictive validity are made according to the guidelines suggested by Garver and Mentzer (1999), as outlined in Section 3.4.2.2 (p.194) of the thesis.

Absolute Fit Measures

The chi-square value of 1912.51 with 800 degrees of freedom is statistically significant at the .000 significance level. However, the chi-square statistic is sensitive to sample size, and becomes less reliable with sample sizes beyond 200. Thus, the significance level does not necessarily mean that the measurement model is not a good-fit to the data. Other goodness-of-fit measures are examined to investigate the relative fit of the model. The chi-square to degrees of freedom ratio is 2.39, within the range of 2 to 5 representing that the measurement model is a good fit to the data. GFI measuring the relative amount of variance and covariance is at a marginal acceptable level at .823; while RMSEA which takes into account the complexity of the model has a value of .055 which is marginally above the .05 level of a good fit, but below the .08 mark of a poor-fitting model. The absolute fit measures denote that the measurement model is acceptable, and other measures are also examined.

Incremental Fit Measures

The AGFI, which adjusts the number of degrees of freedom, has a value of .801, which is below the .90 guideline of a good-fitting model. However, it is affected by sample size. Thus, TLI and NFI are examined to supplement the goodness-of-fit measures, and the indices are above the .90 threshold suggesting a good-fit with the data. Therefore, as a whole, the research considers the overall CFA measurement fit and components of the measurement model for financial services as good fitting with the data.

Table 34: CFA results for the measurement model - Financial services

Scales		Standardised estimate	t-value	Standard error	Composite reliability	Variance extracted
FSMCC - Financial Security Means-End Chain Connectivity						
FSSC	Financial security strength of connectivity	0.594	8.732	0.035	0.714	0.564
FSPR	Financial security personal relevance	0.881	11.244	0.042		
SRMCC - Social recognition Means-End Chain Connectivity						
SRSC	Social recognition strength of connectivity	0.675	11.657	0.044	0.827	0.712
SRPR	Social recognition personal relevance	0.984	13.704	0.045		
FSSC - Financial Security Strength of Connectivity (Cronbach's alpha = .749)						
ACV2	<i>Item</i> paid into my account means I am saving more every month.*	0.701	-	-	0.750	0.501
ACV3	<i>Item</i> into my account provide me a peace of mind on my financial security.	0.758	11.801	0.098		
ACV4	When I am saving more <i>item</i> , I feel that my financial security has improved.	0.660	11.241	0.092		
SRSC - Social Recognition Strength of Connectivity (Cronbach's alpha = .923)						
ACV5	Friendly service means staff is readily available to help me.*	0.811	-	-	0.923	0.707
ACV6	Quality service will allow me to be more comfortable approaching the staff to answer my questions.	0.849	21.452	0.049		
ACV7	When staff personnel are approachable, I feel appreciated by the bank.	0.843	21.209	0.049		
ACV8	Friendly and good services give me a sense of being part of the financial organisation.	0.839	21.078	0.050		
ACV9	Friendly and good services provide me a feeling of being respected by members of the bank.	0.861	21.884	0.050		
FSPR - Financial Security Personal Relevance (Cronbach's alpha = .837)						
PV1	My deposits are secured with the bank.*	0.704	-	-	0.838	0.508
PV2	The bank will make wise investments from my deposits.	0.656	12.695	0.073		
PV3	A correct decision was made on my future security if I deposit with this bank.	0.755	14.370	0.078		
PV4	This bank fulfils my need for a financially-secured organisation to deposit my money.	0.751	14.311	0.074		
PV5	This bank provides me a sense of security for my current and future financial security.	0.694	13.362	0.069		
SRPR - Social Recognition Personal Relevance (Cronbach's alpha = .911)						
PV6	The bank values me as a customer.*	0.746	-	-	0.911	0.596
PV7	The bank personnel will be readily available to attend to my needs.	0.765	16.699	0.062		
PV8	I am important as a customer of the bank.	0.752	16.391	0.062		

PV9	The bank personnel appreciate my presence in the bank.	0.777	16.998	0.057		
PV11	The bank personnel will respect me as a customer of the organisation.	0.827	18.212	0.059		
PV12	The bank personnel will put in effort to please me.	0.810	17.796	0.060		
PV13	The bank fulfils my need on being respected whenever I patronise the organisation.	0.720	15.641	0.064		
PT - Perceived tangibility (Cronbach's alpha = .961)						
PT1	This ad made the <i>item</i> more tangible.*	0.893	-	-	0.961	0.860
PT2	The ad made it easy to visualise the <i>item</i> .	0.948	34.594	0.031		
PT3	I have a very clear picture of the <i>item</i> shown in the ad.	0.937	33.479	0.033		
PT4	The ad made the <i>item</i> easy to picture.	0.931	32.910	0.033		
ATTad - Attitude towards the advertisement (Cronbach's alpha = .940)						
AD1	Did you find this advertisement interesting or uninteresting?*	0.872	-	-	0.940	0.759
AD2	Did you like or dislike this advertisement?	0.887	27.062	0.035		
AD3	Did you find the advertisement positive or negative?	0.848	24.768	0.036		
AD4	Did you find the advertisement favourable or unfavourable?	0.884	26.840	0.035		
AD5	Did you find this advertisement appealing or unappealing?	0.864	25.633	0.037		
ATTb - Attitude towards the brand (Cronbach's alpha = .917)						
AB1	Did you think the <i>item</i> to be good or bad?*	0.889	-	-	0.917	0.787
AB2	Did you find the <i>item</i> favourable or unfavourable?	0.889	27.110	0.037		
AB3	Did you perceive the <i>item</i> to be positive or negative?	0.884	26.842	0.038		
INV - Involvement towards the product (Cronbach's alpha = .978)						
INV1	unimportant to me -- important to me*	0.904	-	-	0.978	0.816
INV2	boring to me -- interesting to me	0.868	28.715	0.030		
INV3	irrelevant to me -- relevant to me	0.930	34.525	0.028		
INV4	unexciting to me -- exciting to me	0.881	29.800	0.029		
INV5	means nothing to me -- means a lot to me	0.932	34.779	0.028		
INV6	unappealing to me -- appealing to me	0.901	31.572	0.028		
INV7	mundane to me -- fascinating to me	0.880	29.742	0.028		
INV8	worthless to me -- valuable to me	0.924	33.920	0.028		
INV9	uninvolving to me -- involving to me	0.905	32.003	0.029		
INV10	not needed by me -- needed to me	0.905	31.981	0.031		

Fit statistics: $\chi^2 = 1912.506$, $df = 800$, $p = .000$, $\chi^2/df = 2.391$, $RMR = .058$, $GFI = .823$, $AGFI = .801$, $NFI = .901$, $TLI = .935$, $CFI = .940$, $RMSEA = .055$

* Fixed at 1 to standardise.

The term *item* was replaced with the appropriate savings product/brand during the experiment.

Psychometric Properties

Unidimensionality

The goodness-of-fit measures and components in the measurement model discussed above indicated that the underlying constructs are well-represented by the respective items, demonstrating unidimensionality. Additionally, reliability analyses for the individual constructs range from .749 to .961; above the recommended guideline of .70 denoting that the indicators are measuring a common characteristic of the underlying construct.

Scale reliability

Garver and Mentzer (1999) emphasised that each latent construct must be unidimensional, before assessments for construct reliability could be made. Scale reliability is the consistency of a scale measuring a latent construct, and was assessed by composite reliability and variance extracted. Composite reliability and variance extracted for the second-order factors (FSMCC and SRMCC) were calculated using the formulae stated in page 195, and were computed in a manner similar to that of computing composite reliability and variance extracted for first-order factors. Composite reliabilities of the different latent variables, as illustrated in Table 34, range from .714 for FSMCC to .961 for PT, and they are above the recommended guideline of .70. The values of variance extracted range from .501 for FSSC to .860 for perceived tangibility, and these coefficients are beyond the minimum level of .50. Thus, the results of composite reliability and variance extracted denote that the indicators are consistently measuring the underlying construct, thereby demonstrating scale reliabilities.

Convergent validity

Convergent validity was assessed by examining the standardised loadings of indicators to its underlying construct. Garver and Mentzer (1999) suggested that the standardised parameters for factor loadings should be at least .70 for the measurement model to be established as convergent validity. Standardised parameter estimates of the indicators in Table 34 revealed five indicators with coefficients below the benchmark of .70, and these are FSMCC ($\beta = .594$), SRSC ($\beta = .675$), ACV4 ($\beta = .66$), PV2 ($\beta = .656$) and PV5 ($\beta = .694$), while

standardised coefficients for the rest of the indicators range from .701 to .948. It should be noted that these indicators with standardised parameters of less than .70 had attributed to satisfactory composite reliability and variance extracted to their respective latent constructs.

Marsh and Hau (1999) had suggested that indicators with good psychometric characteristics normally possess relatively high standardised factor loadings of more than .60. If this guideline is adopted by this research, only FSMCC is just marginally under the .60 benchmark, while the rest of the indicators satisfied the threshold level of convergent validity. Taking into account that the standardised factor loadings of the five indicators have contributed to scale reliability (satisfactory composite reliability and variance extracted) and using Marsh and Hau (1999)'s suggestion of standardised coefficient of .60 as the benchmark, the research believes that the components in the measurement model have demonstrated convergent validity.

Discriminant validity

There are no indications of lack of discriminant validity, as indicated in Table 35 (p.217), the correlation confidence estimate between two latent variables did not exceed value of more than 1.0. Thus, it is established that the constructs are uniquely different from one another.

Predictive validity

Those latent constructs that predict one another of interest to the research, and as outlined in Figure 11 (p.97), are components of MECC having direct impact on perceived tangibility, attitude towards the advertisement and attitude towards the brand; and PT-ATTad and ATTad-ATTb. Referring to Table 35, correlation values range from .409 to .745 and are statistically significant at the $p = .01$ significance level. Thus, the measurement model demonstrates predictive validity.

The results in this section have shown that the measurement model for financial services demonstrated satisfactory goodness-of-fits and good

evidence of construct validity, indicating latent constructs with good psychometric properties.

Table 35: Correlation estimates between latent constructs in the measurement model for financial services

	FSMCC	SRMCC	PT	ATTad	ATTb	INV
FSMCC	1					
SRMCC	0.396 (0.057)	1				
PT	0.588 (0.092)	0.409 (0.081)	1			
ATTad	0.528 (0.076)	0.467 (0.068)	0.717 (0.131)	1		
ATTb	0.543 (0.067)	0.470 (0.060)	0.641 (0.109)	0.745 (0.096)	1	
INV	0.377 (0.098)	0.374 (0.087)	0.495 (0.151)	0.558 (0.130)	0.522 (0.111)	1

Notes: (1) Standard errors of covariance in parentheses

(2) All constructs exhibit significant correlation at $p = .01$ level

3.4.3.2 Islamic Banking: Psychometric Properties of Measurements

(I) Assessments with Principal Component Analysis

A principal component analysis of items measuring the different constructs in the Islamic banking group shown in Table 28 (p.199) was conducted, with only the Muslim participants exposed to an Islamic banking ad are included for analysis. Preliminary analysis results indicated that factor analysis was suitable for the data; with Kaiser-Meyer-Olson value of .884, above the recommended level of .50, and Barlett's Test of Sphericity was statistically significant at $p < .001$ (refer Table 1 of Appendix 13; p.378).

Results of the principal component analysis in Table 2 (p.379) of Appendix 13 revealed twelve factors with eigenvalues of more than 1 explaining 73.64% of total variance. However, ten factors were extracted (based on a-priori decision) in a subsequent orthogonal rotation and it was found that several items cross-loaded with more than two factors, when coefficient values are suppressed

at .40. These items are (ACV1, PV10, PV14, PV15, PV16, PV17, AB4, AB5, REL9 and REL10) and they were subsequently excluded in a second orthogonal rotation.

A second orthogonal rotation was conducted and results indicated that all items load substantially on only one factor, accounting for 74.16% of total variance. Eigenvalues, percentage of variance explained and Cronbach's alpha of each factor are included at the bottom of Table 3 (p.380) in Appendix 14. Shared variance between variables exceeded the recommended benchmark of .50 illustrated by communalities between variables illustrated in Table 4 (p.381) of Appendix 14. Cronbach's alpha for the individual constructs exceeded the .70 guideline, with value ranging from .763 to .945, indicating good internal consistencies. Principal factor analysis indicated that items are measuring an underlying construct, and these factors are:

1. Financial security strength of connectivity (FSSC);
2. Social recognition strength of connectivity (SRSC);
3. Financial security personal relevance (FSPR);
4. Social recognition personal relevance (SRPR);
5. Devoutness to religion personal relevance (DRPR);
6. Perceived tangibility (PT);
7. Attitude towards the advertisement (ATTad);
8. Attitude towards the brand (ATTb);
9. Involvement (INV); and
10. Religiosity (REL).

Having established that items are measuring a specific characteristic, the next step involves confirmatory factor analysis to assess construct validity of the different measurements in the structural model on enhancing advertising effectiveness of Islamic banking.

(II) Assessments with Confirmatory Factor Analysis

The ten factors identified with principal factor analysis is next assessed using confirmatory factor analysis to verify and validate the measurements of the factors. The proposed model to enhance advertising effectiveness for Islamic

financial service displayed in Figure 12 (p.100) is a duplicate of the proposed model for financial services (illustrated in Figure 11; p.97), but two additional constructs are included in the proposed model due to the uniqueness of Islamic banking that operates on the basis of interest-free banking adhering to the principles of Islamic laws. In a manner similar to that of Section 3.4.3.1 (p.200), confirmatory factor analyses are carried out in two levels; the first CFA assesses the MECC dimension, followed by a second CFA that examine the measurement model as a whole, encompassing all the constructs identified in the previous section.

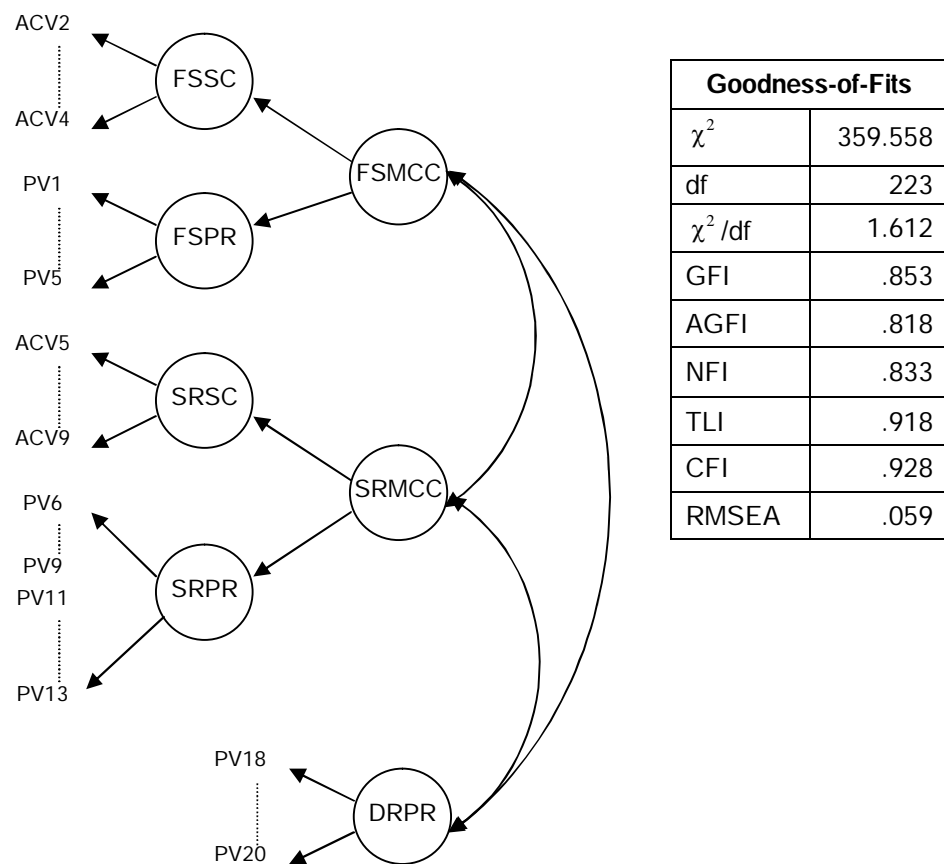
Level 1: Assessing the factor structure of means-end chain connectivity

It was established in Section 3.4.3.1 (p.200) that the MECC dimension in the model to enhance advertising effectiveness for financial services is best-represented with second-order factor structures (i.e. FSMCC and SRMCC) that are related to specific personal values considered to be important to the financial consumers. The proposed model for Islamic banking is an extension of the model for financial services, and it is argued that the MECC dimension for Islamic banking should be similar to that of financial services. Thus, the MECC dimension for Islamic banking shall be specified with second-order factor structures. The factor structures of the MECC dimension for Islamic banking are illustrated in Figure 23 (p.220), comprised of two higher-order factors (FSMCC and SRMCC) and a single-order factor (DRPR), and the latent variables are allowed to correlate freely with one another.

The MECC measurement model for Islamic financial service displayed in Figure 23 was estimated with AMOS and a converged, admissible solution was obtained. Goodness-of-fit indices of the MECC dimension are displayed next to the model in Figure 23. The estimated model possessed a chi-square value of 359.56 with 223 degrees of freedom and is statistically significant at the .000 significance level. The chi-square to degrees of freedom ratio has a value of 1.61, indicative of a good-fitting model. The GFI, AGFI and NFI values were just under the .90 benchmark of a good-fitting model. RMSEA value is .059 with the 90% confidence interval .047 - .070, denoting that the measurement model fits relatively well with the data. TLI and CFI values are

above the recommended guideline of .90 of a good-fitting model, with values of .918 and .928 respectively. An inspection of the modification indices did not indicate any parameters that are of substantial issues. With the goodness-of-fit indices, the research considers a single-order factor (DRPR) and two higher-order factor structures (FSMCC and SRMCC) are good representations of the MECC dimension for Islamic banking.

Figure 23: Second-order CFA structure of the MECC dimension for Islamic financial service

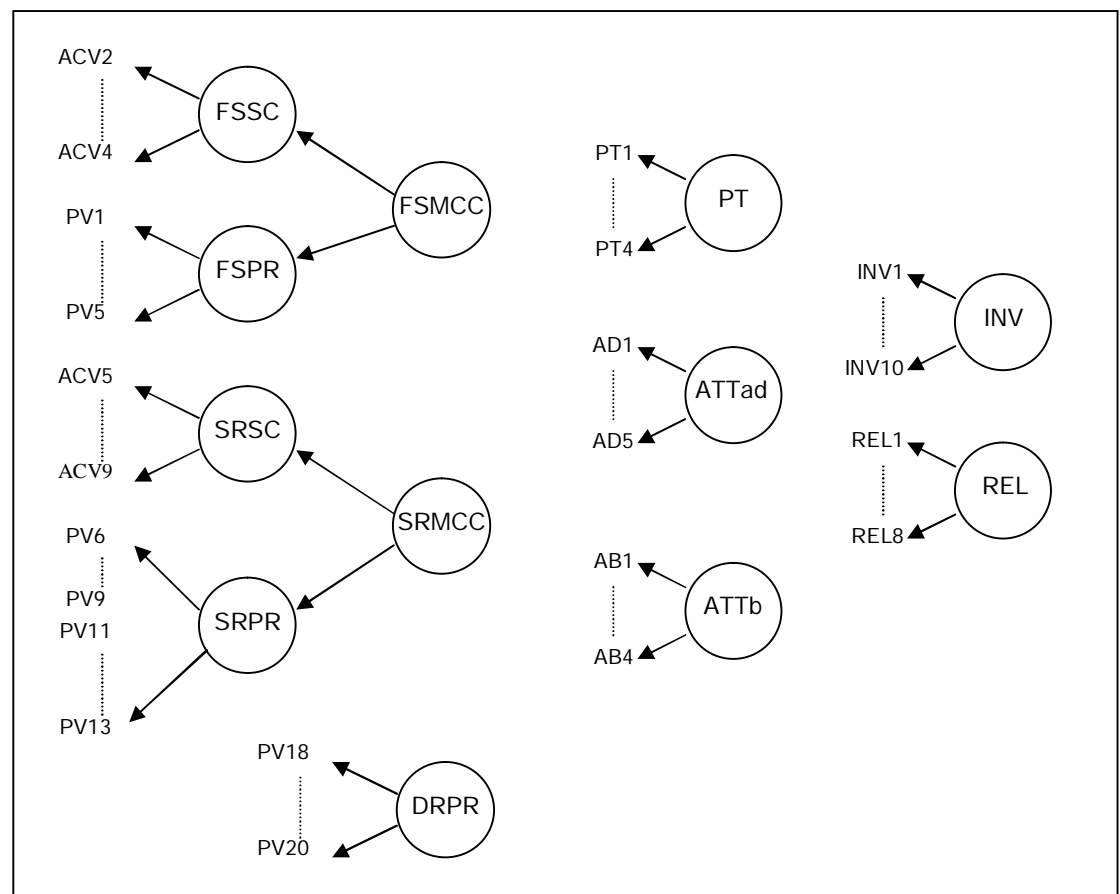


FSSC = Financial Security Strength of Connectivity; SRSC = Social Recognition Strength of Connectivity; FSPR = Financial Security Personal Relevance; SRPR = Social Recognition Personal Relevance; MECC = Means-End Chain Connectivity; FSMCC = Financial Security Means-End Chain Connectivity; SRMCC = Social Recognition Means-End Chain Connectivity; DRPR = Devoutness to Religion Personal Relevance

Level 2: Assessing the measurement model as a whole

Similar to the method in Section 3.4.3.1 (p.200) regarding assessing construct validity as a whole, this section aims to verify and validate the different measurements in the proposed model to enhance advertising effectiveness for Islamic banking. A depiction of the measurement model for Islamic financial service, employing the dimensions of MECC and other constructs, is displayed in Figure 24, and the model was estimated with AMOS.

Figure 24: Confirmatory factor analysis at Level 2 to verify and validate the measurement model – Islamic financial service



Note: Double-headed arrows between latent constructs are not depicted to allow clarity of the diagram.

The measurement model in Figure 24 consists of two higher-order factors and ten single-order factors, and the latent constructs are allowed to freely-correlated with each other. Estimation with AMOS obtained an admissible solution. An examination of the modification indices revealed substantial

cross-loadings of REL3 and REL8 to several latent constructs; and both indicators were removed in a subsequent re-estimation of the CFA measurement model. Results of the re-estimated measurement model indicated a poor-fitting model, and inspections of the modification indices did not indicate any substantial cross-loadings of indicators. Selected goodness-of-fit measures are displayed at the bottom of the table in Appendix 14 (p.382), while standardised factor loadings, composite reliability and variance extracted of the latent variables are illustrated in the main body of the said-table.

Goodness-of-fits indices in Appendix 14 denote a measurement model with chi-square statistic of 1930.319 with 1192 degrees of freedom, statistically significant at the .000 significance level. GFI value was estimated at .717, with AGFI value of .685; and these are indicative of a poor-fitting model. NFI value of .774 is also well-below the .90 mark of a good-fitting model. However, TLI and CFI are just marginally under .90 indicating a satisfactory model. RMSEA is within the .05 to .08 range of a satisfactory fitting model with the data. Given that model-fit indices denote lack of unidimensionality (pointing out a less than satisfactory fitting model), investigations of the psychometric properties of the measurements were next turned to the factor loadings (investigation of convergent validity), composite reliability and variance extracted (investigation of scale reliability).

The table in Appendix 14 revealed that convergent validity and scale reliability for the financial security dimension (FSMCC loaded to FSSC and FSPR) are not established. Standardised path coefficients of the indicators that load with the FSSC construct range from .548 to .704, while the indicators loading to the FSPR latent variable range from .604 to .731. Most of these indicators related to the financial security dimension are less than the .70 guideline, denoting violation of convergent validity. Additionally, the calculated values for composite reliability and variance extracted for FSSC are less than the .70 and .50 benchmarks of scale reliability, indicating that the indicators are not consistently measuring the strength of financial security connectivity construct. There are also indications that scale reliability for the higher-order structure, FSMCC, is not established. Composite reliability and variance extracted for

FSMCC are .583 and .445, respectively; below the suggested minimum threshold of establishing scale reliability. Thus, results revealed that financial security is a dimension that does not “fit” in the measurement model explaining effective advertising strategies for Islamic financial services.

A possible reason that financial security is not an important factor in enhancing advertising effectiveness for Islamic financial services is that the Muslim participants understood about the prohibition of interest in the banking operations of Islamic banks. Gerrard and Cunningham (1997) explained that Muslims tend to place lower importance on rate of return on their Islamic savings account, compared to their non-Muslim counterparts. Therefore, adhering to their beliefs that interests incurred or charged in financial transactions are unjust to the society, they associate Islamic banking as adhering to their Islamic practices and not as an important tool of enhancing financial security; and thus, less likely to evaluate tangible cues related to financial security in advertisements carried out by Islamic banking. There is high probability that the Muslim participants are unable or unwilling to link the connections between a non-predetermined rate of return for an Islamic financial product to positive consequences of enhancing financial security and to recognising that the Islamic financial product is instrumental on fulfilling their inner-self goals for financial security. From here, components of financial security are not important factors that would necessarily enhance advertising effectiveness for financial services.

As unidimensionality and construct validity for the measurement model are not established due to the financial security dimension, consequently, the FSMCC latent construct together with FSCC and FSPR are removed in a subsequent re-estimation of the measurement model. The measurement model was re-specified, consisting of one higher-order factor (i.e. SRMCC) and six single-order factors (illustrated in Figure 25; p.224), and results converged to an admissible solution with the same data. The CFA measurement model is next examined for construct validity based on the results presented in Table 36 (p.225). Goodness-of-fit statistics of the re-specified measurement model

showed that it is a better model compared to the measurement model which encompassed the financial security dimension.

Figure 25: Confirmatory factor analysis at Level 2 to verify and validate the measurement model – Islamic financial service

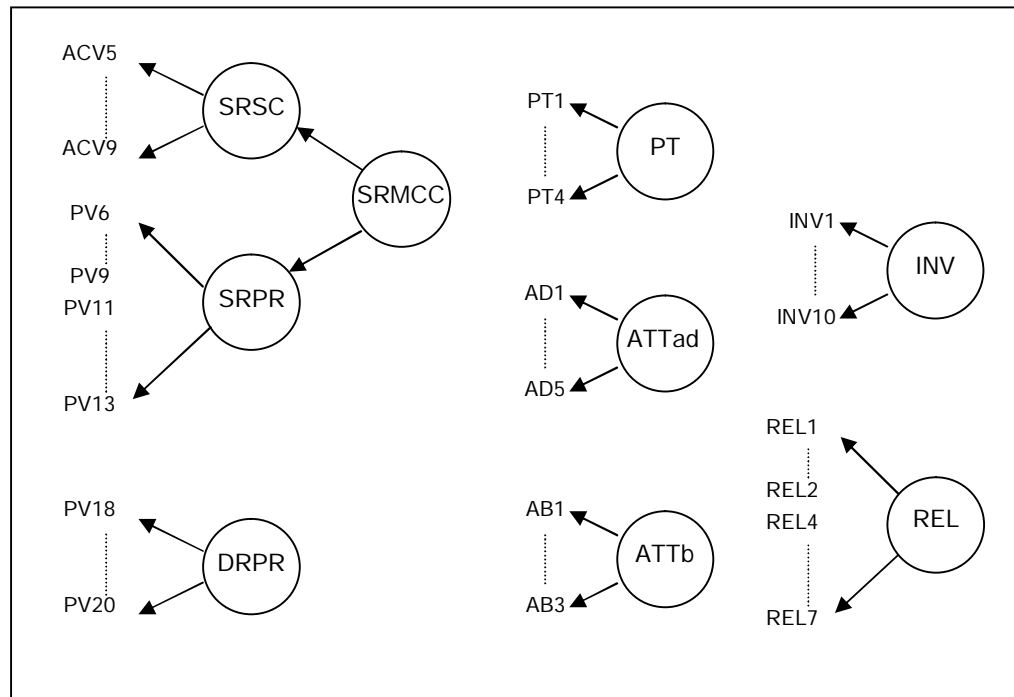


Table 36: CFA results for the measurement model – Islamic financial services

Scales		Standardised estimate	t-value	Standard error	Composite reliability	Variance extracted
SRMCC - Social recognition Means-End Chain Connectivity						
SRSC	Social recognition strength of connectivity	0.749	8.119	0.065	0.781	0.642
SRPR	Social recognition personal relevance	0.850	8.679	0.058		
SRSC - Social Recognition Strength of Connectivity						
ACV5	Friendly service means staff is readily available to help me.*	0.766	-	-	0.900	0.642
ACV6	Quality service will allow me to be more comfortable approaching the staff to answer my questions.	0.791	10.883	0.095		
ACV7	When staff personnel are approachable, I feel appreciated by the bank.	0.842	11.691	0.095		
ACV8	Friendly and good services give me a sense of being part of the financial organisation.	0.795	10.953	0.094		
ACV9	Friendly and good services provide me a feeling of being respected by members of the bank.	0.810	11.188	0.093		
SRPR - Social Recognition Personal Relevance						
PV6	The bank values me as a customer.*	0.744	-	-	0.898	0.559
PV7	The bank personnel will be readily available to attend to my needs.	0.714	9.440	0.107		
PV8	I am important as a customer of the bank.	0.763	10.144	0.111		
PV9	The bank personnel appreciate my presence in the bank.	0.724	9.585	0.092		
PV11	The bank personnel will respect me as a customer of the organisation.	0.842	11.284	0.103		
PV12	The bank personnel will put in effort to please me.	0.793	10.580	0.099		
PV13	The bank fulfils my need on being respected whenever I patronise the organisation.	0.637	8.356	0.107		
DRPR - Devoutness to Religion Personal Relevance						
PV18	The financial product is in line with my religion.	0.732	-	-	0.833	0.626
PV19	The Islamic bank will invest my money in activities that are not against the <i>Shariah</i> .	0.813	10.194	0.119		
PV20	Financial gain according to Islamic principles is important to me.	0.825	10.323	0.118		
PT - Perceived tangibility						
PT1	This ad made the <i>item</i> more tangible.*	0.864	-	-	0.946	0.813
PT2	The ad made it easy to visualise the <i>item</i> .	0.917	17.565	0.061		
PT3	I have a very clear picture of the <i>item</i> shown in the ad.	0.908	17.186	0.066		
PT4	The ad made the <i>item</i> easy to picture.	0.916	17.511	0.063		

ATTad - Attitude towards the advertisement

AD1	Did you find this advertisement interesting or uninteresting?*	0.854	-	-	0.919	0.696
AD2	Did you like or dislike this advertisement?	0.872	15.164	0.062		
AD3	Did you find the advertisement positive or negative?	0.775	12.469	0.061		
AD4	Did you find the advertisement favourable or unfavourable?	0.865	14.952	0.057		
AD5	Did you find this advertisement appealing or unappealing?	0.800	13.097	0.066		

ATTb - Attitude towards the brand

AB1	Did you think the <i>item</i> to be good or bad?*	0.817	-	-	0.868	0.687
AB2	Did you find the <i>item</i> favourable or unfavourable?	0.809	12.011	0.091		
AB3	Did you perceive the <i>item</i> to be positive or negative?	0.860	12.965	0.084		

INV - Involvement towards the product

INV1	unimportant to me -- important to me*	0.863	-	-	0.973	0.783
INV2	boring to me -- interesting to me	0.840	15.048	0.059		
INV3	irrelevant to me -- relevant to me	0.913	17.764	0.057		
INV4	unexciting to me -- exciting to me	0.890	16.829	0.058		
INV5	means nothing to me -- means a lot to me	0.900	17.258	0.057		
INV6	unappealing to me -- appealing to me	0.883	16.572	0.058		
INV7	mundane to me -- fascinating to me	0.862	15.806	0.059		
INV8	worthless to me -- valuable to me	0.906	17.491	0.054		
INV9	uninvolving to me -- involving to me	0.892	16.904	0.060		
INV10	not needed by me -- needed to me	0.899	17.216	0.060		

REL - Religiosity

REL1	I often read books and magazines about my faith.*	0.632	-	-	0.908	0.628
REL2	I make financial contributions to my religious organisation.	0.698	8.030	0.135		
REL4	Religion is especially important to me because it answers many questions about the meaning of life.	0.876	9.531	0.153		
REL5	My religious beliefs lie behind my whole approach to life.	0.919	9.835	0.143		
REL6	I enjoy spending time with others of my religious affiliation.	0.701	8.063	0.137		
REL7	Religious beliefs influence all my dealings in life.	0.881	9.569	0.150		

Fit statistics: $\chi^2 = 1417.841$, $df = 837$, $p = .000$, $\chi^2/df = 1.694$, GFI = .741, AGFI = .708, NFI = .815, TLI = .908, CFI = .914, RMSEA = .063

* Fixed at 1 to standardise.

The term *item* was replaced with the appropriate savings product/brand during the experiment.

Overall Model Fit

Absolute Fit Measures

The revised measurement model displayed in Figure 25 (p.224) has a chi-square statistic of 1417.84 and 837 degrees of freedom, and which was statistically significant at $p = .000$ significance level. Although the model was reported to be statistically significant, it does not necessarily mean that the model is not fitting well with the data. Alternative goodness-of-fit statistics are examined to complement the model-fit. Chi-square to degrees of freedom ratio is 1.69, indicating good model fit to the data. The GFI value of .741, below the minimum .90 level of a good-fitting model, denotes inadequate fit of the measurement model to the dataset. RMSEA value is within the .05 to .08 range of an acceptable model. Other goodness-of-fit statistics are examined to provide further understanding of the overall model fit.

Incremental Fit Measures

AGFI value of .708 and NFI value of .815 are under the recommended level of .90 of a good-fitting model; while TLI is just over the .90 minimum guideline of a good-fit model with the data. Although some goodness-of-fit statistics point out that the measurement model is not a perfect fit with the data, nevertheless, there are some indications that it is an acceptable model illustrating the interactions between latent variables that helps explain for factors affecting advertising effectiveness for Islamic banking.

Psychometric Properties

Unidimensionality

Cronbach's coefficients of the different latent variables range from .835 to .973, above the minimum level of .70, pointing out that the indicators are measuring an underlying construct. The goodness-of-fit model statistics of CFA illustrates that, as a whole, the model is acceptable to represent the factors explaining for advertising effectiveness for Islamic banking. Thus, unidimensionality for individual constructs are established.

Scale reliability

Composite reliability and variance extracted are used to assess scale reliability. Turning to the statistics in Table 36, composite reliability of the nine constructs range from .781 to .973, and the values for variance extracted range from .559 to .813. In terms of scale reliability, the coefficients for composite reliability and variance extracted of the different constructs had exceeded the minimum threshold of .70 and .50, respectively. Therefore, scale reliability is established denoting that indicators are consistently measuring a single construct.

Convergent validity

Standardised factor loading was used to examine convergent validity, and it was suggested that parameter estimates should be .70 and above to come to the conclusion that indicators are measuring the intending construct. Except for PV13 ($\beta = .637$), REL1 ($\beta = .632$) and REL2 ($\beta = .698$), the standardised coefficients for all parameters are beyond the recommended .70 minimum level of establishing convergent validity. It is proposed that the three indicators mentioned above should not pose as serious threat to the model, and they are just below the .70 mark. Thus, convergent validity is broadly established.

Discriminant validity

Correlation estimates between variables in the revised measurement model ranged from .182 to .756, as presented in Table 37 (p.229). Discriminant validity is established as correlation confidence estimate between two latent variables was not found.

Predictive validity

Constructs in the measurement model demonstrate predictive validity, by examining the magnitude and significance of the correlation values between constructs that were proposed to have an interaction. For instance, the correlations between PT-ATTad, ATTad-ATTb or INV-PT or SRMCC-ATTad are relatively higher compared to other pairs of constructs where no effects between them were proposed.

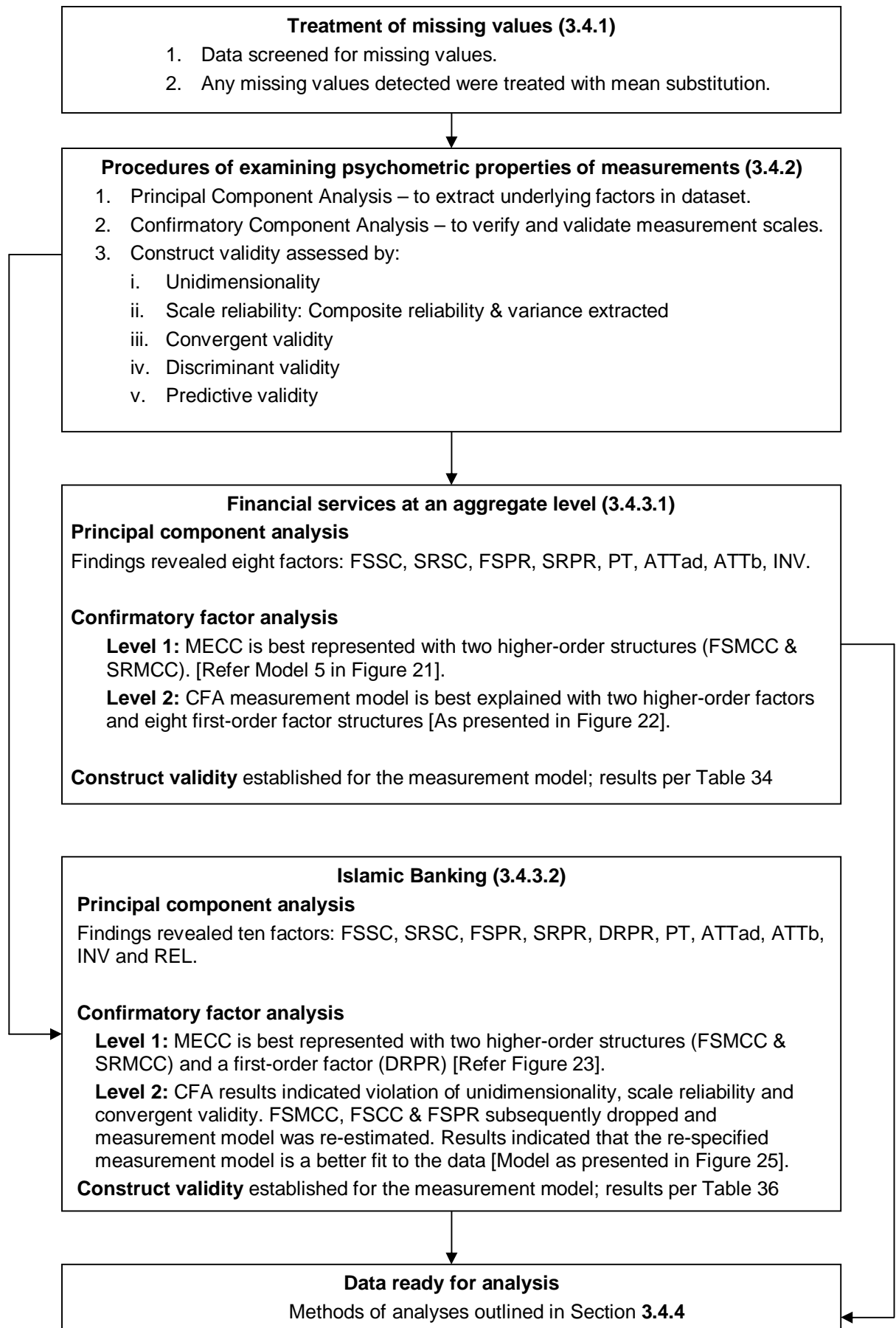
Table 37: Correlation estimates between latent constructs in the measurement model for Islamic financial services

	SRMCC	DRPR	PT	ATTad	ATTb	INV	REL
SRMCC	1						
DRPR	0.664 (0.057)	1					
PT	0.478 (0.124)	0.541 (0.086)	1				
ATTad	0.505 (0.109)	0.584 (0.078)	0.695 (0.184)	1			
ATTb	0.559 (0.077)	0.739 (0.060)	0.669 (0.127)	0.756 (0.117)	1		
INV	0.215* (0.119)	0.581 (0.083)	0.495 (0.177)	0.574 (0.163)	0.550 (0.112)	1	
REL	0.182* (0.066)	0.448 (0.044)	0.200* (0.086)	0.293* (0.080)	0.376 (0.059)	0.359 (0.089)	1

Notes: (1) Standard errors of covariance in parentheses

(2) All constructs exhibit significant correlation at $p = .01$ level, except those labelled with * corresponds to those construct with correlation significant at $p = .05$ level

Section 3.4.3 (p.196) assessed the psychometric characteristics of measurements for two groups of data: (i) financial services at an aggregate level; and (ii) Islamic banking. Principal component analysis and confirmatory factor analysis are utilised to examine construct validity, verify that the indicators are measuring the intending construct and validate the component structures of the CFA measurement models. After a thorough examination involving several sequences of re-specification and re-estimation of measurement models, it was established that the MECC dimension is most suited to be represented by higher-order structures. Construct validity denoting good psychometric characteristics of measurements in the two groups of data have been established. Figure 26 (p.230) summarised the steps involved in establishing construct validity of the measuring instruments, and the next section outlines the method used to analyse the data.

Figure 26: An overview of examining psychometric properties of measurements

3.4.4 Method of Data Analysis

This section outlines the approach to analyse the data of the main experiment, and summarised in Table 38 (p.235). The main research problem is concerned with the effects of tangible cues and advertising appeal, manipulated in different experimental groups, on advertising effectiveness of financial services. The collected data are analysed in two stages: (i) MANCOVA, to investigate the effect of tangible cues and advertising appeal manipulations, between different experimental groups on advertising effectiveness; and (ii) SEM, allows assessments of path structures to determine the effect of means-end connectivity on the dependent variables. The rationales for conducting a two-stage data analysis are detailed in the next sub-sections.

3.4.4.1 Multivariate Analysis of Covariate

MANCOVA was used to determine if statistical significance difference on a linear combination of the dependent variables exists between groups, with covariate included during the analyses. Assessments on group differences were carried out with MANCOVA because a multivariate analysis takes into account the correlations that may exist between the dependent variables, in contrast to an analysis of covariance (ANCOVA) where dependent variables are assessed independently and information may be lost due to the relationships that exist between the dependent variables. An advantage of MANCOVA is that it generates individual univariate results for the dependent variable.

The inclusion of covariate in the analyses was appropriate to assess differences on advertising effectiveness between the different experimental group, as MANCOVA analysis remove the effects of the covariate: (i) affecting only one portion of the respondents, or (ii) affecting variations among the respondents (Hair, Anderson, Tatham, & Black, 1998). For instance, highly-involved consumers may be more likely to be able to visualise the intangible aspects of a service and are more likely to have favourable attitudes toward the advertised service, compared to those less involved consumers. Thus, biasness due to the influence of involvement (a covariate) on advertising effectiveness is removed in a MANCOVA analysis.

Between-groups multivariate analysis of covariance are carried out in this research, as the respondents are assigned to only one experimental group to investigate the effects of conditions on the dependent variables. Between-groups MANCOVA analysis is used in this research, as there is a need to investigate the effects of different condition on advertising effectiveness. These conditions are: (i) simple financial product vs. complex financial product, (ii) rational appeal vs. emotional appeal, and (iii) conventional banking vs. Islamic banking. At times, MANOVA or MANCOVA analyses may be a mixed between-within subjects design, and it would appear that the analyses in this research may be a mixed between-within subjects design due to the various conditions of the different experimental group.

However, for this research, respondents are assigned to only one experimental group - exposed to only “one condition in the respective factor group”. For instance, a participant saw a rational ad of an Islamic savings account. That particular individual is only allocated to a condition in a factor group; that is: rational appeal (the condition) of the type of advertising appeal (factor) x complex financial product (the condition) in the type of financial product (factor) x conventional banking (the condition) in the type of financial service (factor). Thus, a repeated measures design or within-group analysis is relevant for the research as the participants are not exposed to more than one condition in a factor group. Thus, between-groups multivariate analysis of covariance is used to compare group differences on advertising effectiveness.

3.4.4.2 Structural Equation Modelling

Structural equation modelling (SEM) was used at the second stage of the analysis to assess path structures, as it estimates a series of separate but interdependent multiple regression equations simultaneously in a structural model (Hair et al., 1998). Bagozzi and Yi (1989) explained that the structural equation models allows for comprehensive modelling of theoretical relations, compared to analyses by MANOVA and MANCOVA which were limited to associations among and differences between measures, and it handles correction of measurement error of variables that are often absent in traditional analyses. SEM also allows covariates to be treated as latent variables to allow

interactions with other variables, and increase the chances of experimental effects to be detected. Cole, Maxwell, Arvey and Salas (1993) added that traditional methods to assess group differences such as MANOVA or MANCOVA may give misleading results when the tests were based on scores of measured or composite variables (rather than latent variables or factors), which are prone to measurement errors.

This research made use of the maximum likelihood (ML) approach to estimate parameters in the models. Joreskog and Wold (1982) explained that ML estimation provides the most efficient estimation of parameters and overall test on goodness-of-fit, and Anderson and Gerbing (1988) added that ML estimation is theory-driven and allows transitions from exploratory to confirmatory analysis. The research utilised the two-step approach in SEM, as suggested by Anderson and Gerbing (1988) who recommended that a conceptual model was first specified as a confirmatory factor analysis (CFA) model. When CFA results indicated construct validity, the second step involves “fixing” the measurement model to a hypothesised structural regression (SR) model and to compare with competing models. Construct validity of the measurements have been established in the preceding section, thus, structural equation model is used to analyse the data.

“Fixing” the measurement model involves combining the relevant observed measurements into a single composite indicator and fixing the measurement error of the indicator to $(1 - \text{reliability})$ times the variance of the indicator (Baumgartner & Homburg, 1996). Estimations of the partially-latent models provide better representation of the reliability of the indicators and avoid interactions of measurement and structural models. This method also allows assessments of unidimensionality and minimise model complexity. Thus, the partially-latent model with a single composite indicator for individual construct was preferred over a fully-latent SR model. The hypothesised model was compared to competing models to determine one that fits the data best. Kline (2005) recommended that it is important to seek a parsimonious structural model that explained the data reasonably well. Several indices were used to determine the fit of the model with the data.

With explanations on the rationales of making use of MANCOVA and SEM to analyse the data, the methods of analysing the data by research question is summarised in Table 38 (p.235). Three sets of MANCOVA were carried out to investigate group differences concerning to RQ1 to RQ3. A one-way between-groups MANCOVA was conducted to test the hypothesis for RQ1, as it seeks to compare the effect of advertising appeal (the condition) on advertising effectiveness. Two-way between-groups MANCOVA were conducted to test the hypotheses related to RQ2 and RQ3. A two-way between-groups (type of advertising appeal x type of financial product) MANCOVA was carried out to test the hypotheses related to RQ2, and a two-way between-groups (type of advertising appeal x type of financial service) MANCOVA to provide indications for RQ3. In the three sets of MANCOVA, the dependent variables are perceived tangibility, attitude towards the advertisement and attitude towards the brand), controlling the effects due to involvement (the covariate). Structural equation modelling was used to test the different hypotheses associated with RQ4 to RQ8 by investigating path structure between constructs, as outlined in the model to enhance advertising effectiveness for financial services (Figure 13, p.114) and for Islamic banking (Figure 14, p.118).

Table 38: Method of data analysis

Research questions	Method of analysis
RQ1: If tangible cues based on personal values important to consumers are manipulated by a rational or emotional appeal, which advertising appeal is more effective to improve perceived tangibility, enhance attitude towards the advertisement and attitude towards the brand?	One-way MANCOVA Factor: advertising appeal Dependents: PT, ATTad & ATTb Covariate: Involvement
RQ2: For a simple and a complex financial product, if tangible cues based on personal values important to consumers are manipulated by a rational or emotional appeal, which advertising appeal is more effective to improve perceived tangibility and formation of positive attitudes toward the financial service provider?	Two-way MANCOVA Factors: advertising appeal x type of financial product Dependents: PT, ATTad & ATTb Covariate: Involvement
RQ3: If tangible cues based on personal values important to consumers are manipulated by a rational or emotional appeal, in the case of Western-style banking and Islamic banking, which advertising appeal is more effective to improve perceived tangibility, enhance attitude towards the advertisement and attitude towards the brand?	Two-way MANCOVA Factors: advertising appeal x type of financial service Dependents: PT, ATTad & ATTb Covariate: Involvement
RQ4: What is the effect of means-end chain connectivity on perceived tangibility of a financial service, attitude towards the advertisement and attitude towards the brand?	Structural equation modelling Path analysis to investigate the relationships between constructs. Refer Figure 13 (p.114)
RQ5: What is the effect of perceived tangibility on attitude towards the advertisement which subsequently may enhance attitude towards the brand?	Structural equation modelling Path analysis to investigate the relationships between constructs. Refer Figure 13 (p.114)
RQ6: What is the impact of involvement towards the product on perceived tangibility, attitude towards the advertisement and attitude towards the brand?	Structural equation modelling Path analysis to investigate the relationships between constructs. Refer Figure 13 (p.114)
RQ7: For consumers of the Islamic faith, what is the effect of a religious factor on the advertising effectiveness of Islamic banking?	Structural equation modelling Path analysis to investigate the relationships between constructs. Refer Figure 14 (p.118)
RQ8: What is the impact of religiosity on perceived tangibility, attitude towards the advertisement and attitude towards the brand?	Structural equation modelling Path analysis to investigate the relationships between constructs. Refer Figure 14 (p.118)

Notes: PT refers to perceived tangibility; ATTad refers to attitude towards the advertisement; and ATTb refers to attitude towards the brand.

A Summary of Chapter 3

This chapter provided some justifications for the selections of advertising stimuli, measurement scales, sampling and experimental procedures, and the approach to analyse the collected data. Manipulations of advertising stimuli were directed by concepts of the means-end chain, which explained the cognitive process that consumers go through when they are exposed to an advertisement. The connections between attributes, consequences and personal values in the means-end chain explained why consumers perceived certain products as personally-relevant to them, resulting in formation of perceptions, attitudes and consumption of certain products. Thus, personal values that are often associated with financial services were translated as tangible cues in advertisements, by applying concepts of the Means-End Conceptualisation of the Components of Advertising strategy, while the tone of the advertisements was manipulated with an advertising appeal to tighten the linkages between means-end elements in the minds of respondents who would be exposed to the experimental ads.

Following successful manipulations of the advertisements, several instruments were adapted from previous studies or developed relevant to measure those constructs outlined in the proposed models to enhance advertising effectiveness for financial services and Islamic banking. The main experiment was carried out in Brunei as the country has a stable financial infrastructure where conventional and Islamic banks operate alongside each other. Judgmental sampling with random approach was used to select participants for the study, and 468 valid questionnaires were collected for the main experiment.

The approach of analysing the data included multivariate analysis of covariate and structural equation modelling, and assessments of unidimensionality and construct validity were carried out to ensure that the appropriate items were included for data analysis. Assessments on unidimensionality and construct reliability for the different constructs in the structural models for financial services and Islamic banking, as per those constructs displayed in Table 28 (p.199), were made by exploratory factor analysis and confirmatory factor analyses. The results indicated unidimensionality and construct validity in both

groups, denoting that the observed variables were measuring an underlying trait of the intending construct and the latent variables were uniquely different from each other.

Upon determining that the items were measuring the intending constructs and the different constructs were totally different from each other, the next chapter discusses results of the main experiment to determine the effects of tangible cues and advertising appeal on advertising effectiveness of financial services.

CHAPTER 4

RESULTS

An Overview of Chapter 4

This chapter provides the results of the main experiment, aimed at providing indications for the main research problem: *What message content (type of tangible cues) and structure (type of advertising appeal) in advertising will improve perceived tangibility, and at the same time, enhance positive formations of attitude towards the advertisement and attitude towards the brand?*

The results of five sets of data analyses are included in this chapter, followed by a discussion in each section. MANCOVA analyses are directed at examining the effects of personal values (translated as tangible cues and which are manipulated by advertising appeal) on advertising effectiveness between different groups. The results provide indications on the message content and structure appropriate to enhance perceived tangibility and advertising effectiveness in the different groups. Results from structural equation modelling at a later stage helps determine the effects of personal values and means-end chain connectivity on advertising effectiveness of financial services. Assessments of the proposed structural models, illustrated in Figure 11 (p.97) and 12 (p.100) are also made with SEM.

4.1 MANCOVA I: Research Question 1

The first MANCOVA analysis attempts to provide some indications for Research Question 1 that was concerned with: *If tangible cues based on personal values important to consumers are manipulated by a rational or emotional appeal, which advertising appeal is more effective to improve perceived tangibility, enhance attitude towards the advertisement and attitude towards the brand?*

Thus, the main objective of this analysis was to investigate the role of personal values, translated as tangible cues in rational and emotional advertising appeal,

on advertising effectiveness for financial services. A one-way MANCOVA was conducted to investigate the effects of advertising appeal designed to influence advertising effectiveness by making comparisons between rational and emotional appeal. It should be noted that the analysis in this section did not compare the effects of advertising appeal by product type (simple vs. complex financial product) and banking mode (conventional vs. Islamic banking), by making an assumption at this stage that the effects of advertising appeal on financial services is generic and does not depend on product or financial service type. Therefore, it examined the effects of advertising appeal at a generic level to evaluate the relative merits of rational and emotional appeals as a means of tangibilising a financial service provider and enhancing advertising effectiveness.

The independent variable was type of advertising appeal (rational and emotional appeal) on a linear model made up of perceived tangibility, attitude towards the advertisement and attitude towards the brand. Involvement with a financial product is included as a covariate in the analysis. The three dependent variables exhibited significant correlation with each other (See Table 39), indicating that MANCOVA was appropriate to examine the extent of advertising appeal on advertising effectiveness. Preliminary checks demonstrated no violations on assumptions of normality, linearity, homogeneity of variances, homogeneity of regression slopes and reliable measurement of the covariate.

Table 39: Correlation estimates for perceived tangibility, attitude towards the advertisement and attitude towards the brand

		PT	ATTad	ATTb
Perceived tangibility	Pearson Correlation Sig. (2-tailed) N	1		
Attitude towards the ad	Pearson Correlation Sig. (2-tailed) N	0.688* 0.000 468	1	
Attitude towards the brand	Pearson Correlation Sig. (2-tailed) N	0.604* 0.000 468	0.693* 0.000 468	1

* Correlation is significant at the 0.01 level (2-tailed).

MANCOVA results indicated a statistical significant difference between rational and emotional appeal on the combined dependent variables (Wilks' Lambda = .979, $F = 3.384$, $p = .018$), suggesting that the advertising appeal had an overall effect on advertising effectiveness. The covariate, involvement, was significant at $p < .001$ (Wilks' Lambda = .664, $F = 78.190$) on the three dependent variables, indicating that involvement had significant impact on consumers' ability and motivation to assess the information laid out in an advertisement.

Table 40 displays the univariate results when the dependent variables were considered separately. The results indicated no significant difference between advertising appeal on perceived tangibility, attitude towards the advertisement and attitude towards the brand, at $p = .05$ significant level. The covariate, involvement, was statistically significant illustrating that involvement with a product influenced perceived tangibility ($F = 143.5$, $p < .001$), attitude towards the advertisement ($F = 194.7$, $p < .001$) and attitude towards the brand ($F = 153.1$, $p < .001$).

Table 40: MANCOVA results, by advertising appeal

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	PT	330.299	2	165.150	73.379	0.000	0.240
	ATTad	222.785	2	111.392	97.560	0.000	0.296
	ATTb	168.128	2	84.064	77.441	0.000	0.250
Intercept	PT	497.562	1	497.562	221.077	0.000	0.322
	ATTad	366.834	1	366.834	321.281	0.000	0.409
	ATTb	551.157	1	551.157	507.734	0.000	0.522
Involvement	PT	322.883	1	322.883	143.464	0.000	0.236
	ATTad	222.259	1	222.259	194.659	0.000	0.295
	ATTb	166.215	1	166.215	153.120	0.000	0.248
Type of appeal	PT	7.618	1	7.618	3.385	0.066	0.007
	ATTad	0.571	1	0.571	0.500	0.480	0.001
	ATTb	1.840	1	1.840	1.695	0.194	0.004

Although the univariate results indicated no significant difference by advertising appeal on the dependent variables when they were considered separately, nevertheless, the results for estimated marginal means by

advertising appeal on advertising effectiveness are reported, as the objective of this analysis was to investigate the role of advertising appeal on perceived tangibility, attitude towards the advertisement and attitude towards the brand. Insights may be drawn from the results of the estimated marginal means as statistical differences were found on a linear combination of the dependent variables. Moreover the univariate effect in relation to perceived tangibility was marginally significant suggesting that appeal type has the most impact on perceived tangibility.

Table 41 displays the estimated marginal means by advertising appeal on the individual dependent variables. The results pointed out that rational appeal was more effective to improve perceived tangibility for financial services and enhanced attitude towards the advertisement, with estimated marginal means of 5.495 and 4.577, respectively, compared to emotional appeal (estimated marginal means of 5.24 and 4.507, respectively). On the other hand, advertisements that appealed to one's feelings and emotions generated higher level of marginal mean on attitude towards the brand, with an estimated marginal mean of 4.936 compared to 4.811 in rational appeal. However, it should be cautioned that the appeal effects on attitude towards the ad and attitude towards the brand are not statistically significant.

Table 41: Estimated marginal means by type of appeal on advertising effectiveness

Dependent Variable	Type of appeal	Mean	Standard Error	95% Confidence Interval	
				Lower Bound	Upper Bound
Perceived tangibility	Rational appeal	5.495	0.098	5.302	5.688
	Emotional appeal	5.240	0.098	5.047	5.432
Attitude towards the advertisement	Rational appeal	4.577	0.070	4.439	4.714
	Emotional appeal	4.507	0.070	4.370	4.644
Attitude towards the brand	Rational appeal	4.811	0.068	4.677	4.945
	Emotional appeal	4.936	0.068	4.803	5.070

Covariates appearing in the model are evaluated at the following values: INV = 4.5118

Discussion

In this study, tangible cues in rational advertising were manipulated primarily on means-end elements related to financial security and the tone was specified as a “thinking” advertisement, containing factual information presented in a straightforward manner. On the other hand, tangible cues representing service-oriented quality were emphasised in emotional advertising aimed to stimulate one’s needs to be appreciated by the organisation as a customer. Emotional appeal was designed to influence respondents’ feelings by manipulating the tone of the advertisement in a way that generates positive emotions towards the advertisement.

MANCOVA results pointed out a significant difference between rational and emotional appeal on a linear combination of advertising effectiveness. However, when the dependent variables were considered separately, no significant difference between rational and emotional appeal was found on attitude towards the advertisement and attitude towards the brand, although the effect for perceived tangibility was marginally significant. This perhaps suggests that financial security (a functional attribute) and social recognition (a psychological attribute) may be realised simultaneously after respondents saw an advertisement for a financial product, despite differences in manipulation of tangible cues related to personal values. Explained in Section 2.3.2 (p.58), financial security and social recognition are the personal values that the financial consumers always associate with financial services. Thus, consumers might have perceived both functional and psychological attributes in an advertisement, despite different degrees of cues manipulations in advertising appeals.

H1 predicted that rational appeal is more effective to improve perceived tangibility, attitude towards the advertisement and enhance attitude towards the brand compared to emotional appeal, based on the argument that financial services were a “thinking” product and, therefore rational appeal was likely to be more effective. Results of the estimated marginal means in Table 41 partially supported this hypothesis. Rational appeal was found to have higher impact on respondents’ degree of visualising a clear mental representation of

financial services (perceived tangibility) and attitude towards the advertisement. On the other hand, attitude towards the financial brand was found to be enhanced with an emotional appeal.

Findings indicating that rational appeal generated higher estimated marginal means on perceived tangibility and attitude towards the advertisement suggest conveying information to respondents in a factual, formal structure assisted them to better-visualise the intangible features and benefits of a financial service and the advertisement was perceived to be more favourable compared to emotional advertising. Respondents may have gone through an argument-based cognitive process, using tangible cues concerning financial security, to weigh up the importance of a financial service provider to reach their desired end-goals, and which subsequently enhanced their visualisations of related-benefits and attitude towards the advertisement. Thus, rational appeal emphasising rate of return and elements related to financial security as tangible cues should be used if a financial service's intention was to make offerings appear more concrete in the eyes of consumers or to enhance likeability towards the advertisement.

On the other hand, appealing to consumers' emotional feeling may produce more favourable attitude towards the brand. The higher estimated marginal mean on attitude towards the brand for an emotional appeal suggested that if a financial service advertiser's objective is to enhance attitude towards the brand, advertisements that displayed tangible elements of service-oriented quality may raise service expectations, activating consumers' need for social recognition. A plausible explanation is that brand formation is an intangible process spanning over long-term duration in the minds of consumers, and thus, an emotional appeal may meet consumers' desire for a financial service provider that will respect and appreciate their presence in the long time. Therefore, financial service organisations may tap onto consumers' needs for social recognition if the aim of an advertising strategy was to enhance favourable attitude towards the brand.

4.2 MANCOVA II: Research Question 2

The previous analysis examined the effects of rational vs. emotional appeal across all financial services, and found no significant difference at the aggregate level. The second MANCOVA analysis now focused on whether the effects of rational vs. emotional appeal differ for simple vs. complex financial product. The analysis in this section is concerned with RQ2: *For a simple and a complex financial product, if tangible cues based on personal values important to consumers are manipulated by a rational or emotional appeal, which advertising appeal is more effective to improve perceived tangibility and formation of positive attitudes toward the financial service provider?*

Thus, the analysis in this section was aimed at investigating the role of personal values, manipulated as tangible cues in rational and emotional appeal, on advertising effectiveness for financial products with different degree of complexity. A 2 X 2 MANCOVA was conducted to compare the effects of advertising manipulations in the different groups. In contrast to the previous analysis, this estimation explicitly accommodates the potential impact of product type. The independent variables are type of advertising appeal (rational vs. emotional appeal) and type of financial product (simple vs. complex financial product), on a linear combination of the three dependent variables: perceived tangibility, attitude towards the advertisement and attitude towards the brand. Involvement with a financial product was included as a covariate during the analysis. No violation on assumptions of normality, linearity, homogeneity of variances, homogeneity of regression slopes and reliable measurement of the covariate was found.

MANCOVA results indicated statistical significant difference between rational and emotional appeal on the combined dependent variables (Wilks' Lambda = .980, $F = 3.171$, $p = .024$), denoting that advertising appeal had an overall effect on advertising effectiveness. However, no significant difference was found by type of financial product (Wilks' Lambda = .988, $F = 1.885$, $p = .131$) and product-by-appeal interaction (Wilks' Lambda = .991, $F = 1.426$, $p = .234$) on advertising effectiveness. Involvement with a financial product was found

to have significant effects on advertising effectiveness (Wilks' Lambda = .659, $F = 79.491$, $p < .000$), suggesting that involvement influenced consumers' perception on advertising effectiveness.

Univariate results of the dependent variables are displayed in Table 42. No statistical significant difference between rational appeal and emotional appeal on attitude towards the advertisement and attitude towards the brand were found at $p = .05$ level. However, and consistent with the previous analysis, there is evidence that appeal type has a marginally significant impact on perceived tangibility. The results also show no statistical difference between simple financial product and complex financial product on the individual dependent variables. Appeal-by-product interaction also reported no significant difference on advertising effectiveness. On the other hand, involvement with a financial product was found to exhibit statistically significant effects on perceived tangibility ($F = 147.9$, $p < .001$), attitude towards the advertisement ($F = 201.06$, $p < .001$) and attitude towards the brand ($F = 148.9$, $p < .001$).

Table 42: MANCOVA results, by advertising appeals and financial products

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	PT	339.365	4	84.841	37.863	0.000	0.246
	ATTad	229.426	4	57.357	50.652	0.000	0.304
	ATTb	168.652	4	42.163	38.714	0.000	0.251
Intercept	PT	462.633	1	462.633	206.462	0.000	0.308
	ATTad	342.131	1	342.131	302.136	0.000	0.395
	ATTb	532.557	1	532.557	488.998	0.000	0.514
Involvement	PT	331.514	1	331.514	147.947	0.000	0.242
	ATTad	227.676	1	227.676	201.060	0.000	0.303
	ATTb	162.256	1	162.256	148.985	0.000	0.243
Type of appeal	PT	7.065	1	7.065	3.153	0.076	0.007
	ATTad	0.407	1	0.407	0.360	0.549	0.001
	ATTb	1.789	1	1.789	1.643	0.201	0.004
Type of financial product	PT	8.035	1	8.035	3.586	0.059	0.008
	ATTad	4.416	1	4.416	3.900	0.049	0.008
	ATTb	0.359	1	0.359	0.330	0.566	0.001
Appeal * Product	PT	1.068	1	1.068	0.477	0.490	0.001
	ATTad	2.265	1	2.265	2.001	0.158	0.004
	ATTb	0.162	1	0.162	0.149	0.700	0.000

As Wilks' Lambda statistic and MANCOVA results reported no significant difference between simple and complex financial product on a linear model of the dependent variables, these findings indicate that type of financial products did not have an overall effect on advertising effectiveness. Instead, the type of advertising appeal was found to affect advertising effectiveness, indicated by Wilks' Lambda. Thus, this research study did not contrast the estimated marginal means between types of financial product for the dependent variables. Instead, the estimated marginal means by rational and emotional appeal for the individual dependent variables are reported. The results are broadly comparable to those reported for the previous analysis as would be expected given the non significant impact of product type.

Table 43 (p.247) displays the estimated marginal means for perceived tangibility, attitude towards the advertisement and attitude towards the brand, by type of advertising appeal. Findings indicate that the degree of visualising mental aspects of financial services was improved with rational appeal, where the estimated marginal mean was 5.499 compared to 5.253 for emotional appeal. Attitude towards the advertisement was also enhanced with a rational appeal (estimated marginal mean of 4.578) compared to emotional appeal (estimated marginal mean of 4.519), although this effect was not statistically significant. On the other hand, emotional appeal was found to be more effective on attitude towards the brand, with an estimated marginal mean of 4.937, compared to 4.813 for rational appeal (although again, the overall effect was not statistically significant).

Table 43: Estimated marginal means by type of appeal on advertising effectiveness

Dependent Variable	Type of appeal	Mean	Standard Error	95% Confidence Interval	
				Lower Bound	Upper Bound
Perceived tangibility	Rational appeal	5.499	0.098	5.306	5.692
	Emotional appeal	5.253	0.098	5.060	5.445
Attitude towards the advertisement	Rational appeal	4.578	0.070	4.441	4.715
	Emotional appeal	4.519	0.070	4.382	4.656
Attitude towards the brand	Rational appeal	4.813	0.068	4.679	4.948
	Emotional appeal	4.937	0.068	4.803	5.071

Covariates appearing in the model are evaluated at the following values: INV = 4.5118.

Discussion

Significant difference between rational and emotional appeal on a linear model of advertising effectiveness was found by the current study. Referring to Table 42, the results however, revealed no statistical difference on the effects of advertising appeal when the dependent variables were considered separately. The non significant effect by advertising appeal is similar to those reported in Section 4.1 (p.238). Again, there is high likelihood that respondents may perceive both functional and psychological attributes after seeing the experimental ads, pointing out that advertisements may be a combination of rational and emotional effects, in spite of differences on tangible cues manipulations.

The results also revealed no statistical difference between simple and complex financial product on a linear combination of the dependent variables, and when the dependent variables were considered separately. The two financial products compared in this analysis are savings products offering a primary function; that is, safe-keeping of one's money for future consumption, but differed on certain aspects like rate of return, financial and time-commitments. Due to similarity on a main property, it is likely that tangible cues of product features produced similar effects on advertising. The indication is that although financial

products may differ on level of intangibility or complexity, and consumers may perceive a complex product as more difficult to evaluate compared to a simple product; if they shared a common property, the message elements are likely to produce similar effects on advertising effectiveness in these financial products.

H2a proposed that emotional appeal is more effective to improve perceived tangibility, enhance attitude towards the advertisement and attitude towards the brand for a simple financial product, while H2b predicted that rational appeal raised advertising effectiveness for a complex financial product. Although the results indicated that H2a and H2b were not supported, there are some indications that advertisements elaborating on factual information related to financial security facilitated respondents' visualisation of tangible aspects of financial services and enhanced attitude towards the advertisement. On the other hand, appealing to one's emotions and feelings in advertisements by emphasising service quality led to favourable attitude towards the brand. The indications are: (i) rational appeal is more likely to activate perceived personal relevance of a savings product to satisfy consumers' needs for financial security which in turn facilitates visualisation of benefits related to a financial service provider and produced favourable attitude towards the advertisement, while (ii) an advertisement that emphasised excellent service is more likely to satisfy consumers' desire for social recognition as high level of service quality may stimulate a sense of long-term organisational presence in the minds of consumers, and which in turn, enhances positive attitude towards the financial brand.

4.3 MANCOVA III: Research Question 3

The MANCOVA analysis in the previous section examined the effects of advertising appeal in two types of financial products that differed by level of complexity, and no significant difference was reported. The third MANCOVA analysis here now turns to examine the effects of advertising appeal on two types of financial services that differ in terms of corporate values. The analysis here is concerned with RQ3: *If tangible cues based on personal values important to consumers are manipulated by a rational or emotional appeal, in*

the case of Western-style banking and Islamic banking, which advertising appeal is more effective to improve perceived tangibility, enhance attitude towards the advertisement and attitude towards the brand?

This section hopes to provide some indications on the role of personal values on advertising effectiveness for conventional vs. Islamic banking. A 2 X 2 MANCOVA was conducted where the independent variables are type of advertising appeal (rational vs. emotional appeal) and type of bank operation (conventional vs. Islamic banking) on a linear combination of advertising effectiveness (perceived tangibility, attitude towards the advertisement and attitude towards the brand). Involvement was included as a covariate in the analysis. Preliminary check results indicated no violation on assumptions of normality, linearity, homogeneity of variances, homogeneity of regression slopes and reliability of the covariate.

Statistical difference between rational and emotional appeal was found on a linear combination of advertising effectiveness (Wilks' Lambda = .979, $F = 3.315$, $p = .020$) at $p = .05$ significance level. Type of banking operations (conventional vs. Islamic banking) also reported significant differences on the linear combined model of perceived tangibility, attitude towards the advertisement and attitude towards the brand (Wilks' Lambda = .952, $F = 7.790$, $p < .000$). No significant difference on appeal-by-banking operation on advertising effectiveness was found (Wilks' Lambda = .991, $F = 1.350$, $p = .258$). Involvement with a financial product was found to significantly influence advertising effectiveness (Wilks' Lambda = .660, $F = 79.040$, $p < .000$).

Table 44 (p.250) displays the univariate results to examine if significant differences between groups exist for the individual dependent variables. The results revealed significant difference between conventional and Islamic banking on attitude towards the brand ($F = 16.02$, $p < .001$), but no significant difference was observed for perceived tangibility and attitude towards the advertisement. No significant difference between rational and emotional appeal on the three dependent variables was found, although the impact of appeal type

on perceived tangibility was marginally significant, consistent with the results of the previous MANCOVAs. Involvement was found to have significant effect on perceived tangibility ($F = 141.5$, $p < .001$), attitude towards the advertisement ($F = 187.66$, $p < .001$) and attitude towards the brand ($F = 169.577$, $p < .001$).

Table 44: MANCOVA results, by advertising appeals and financial service providers

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	PT	339.934	4	84.983	37.947	0.000	0.247
	ATTad	225.885	4	56.471	49.535	0.000	0.300
	ATTb	185.850	4	46.463	44.169	0.000	0.276
Intercept	PT	479.561	1	479.561	214.134	0.000	0.316
	ATTad	358.586	1	358.586	314.543	0.000	0.405
	ATTb	508.803	1	508.803	483.683	0.000	0.511
Involvement	PT	316.802	1	316.802	141.459	0.000	0.234
	ATTad	213.933	1	213.933	187.657	0.000	0.288
	ATTb	178.384	1	178.384	169.577	0.000	0.268
Type of appeal	PT	7.453	1	7.453	3.328	0.069	0.007
	ATTad	0.529	1	0.529	0.464	0.496	0.001
	ATTb	1.733	1	1.733	1.647	0.200	0.004
Type of banking mode	PT	1.875	1	1.875	0.837	0.361	0.002
	ATTad	0.033	1	0.033	0.029	0.864	0.000
	ATTb	16.855	1	16.855	16.023	0.000	0.033
Appeal * Banking mode	PT	7.663	1	7.663	3.422	0.065	0.007
	ATTad	3.059	1	3.059	2.683	0.102	0.006
	ATTb	0.775	1	0.775	0.737	0.391	0.002

Although no statistical difference exists between rational and emotional appeal on the dependent variables when they were considered separately, and only significant difference was found between the two types of banking operation on attitude towards the brand; nevertheless, the estimated marginal means by advertising appeal x banking operation were reported. This is to test the hypotheses, and because MANCOVA results signalled significant differences between the two types of advertising appeal and the two types of bank operation when the dependent variables were combined into a single linear model, and also some univariate effects were found to be marginally significant.

Estimated marginal means comparing advertising appeal by banking operation on perceived tangibility, attitude towards the advertisement and attitude towards the brand are reported Table 45. It should be noted that marginal mean differences between the different variables are small and many of them are not statistically significant. The marginal means, nevertheless, are reported to provide some insights into the effects of advertising appeal on different financial providers.

Table 45: Estimated marginal means by type of appeal and type of financial service provider on advertising effectiveness

Dependent Variable	Type of appeal	Type of banking operation	Mean	Std. Error	95% Confidence Interval	
					Lower Bound	Upper Bound
Perceived tangibility	Rational appeal	Conventional	5.557	0.137	5.287	5.827
		Islamic	5.429	0.142	5.151	5.708
	Emotional appeal	Conventional	5.048	0.138	4.777	5.320
		Islamic	5.433	0.139	5.161	5.705
Attitude towards the ad	Rational appeal	Conventional	4.647	0.098	4.454	4.839
		Islamic	4.502	0.101	4.303	4.701
	Emotional appeal	Conventional	4.418	0.099	4.224	4.611
		Islamic	4.597	0.099	4.402	4.791
Attitude towards the brand	Rational appeal	Conventional	4.664	0.094	4.479	4.849
		Islamic	4.968	0.097	4.777	5.158
	Emotional appeal	Conventional	4.704	0.095	4.518	4.890
		Islamic	5.171	0.095	4.984	5.357

Covariates appearing in the model are evaluated at the following values: INV = 4.5118.

In the case of conventional banking, appealing to one's cognitive logical process during advertising generated higher level of perceived tangibility (estimated marginal mean of 5.557) and attitude towards the advertisement (estimated marginal mean of 4.647), compared to emotional appeal (with estimated marginal means of 5.048 and 4.418, respectively). On the other hand, advertisements appealing to one's emotions seem to generate a more positive

attitude towards the brand, with an estimated marginal mean of 4.704, compared to rational appeal (an estimated marginal mean of 4.664). In the case of Islamic banking, emotional appeal was found to be more effective on (i) perceived tangibility, with estimated marginal mean of 5.433; (ii) attitude towards the advertisement, an estimated marginal mean of 4.597; and (iii) attitude towards the brand with an estimated marginal mean of 5.171, compared to advertisement communicated in an informative, formal manner. The advertising effects on perceived tangibility are the only ones found to be marginally significant, suggesting that rational appeals are more effective to enhance advertising effectiveness for conventional banking, while emotional appeals are more effective to improve advertising effectiveness for Islamic banking.

Discussion

Analysis in this section aimed to determine the effects of personal values in advertisements of two types of financial service providers operating on different principles. Significant differences on type of advertising appeal and type of banking operation on a linear combination of the dependent variables were reported. This indicates that financial security and social recognition might have different impact on advertising effectiveness. Testing of the hypotheses provide insights on the effects of personal values manipulated in different degree in the experimental study.

H3a predicted that appealing to one's argumentative mental process is more effective in allowing consumers to visualise the intangible features and related benefits of a conventional financial service provider, enhancing attitude towards the advertisement and positively impact attitude towards the brand. This was proposed on the basis that conventional banking was often linked to the Western society where advertisements emphasising self-achievement generating argumentative process in the consumers' mind were more effective.

This hypothesis was not supported because of the lack of statistical significance shown by the univariate results in Table 44 (p.250). It is worthwhile to note that the results in Table 45 (p.251) suggest that rational

appeal appears to be more effective to improve perceived tangibility and enhance attitude towards the advertisement, while emotional appeal appears to enhance attitude towards the brand for conventional financial service providers. These findings suggest that perhaps elaborating factual information pertaining to rate of return for a savings product during advertising may stimulate financial security; satisfying consumers' needs for a financial service that provides safe-keeping and financial return on their savings. When consumers' needs for financial security are fulfilled, they are believed to perceive a financial service provider as more tangible and developed more favourable attitude towards the advertisement. On the other hand, emotional appeal was found to be more effective on enhancing attitude towards the brand. This finding suggests that emphasising service quality excellence in advertising is more important to satisfy customers' end-goals of being respected and having a sense that they are part of the organisation (social recognition), which consequently have positive effect on attitude towards the brand.

H3b proposed that emotional appeal is more effective to improve the degree of perceived tangibility, enhance attitude towards the advertisement and generate higher level of attitude towards the brand. The argument was that Islamic banking is often linked to the Muslim society that tends to favour advertisements which emphasised mutual respect, importance of others and maintaining good relationships with others in the society.

The findings in Table 45 offer some support for this hypothesis where emotional appeal was found to improve the degree of visualising mental aspects of a financial provider, and enhances attitudes toward the advertisement and the Islamic financial brand. It provides some indications that emphasising service-oriented quality as tangible cues during advertising of an Islamic financial provider activates the inner personal value of social recognition of the Muslim respondents. Mutual respect and relationships with others in the society are part of the Muslims' culture, and message elements in an emotional appeal that stressed upon this factor will be more effective, as the tangible cues are congruent with the values of the Muslim respondents.

The Muslim respondents are more likely to understand that financial returns of Islamic financial products are not “fixed”, but based on a profit-loss-sharing scheme. Therefore, advertisements emphasising rate of return for an Islamic financial service provider was probably less effective compared to one that emphasised polite bank members who respect and appreciate the presence of customers. The findings signalled that the Islamic financial provider should emphasise service-quality in advertisements to satisfy consumers’ needs, as the Muslim consumers are likely to have high expectations of service quality of an Islamic financial institution. Emotional appeal conveying this important attribute in advertising is likely to enhance the desired attitude towards the brand for an Islamic financial provider.

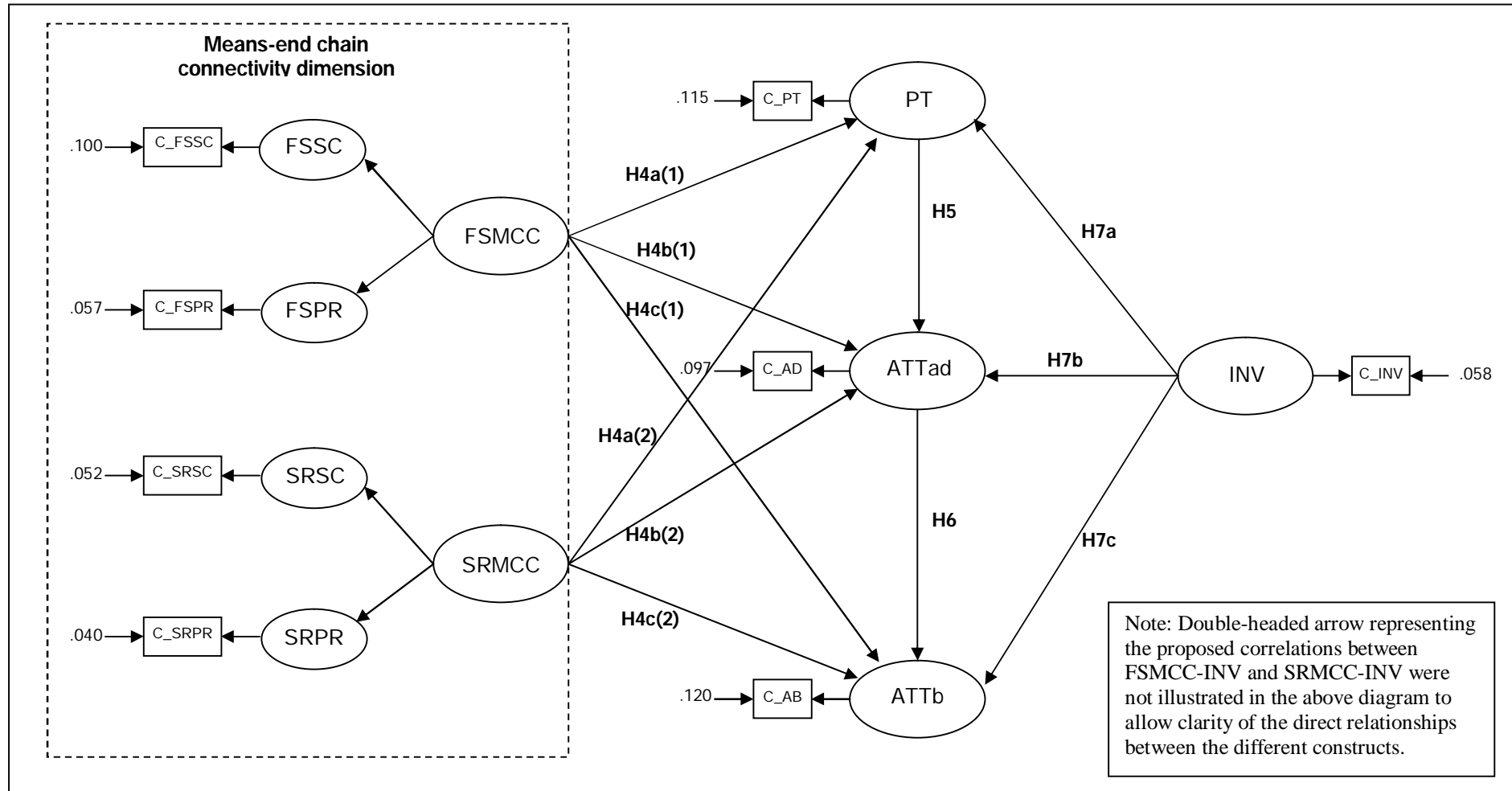
4.4 SEM I: Research Question 4, 5 and 6

Structural equation modelling was used to provide indications for the fourth, fifth and sixth research questions, and to test the hypotheses displayed in the proposed structural model to enhance advertising effectiveness for financial services (Figure 27; p.255). The research questions to be addressed by this section are:

RQ4: What is the effect of means-end chain connectivity on perceived tangibility of a financial service, attitude towards the advertisement and attitude towards the brand?

RQ5: What is the effect of perceived tangibility on attitude towards the advertisement which subsequently may enhance attitude towards the brand?;

RQ6: What is the impact of involvement towards the product on perceived tangibility, attitude towards the advertisement and attitude towards the brand?

Figure 27: Proposed structural model to enhance advertising effectiveness for financial services

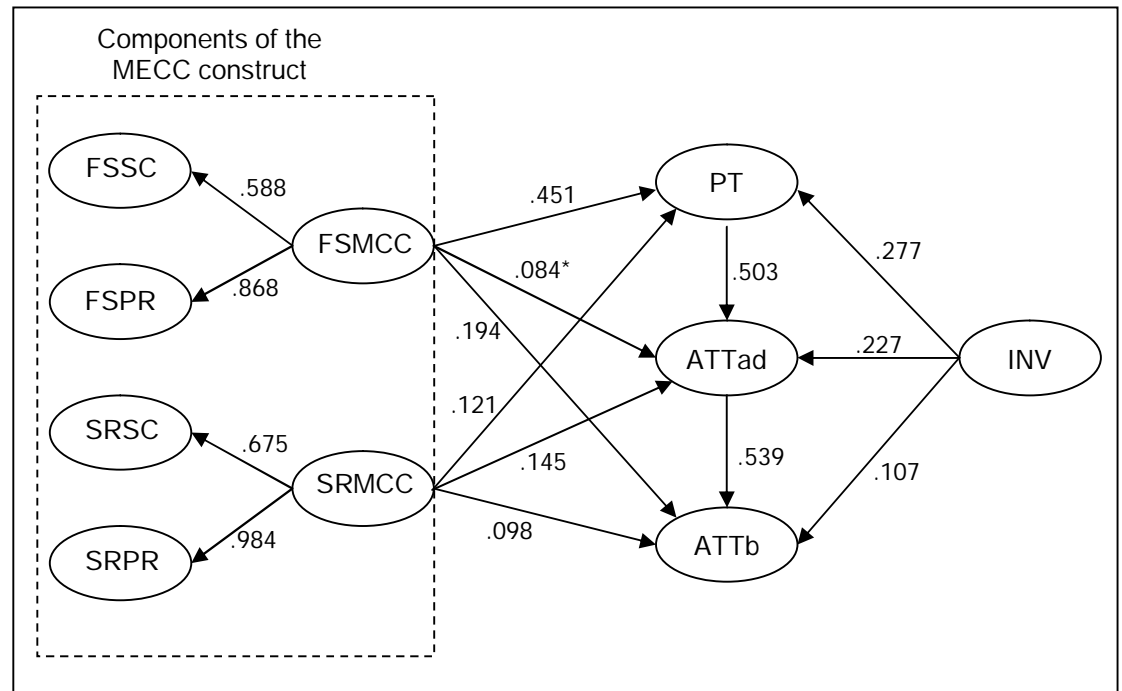
FSSC = Financial Security Strength of Connectivity; SRSC = Social Recognition Strength of Connectivity; FSPR = Financial Security Personal Relevance; SRPR = Social Recognition Personal Relevance; FSMCC = Financial Security Means-End Chain Connectivity; SRMCC = Social Recognition Means-End Chain Connectivity; PT = Perceived tangibility; ATTad = Attitude towards the advertisement; ATTb = Attitude towards the brand; INV = Involvement

This section aims to investigate the structural relationships between latent constructs in the proposed model for financial services at an aggregate level, incorporating participants who saw experimental ads of both conventional and Islamic banking ads. Path analysis will provide insights into the cognitive means-end chain connectivity that consumers mentally make in their minds when they saw an experimental advertisement, and the extent of their evaluations of mental aspects of financial services on advertising effectiveness. The relationships between latent constructs, measurement error associated with indicators and proposed hypotheses are presented in Figure 27.

The research proposed that means-end chain connectivity is the key driver that facilitates consumers' visualisation of intangible features of services, and improved degree of visualising service features enable consumers to better evaluate message content of service advertisements. Increased ability to comprehend service features was proposed to subsequently enhance perceived tangibility and formation of positive attitudes.

The proposed model illustrated in Figure 27 consists of ten latent constructs, loaded by a composite indicator. Psychometric properties of the different constructs in the proposed model to enhance advertising effectiveness of financial services were assessed by principal component analysis and confirmatory factor analysis in Section 3.4.3.1 (p.200), and unidimensionality and construct validity are established. It was revealed that the MECC construct is best represented with two higher-order factor structures, that is, FSMCC and SRMCC. The structural model was fixed as a partially-latent structural regression model, where the relevant indicators were combined into a single composite indicator while the measurement error of the indicator was fixed to $(1 - \text{reliability})$ times the variance of the indicator. The structural model to enhance advertising effectiveness for financial services was estimated with the maximum likelihood approach using AMOS, and standardised path coefficients between latent constructs and goodness-of-fit statistics are displayed in Figure 28 (p.257).

Figure 28: Parameter estimates of a structural model to enhance advertising effectiveness for financial services



* Parameters not significant at $p = .05$

Fit statistics: $\chi^2 = 50.35$, $df = 10$, $\chi^2/df = 5.035$, $p < .001$, GFI = .975, AGFI = .910, NFI = .965, TLI = .920, CFI = .972, RMSEA = .083

Fit indices for the structural regression model are χ^2 value of 50.35 with 10 degrees of freedom, and statistically significant at $p = .001$. Although p -value was significant, the ratio of χ^2 to degrees of freedom was 5.035, which is just marginally over the acceptable range between 2 to 5. GFI and AGFI values are .975 and .910, respectively, exceeding the recommended level of .90; an indication of a good-fitting model. The incremental fit statistics: NFI, TLI and CFI values are .965, .920 and .972, respectively, and they exceeded the .90 recommended values of a good fitting model with the data. RMSEA value is .083, which is just marginally over the upper limit of .08. Based on the goodness-of-fit statistics, the structural model is a good fit with the data. The model-fit indices indicate acceptance of the proposed conceptualisation of enhancing advertising effectiveness for financial services, through means-end chain connectivity which enhanced consumers' visualisation of intangible aspects of financial services, thus, easing their evaluation of financial services.

Inspections of the modification indices did not indicate substantial cross-loadings between latent constructs. Factor loadings and the estimated standardised coefficients between constructs are displayed in Table 46 and Table 47, respectively. The results in Table 46 showed factor loadings ranging from .865 to .989 of the composite indicator onto the respective latent constructs in the structural model of enhancing advertising effectiveness for financial services. To test the hypothesised relationships, the standardised estimates and signs of parameters in Table 47 are examined.

Table 46: Maximum likelihood estimates of factor loadings

Parameters			Standardised estimate	Measurement error*
cFSSC	<---	FSSC	0.865	0.100
cFSPR	<---	FSPR	0.915	0.057
cSRSC	<---	SRSC	0.961	0.052
cSRPR	<---	SRPR	0.954	0.040
cPT	<---	PT	0.980	0.115
cAD	<---	ATTad	0.969	0.097
cAB	<---	ATTb	0.957	0.120
cINV	<---	INV	0.989	0.058

* Measurement error fixed at $(1 - \text{reliability})$ times variance of the indicator

Table 47: Maximum likelihood parameter estimates of the hypothesised model

Parameters			Standardised estimate	t-value	Standard error
FSMCC	-->	FSSC	0.588	9.742	0.033
FSMCC	-->	FSPR	0.868	13.429	0.035
SRMCC	-->	SRSC	0.675	12.596	0.042
SRMCC	-->	SRPR	0.984	16.575	0.038
FSMCC	-->	PT	0.451	7.268	0.104
FSMCC	-->	ATTad*	0.084	1.480	0.069
FSMCC	-->	ATTb	0.194	3.593	0.062
SRMCC	-->	PT	0.121	2.400	0.085
SRMCC	-->	ATTad	0.145	3.529	0.051
SRMCC	-->	ATTb	0.098	2.265	0.050
PT	-->	ATTad	0.503	10.223	0.036
ATTad	-->	ATTb	0.539	10.503	0.048
INV	-->	PT	0.277	5.920	0.049
INV	-->	ATTad	0.227	5.830	0.030
INV	-->	ATTb	0.107	2.524	0.030

* Parameters not significant at $p = .05$

Discussion

Acceptance of the hypothesised model to enhance advertising effectiveness for financial services, indicated by the model-fit statistics, denotes that a means-end chain reaction took place in the mind of the respondents, triggered by tangible cues upon exposure to financial service advertising. Respondents' increased ability to visualise intangible aspects of services stemmed from the concurrent occurrence of making connections between service attributes, consumption consequences and their personal values, and interpreting the advertised service as personally relevant to satisfying their personal end-goals. The cognitive means-end chain connectivity taking place in their mind, facilitated respondents comprehension of service-related benefits, and thus, improving the degree of visualising mental representations of service. Subsequently, it leads to improved perceived tangibility of the advertised service and have favourable impacts on advertising effectiveness.

The MECC dimension in Figure 28 (p.257) was represented by: (1) means-end chain connectivity related to financial security (FSMCC); and (2) means-end chain connectivity related to social recognition (SRMCC). The two dimensions related to important personal values that consumers often seek from financial services have been activated in the minds of the respondents. Turning to the results in Table 47 (p.258), the higher-order means-end chain connectivity factor structure related to financial security loads onto FSSC with standardised estimate of .588, and onto FSPR with standardised coefficient of .868; and which are statistically significant at $p < .001$. This indicates that that after seeing tangible cues related to financial security, respondents were able to make complete linkages between attribute (rate of return) to benefits (positive financial gain/saving more) and to personal value (financial security). At the same time, they realised the relevance of the advertised financial product on enhancing their need for financial security, and therefore, a perception that the advertised financial product is an important mean to reach their personal goal to enhance financial security.

Likewise, SRMCC loaded on SRSC with standardised estimates of .675 and on SRPR with parameter estimates of .984, and are statistically significant at p

= .001. The statistically significant factor loadings indicate that respondents translated tangible cues of service-oriented quality, and they were able to make strong linkages between attribute (friendly and helpful staff) to positive consequences (feeling comfortable asking for financial advice) and personal values (sense of being respected by bank staff and having a sense of belonging to the organisation). With favourable images of service excellence in their minds, personal relevance is activated and respondents are like to have perceived the advertised financial service to be in line with their personal goals of being appreciated as customers of financial service providers.

There are two important findings from the parameter estimates in the MECC dimension displayed in Figure 28, and in Table 47. Firstly, compared to factor loadings of the strength of means-end chain connectivity dimension (SCC), higher parameter coefficients are noted from the realisation of personal relevance (RPR) dimension, that are: FSPR (standardised estimate of .868) and SRPR (standardised estimate of .984). This is an indication that triggering respondents to recognise the advertised product or service as personally relevant to achieve their personal end-goals play a greater role on the creation of mental aspects of services. An activation of personal values facilitates consumers to perceive personal relevance; thus, they are more willing to devote cognitive efforts to elaborate on message content, easing their evaluation of service features.

Secondly, the MECC construct illustrates a simultaneous occurrence of means-end connectivity of financial security and social recognition taking place in the minds of the respondents. Both financial security and social recognition have been stimulated cognitively. Nevertheless, comparing factor loadings of the two value dimensions, path estimates denote a stronger social recognition value activated in the minds of the respondents. This means that between financial security and social recognition, the respondents perceived stronger bonds between attributes, consequences and personal values for components related to social recognition, and higher degree of personal relevance that the advertised service is an important mean to attaining their end-goals of being respected by others in the society.

Advertising stimuli in emotional appeal was predominantly created with means-end elements related to social recognition. Thus, emotional appeal may have “tighten” or strengthened the connections between means-end elements during evaluation of an experimental ad. However, it should be cautioned that generalising emotional appeal as more effective on strengthening means-end chain connectivity and easing consumers’ evaluation of service features; and which then positively affect perceived tangibility and consumers’ attitudes should not be made. MANCOVA results in the earlier sections revealed mixed reactions on the effects of advertising appeal on advertising effectiveness. Another reason of a stronger social recognition dimension in the proposed model is perhaps respondents find it easier to relate themselves with friendly and polite bank staff, and their desires to be respected by others in a society. It is important to note that as a whole, acceptance of the hypothesised model illustrates the importance of personal values depicted as tangible cues, through the means-end chain connectivity construct, enhances creation of mental representation of service features (increased visualisation) and which has positive impacts on advertising effectiveness.

H4 predicted that higher degree of means-end chain connectivity, comprised of means-end elements related to financial security and social recognition, leads to improved visualisation of financial services and has direct positive impacts on perceived tangibility, attitude towards the advertisement and attitude towards the brand. The standardised path coefficients, illustrated in Figure 28 (p.257) and Table 47 (p.258), partially support this hypothesis. Parameter estimates from means-end connectivity of social recognition to: (i) perceived tangibility (SRMCC→PT), (ii) attitude towards the advertisement (SRMCC→ATTad), and (iii) attitude towards the brand (SRMCC→ATTb) are statistically significant at .121, .145 and .098, respectively, at $p = .05$ significance level.

The positive relationships between the above-mentioned constructs indicate that tangible cues of friendly banking personnel were translated by respondents as congruent to their needs for being appreciated and respected by others; creating a high degree of means-end chain connectivity related to social

recognition. In turn, respondents are able to visualise related benefits and values offered by the financial service provider, and thus, result to improved perceived tangibility and favourable consumer attitudes. Thus, the higher the degree of means-end chain connectivity, the higher the likelihood that consumers are able to visualise intangible aspects of financial services, and which leads to greater enhancements on advertising effectiveness. Advertisers of financial services should aim to emphasise on service excellence to appeal to potential and existing customers that the organisation is concerned with their desires of being recognised and appreciated for their patronage, and the financial service providers also value them as customers.

In the case of means-end chain connectivity related to financial security, the standardised path coefficients of $FSMCC \rightarrow PT$ and $FSMCC \rightarrow ATT_b$ are statistically significant at $p = .05$, estimated at .451 and .194 respectively. However, the standardised coefficient for $FSMCC \rightarrow ATT_{ad}$ was estimated to be .084 (t -value = 1.48) and is not statistically significant at $p = .05$. The results pointed out that the degree of means-end chain connectivity related to financial security has positive impact on perceived tangibility and attitude towards the brand, but not on attitude towards the advertisement. The findings suggest that advertisers of financial services should deploy tangible cues of rate of return for savings product to tangibilise financial services and positively influence on attitude towards the brand, aimed at building consumers' confidence towards the financial service provider and their desires of enhancing their financial security.

Another interesting observation is that means-end chain connectivity of financial security has greater impacts on perceived tangibility and attitude towards the brand, while means-end connectivity of social recognition plays a more important role on creating favourable attitude towards the advertisement. With this piece of information, financial service providers could increase the use of tangible cues related to financial security to tangibilise financial products and enhance favourable attitude towards the brand. On the other hand, emphasis of service-oriented quality as tangible cues in financial service advertising is more likely to generate likings toward the advertisement.

H5 proposed increased degree of visualising mental representations of a service's attributes and features ease consumers' evaluation of financial service which subsequently has a positive impact on attitude towards the advertisement. The standardised path estimates from perceived tangibility to attitude towards the advertisement (PT→ATTad) was .503, and which is statistically significant at $p = .001$, supporting the hypothesis. The finding indicated that increased visualisation eased evaluation of a financial service, leading to positive attitude towards the advertisement.

H6 predicted that positive attitude towards the advertisement, because of an increased level of perceived tangibility of financial service, has a positive impact on attitude towards the brand. The results supported this hypothesis with standardised path coefficient of .539, and statistically significant at $p = .001$ significance level. This finding is consistent with that in the literature where positive attitude towards the advertisement led to favourable attitude towards the brand.

H7 proposed involvement influences consumers' cognitive efforts to expand on service-related information in advertising, and has significant impacts on perceived tangibility, attitude towards the advertisement and attitude towards the brand. MANCOVA results in the previous section reported that involvement has significant impact on the dependent variables, that is, perceived tangibility, attitude towards the advertisement and attitude towards the brand. Structural equation modelling was used to determine the extent of involvement on advertising effectiveness.

Turning to the results in Table 47 (p.258), results denote significant relationships between involvement and perceived tangibility (standardised estimate of .277), involvement and attitude towards the advertisement (standardised estimate of .227) and attitude towards the brand (standardised estimate of .107), and are statistically significant at $p = .001$ level. The above hypothesis is thus supported. In consistent with the MANCOVA results, involvement has significant impact on advertising effectiveness. Involvement was also reported to influence consumers' elaboration on message content of

advertisement. Positive correlations were found between components of the MECC construct and involvement; to be more specific, the correlation coefficient between $FSMCC \leftrightarrow INV$ was .39 and the correlation estimate between $SRMCC \leftrightarrow INV$ was .381; and statistically significant at $p = .001$.

The above findings indicated the role of involvement on advertising strategies; explaining consumers' perceived relevance of a product based on intrinsic needs and values influences their willingness to elaborate on message content and help create visual image of the advertised service and facilitate consumers' evaluation of service features and benefits. As a result of this interaction, perceived tangibility of a financial service provider improved, attitude towards the advertisement was enhanced, and generate favourable attitude towards the brand. These findings suggest that managers of financial services should make use of the most appropriate tangible cues to enhance consumers' attentions and devotion to elaborate on messages embedded in advertising, helping them to visualise intangible aspects of financial services which eased their evaluation of service benefits, and to positively affect perceptions and consumer attitudes.

Acceptance of the proposed structural model to enhance advertising effectiveness for financial services, via stimulating personal values important to consumers, indicated that firstly, appropriate tangible cues specified in advertisement of services help consumers' make means-end connections between service attributes to consumption benefits and finally to personal values. Secondly, a simultaneous reaction also took place in the minds of the consumers where an activation of a personal value helps consumers to perceive a service provider is instrumental on satisfying their desired end-goals. Finally, as a result of means-end chain connectivity, visualisation of service offerings were enhanced easing consumers' evaluation leading to improved perceived tangibility and favourable attitude towards the advertisement and attitude towards the brand.

Competing Models

The final step of structural model assessment is to determine whether the hypothesised model of activating personal values, via means-end chain

connectivity, enhancing advertising effectiveness for financial services was the best-fitting model with the data. Hair et al. (1998) explained that it is important to determine that the proposed model has the highest statistical fit as it may be possible that other distinct models may fit the data equally well. Two competing models were proposed by this research.

A first competing model (COMFS1) was proposed where perceived tangibility as a construct was removed to investigate the role of tangibilising services on advertising effectiveness. It may be possible that means-end chain connectivity took place in the minds of the consumers have positive impact on consumers' attitudes without the need for greater visualisation of intangible benefits of a service. COMFS1 was assessed on model structure to determine the extent of MECC components on advertising effectiveness, and to investigate the extent of perceived tangibility on advertising effectiveness for services.

Celsi and Olson (1988) and Mulvey et. al., (1994) discussed that consumers' ability and motivation to process information in an advertisement are determined by their product knowledge and self-related knowledge, influencing their involvement with a product. A second competing model (COMFS2) was proposed where involvement acts as an antecedent to the means-end chain connectivity constructs, because involvement with a product influences their willingness to elaborate on messages displayed in advertisements. Thus, four direct relationships are proposed with involvement having direct impact on components of means-end chain connectivity (FSSC, FSPR, SRSC and SRPR). The direct effects between involvement and the dependent variables were subsequently removed in COMFS2.

Table 48 (p.266) compared the goodness-of-fit indices between the hypothesised model and the two competing models. The model fit indices included in Table 48 reported χ^2 values of COMFS1 and COMFS2 are 43.84 with 7 degrees of freedom, and 58.025 54.809 with 12 degrees of freedom, respectively, and are statistically significant at $p = .001$. The competing models are just above the acceptable range between 2 to 5 of a good-fitting model. In terms of chi-square to degrees of freedom ratio, between the three models, the

hypothesised model was a better-fitting model with lower ratio value. GFI, AGFI, NFI, TLI and CFI values of the competing models exceeded the recommended guidelines representing good-fit with the data. However, RMSEA values of COMFS1 and COMFS2 are more than the .10 benchmark of a good-fitting model.

Table 48: Comparison of goodness-of-fit measures for the hypothesised and competing models on enhancing advertising effectiveness for financial services

Goodness-of-Fit Measures	Hypothesised Model	Competing Models	
		COMFS1	COMFS2
Likelihood-ratio chi-square	50.35	43.841	50.895
Degrees of freedom	10	7	9
Ratio of chi-square to degrees of freedom	5.035	6.263	5.655
Goodness-of-fit index (GFI)	.975	.975	.975
Adjusted-goodness-of-fit index (AGFI)	.910	.900	.899
Normed fit index (NFI)	.965	.959	.965
Tucker-Lewis index (TLI)	.920	.896	.908
Comparative fit index (CFI)	.972	.965	.970
Root mean square error of approximation (RMSEA)	.083	.106	.101

Note: Parameter estimates for COMFS1 and COMFS2 are displayed in Appendix 15 (p.385).

Both competing models demonstrate plausible models that would explain the interaction between constructs. However, comparing the goodness-of-fit indices of the hypothesised model with COMFS1 and COMFS2, the hypothesised model consistently demonstrates a better-fit to the data. Non-acceptance of COMFS1 indicated that increased ability to visualise service-related benefits does have positive impacts on advertising effectiveness, and service marketers should aim to concretise services in the mind of consumers to enhance positive consumers' attitudes toward the service. While, non-acceptance of COMFS2 indicates that involvement is an important construct that has direct effects on perceived tangibility and consumers' attitude; rather

than as an antecedent on means-end chain connectivity of financial security and social recognition.

The analysis in this section demonstrated the importance of means-end chain connectivity and the ability to visualise aspects on services on advertising effectiveness for financial services. Tangible cues of elements related to personal values (financial security and social recognition) triggered respondents to make linkages between attributes, consequences and personal values, and also to perceive personal relevance of the advertised service on satisfying their personal goals. In turn, recipients of service advertising are more likely comprehend and understand related-benefits and values offered by the financial service provider. Consequently, this means-end chain of reactions has positive impact on perceived tangibility, attitude towards the advertisement and attitude towards the brand. Involvement was also found to have significant roles in the model of enhancing advertising effectiveness for financial services.

Findings signalled the importance of means-end chain connectivity on concretising services leading to formation of positive consumers' attitudes. Path analyses in this section revealed the following important findings:

1. Means-end chain connectivity for financial services is best-represented by two higher-order factor structures related to financial security and social recognition; indicating that tangible cues of financial return and service excellence activated respondents' to realise their personal values of financial security and social recognition.
2. Realisation of personal relevance is more affluent in the means-end chain connectivity construct, implying that it may have stronger effects on creating mental representations of services in the minds of the respondents.
3. It appears that tangible cues related to social recognition are more strongly activated in the minds of the respondents compared to financial security. This signalled the importance of emphasising tangible cues of social recognition to tangibilise services and enhance advertising effectiveness for financial services.
4. The simultaneous occurrence of connections between elements of the means-end chain and activation of personal relevance that an advertised

service is instrumental to satisfy personal values created mental representations of the service in the minds of the consumers; and which subsequently have positive impacts on perceived tangibility, attitude towards the advertisement, and attitude towards the brand.

5. Means-end chain connectivity of financial security has greater impacts on perceived tangibility and attitude towards the brand, while means-end connectivity related to social recognition plays a more significant role on creating favourable attitude towards the advertisement.
6. Consumers' increased degree of visualising service aspects (perceived tangibility) has positive impact on attitude towards the advertisement, and which subsequently positively impact on attitude towards the brand. Thus, the findings are in agreement with those in the literature – that services should be concretise to enhance advertising effectiveness for services.
7. It was found that the higher the level of involvement, the stronger the means-end chain connectivity occurring in the minds of the consumers. Thus, the level of perceived relevance that consumers held toward a service influences their willingness to devote cognitive efforts to expand on tangible cues displayed in advertisements. Increased elaborations of message content facilitate consumers' evaluation of service offerings resulting to enhanced advertising effectiveness.

4.5 SEM II: Research Question 7 and 8

The previous section had examined a proposed model to enhance advertising effectiveness for financial services at an aggregate level, where the sample was not analysed by type of financial service provider. This section aims to examine the role of religious factor on advertising strategies carried out by Islamic financial services. The sample included for SEM analysis in this section consists of only the Muslim respondents who saw an experimental ad of an Islamic financial product.

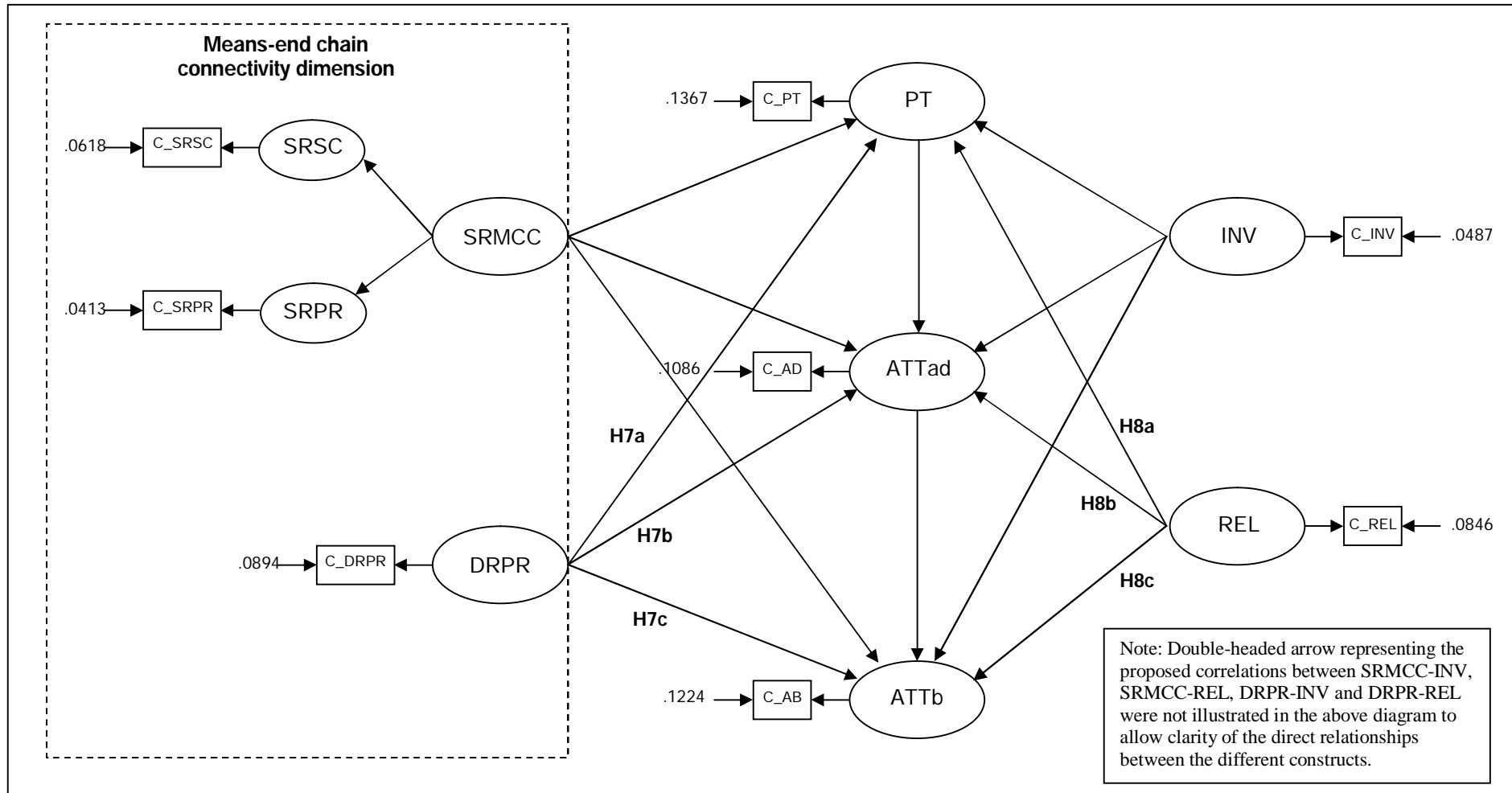
Some previous studies suggested that consumers do not consider religious value as an important determinant which affects their decision to open an account with an Islamic bank, while no study had examined the impact of a

religious value on advertising effectiveness of Islamic financial services. Thus, the analysis is concerned with addressing the above concerns, in order to provide some insights into the last two research questions:

RQ7: For consumers of the Islamic faith, what is the effect of a religious factor on the advertising effectiveness of Islamic banking?

RQ8: What is the impact of religiosity on perceived tangibility, attitude towards the advertisement and attitude towards the brand?

Confirmatory factor analysis examined in Section 3.4.3.2 (p.217) revealed that the MECC dimension of Islamic banking is best-represented with two dimensions: social recognition and devoutness to religion; and construct validity was established. Making use of the CFA measurement model in Figure 25 (p.224) and the arguments of conceptualising a model to enhance advertising effectiveness of Islamic financial service (as illustrated in Figure 12; p.100), the structural model was proposed to consist of nine latent constructs. Figure 29 (p.270) is a specification of the relationships between latent constructs in the proposed structural model to enhance advertising effectiveness for Islamic financial services; also illustrated the “fixed” measurement errors, composite indicator of intending constructs, and the hypotheses are also displayed in the diagram.

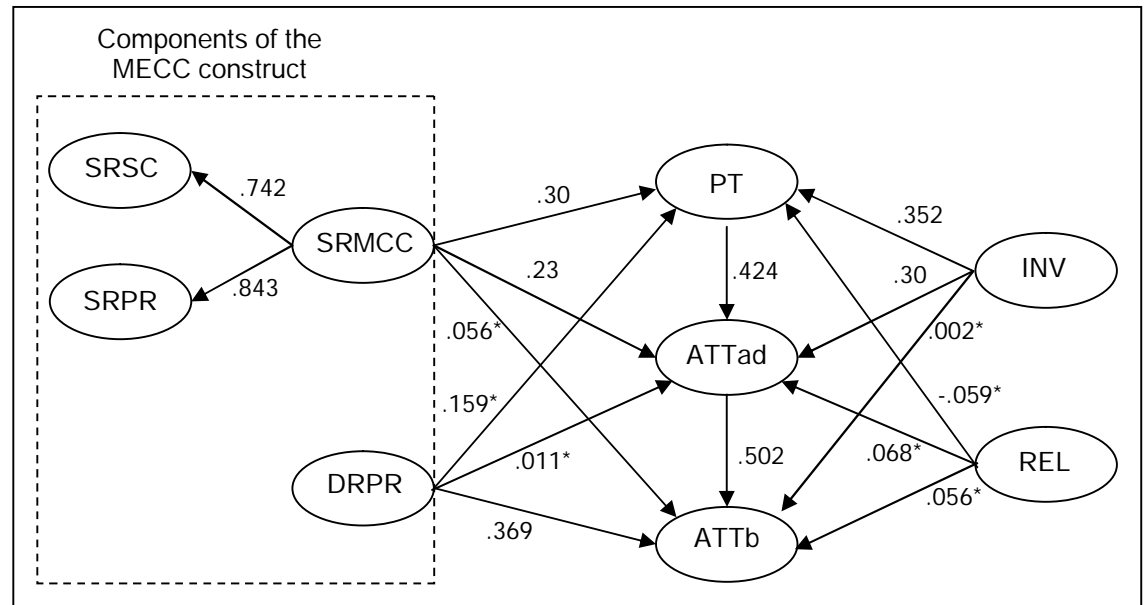
Figure 29: Proposed structural model to enhance advertising effectiveness for financial services

SRSC = Social Recognition Strength of Connectivity; SRPR = Social Recognition Personal Relevance; SRMCC = Social Recognition Means-End Chain Connectivity; DRPR = Devoutness to Religion Personal Relevance; PT = Perceived tangibility; ATTad = Attitude towards the advertisement; ATTb = Attitude towards the brand; INV = Involvement

Structural equation modelling revealed the following fit statistics for the structural model to enhance advertising effectiveness for Islamic banking: χ^2 value of 14.281 with 6 degrees of freedom and was statistically significant at $p = .05$. The ratio of χ^2 to degrees of freedom of 2.38 is within the acceptable region of a model that fits well with the data. Fit statistics like GFI, NFI, TLI, and CFI values are beyond the recommended guideline of .90 for a good-fitting model; with AGFI just below the .90 benchmark. The RMSEA value is .088, just marginally above the .80 threshold of a good-fitting model. Given the favourable fit indices, the structural model illustrated in Figure 29 represents a good-fitting model with the data.

Inspections of the modification indices did not revealed substantial cross-loadings between latent constructs. Factor loadings and the estimated standardised coefficients between constructs are displayed in Table 49 (p.272) and Table 50 (p.273), respectively. Favourable model fit indices denote acceptance of the proposed conceptualisation that consumers' increased ability to visualise mental aspects of Islamic financial services led to improved advertising effectiveness, driven by consumers' ability to make means-end linkages related to specific personal values. An illustration of the path estimates, factor loadings of the higher-order factor structure, and goodness-of-fit statistics are displayed in Figure 30 (p.272). Factor loadings in the structural model to improve advertising effectiveness for Islamic financial services ranged from .913 to .997, shown by the results in Table 49; while several insignificant path estimates at $p = .05$ are reported in Table 50. To test the hypothesised relationships, examinations are made on the standardised estimates and signs of parameters in Table 50.

Figure 30: Standardised parameter coefficients on a hypothesised model to enhance advertising effectiveness for Islamic Banking



* Parameters not significant at $p = .05$

Fit statistics: $\chi^2 = 14.281$, $df = 6$, $\chi^2/df = 2.38$, $p = .027$, GFI = .980, AGFI = .882, NFI = .976, TLI = .933, CFI = .986, RMSEA = .088

Table 49: Maximum likelihood estimates of factor loadings (Islamic Banking)

Parameters	Standardised estimate	Measurement error*
C_SRSC <-- SRSC	0.948	0.0618
C_SRPR <-- SRPR	0.947	0.0413
C_DRPR <-- DRPR	0.913	0.0894
C_PT <-- PT	0.997	0.1367
C_ATTad <-- ATTad	0.957	0.1086
C_ATTb <-- ATTb	0.931	0.1224
C_INV <-- INV	0.986	0.0487
C_REL <-- REL	0.952	0.0846

* Measurement error fixed at $(1 - \text{reliability})$ times variance of the indicator

Table 50: Maximum likelihood parameter estimates of the hypothesised model (Islamic Banking)

Parameters	Standardised estimate	t-value	Standard error
SRMCC --> SRSC	0.742	9.234	0.059
SRMCC --> SRPR	0.843	10.428	0.048
SRMCC --> PT	0.300	2.419	0.195
SRMCC --> ATTad	0.230	2.051	0.122
SRMCC --> ATTb*	0.056	0.490	0.103
DRPR --> PT*	0.159	1.046	0.356
DRPR --> ATTad*	0.011	0.080	0.215
DRPR --> ATTb	0.369	2.820	0.175
PT --> ATTad	0.424	6.025	0.049
ATTad --> ATTb	0.502	5.835	0.070
INV --> PT	0.352	4.047	0.103
INV --> ATTad	0.300	3.728	0.066
INV --> ATTb*	0.002	0.025	0.059
REL --> PT*	-0.059	-0.750	0.135
REL --> ATTad*	0.068	1.000	0.082
REL --> ATTb*	0.056	0.821	0.067

* Parameters not significant at $p = .05$

Discussion

Goodness-of-fit statistics denote acceptance of the proposed structural model illustrated in Figure 30 (p.272), and the model fits well with the data. The MECC dimension in the model was represented by two dimensions: social recognition and devoutness to religious value. Unlike the results in the preceding section where financial security was found to be an important factor that enhance advertisings of financial services (illustrated in Figure 28, p.257), this personal value was found to be an aspect that does not enhance advertising effectiveness for Islamic financial services (results indicated by the lack of convergent validity and scale reliability in Appendix 14, p.382). This finding illustrates that respondents did not emphasise on financial returns in their evaluation of an advertisement of an Islamic financial product. It is likely that the Muslim respondents understood the principle of Islamic banking where a predetermined financial gain is prohibited in their religion. Thus, they may not had perceive the relevance of tangible cues related to financial gains in the

advertisement, and therefore did not evaluate tangible cues of financial return during their assessments of an Islamic banking advertisement.

On the other hand, social recognition was found to be a personal value that has significant impact on advertisings carried out by Islamic banking. The higher-order factor structure, means-end chain connectivity for social recognition (SRMCC), loads on strength of connectivity of social recognition (SRSC) at standardised factor loading of .742, and with SRPR with standardised coefficients of .843; and statistically significant at $p = .001$. Like the findings in the previous section, there are indications that perceived personal relevance that a service serve to satisfy inner personal goals have a greater role on consumers' evaluations of service advertisings. The fact that social recognition was one of the main components in the MECC dimension highlights that emotional appeal may be more effective to enhance effectiveness of Islamic financial service ads. Means-end elements related to social recognition have been manipulated to a large extent in emotional appeal in the experimental ads. Thus, in coherence with the MANCOVA results in Section 4.3 (p.248), it is believed that emotional appeal is more effective to improve advertising effectiveness for Islamic banking.

The results in Table 50 (p.273) also illustrate that SRMCC has significant impacts on perceived tangibility and attitude towards the advertisement, at $p = .05$ significance level, with standardised path estimates of .30 and .23, respectively. This points out that respondents' increased visualisation of intangible aspects of Islamic financial service, via making linkages between means-end elements related to social recognition and recognising the advertised service is instrumental to attain their goals for being appreciated and respected by others, led to greater degree of perceived tangibility and favourable attitude towards the advertisement. However, no significant interaction between SRMCC and attitude towards the brand (standardised coefficients of .056 at $p = .05$ significance level) was found.

Similar to the findings in Section 4.4 (p.254), increased degree of visualising mental aspects of a service's attributes and features has significant impact on

attitude towards the advertisement ($PT \rightarrow ATTad$; standardised coefficient = .424 at $p < .001$), and favourable attitude towards the advertisement subsequently positively impact on attitude towards the brand (standardised estimate of .502). The findings reinforced the importance of tangibilising service features in advertisement, as it eased respondents' evaluation of service benefits and which subsequently have positive impacts on formation of favourable consumers' attitudes.

For advertisings carried out by Islamic financial services, involvement was found to have significant impacts on perceived tangibility (standardised coefficient of .352) and attitude towards the advertisement (standardised estimate of .30); but no significant interactions with attitude towards the brand, at $p = .05$ was found. The research has suggested positive associations between involvement and components of means-end chain connectivity, and correlation coefficients between $INV \leftrightarrow SRMCC$ and $INV \leftrightarrow DRPR$ are estimated at .300 and .445, respectively, and are statistically significant at $p = .05$. Thus, involvement is an important construct in the proposed model to enhance advertising effectiveness for Islamic financial services, as involvement influences respondents' willingness to elaborate on tangible cues in advertisement, and ease their evaluations of intangible aspects of services. Consequently, increased degree of elaborating on advertising information led to improved perceived tangibility and favourable consumers' attitudes.

The research also proposed positive associations between religiosity and components of the MECC construct. As the advertisement was concerned with a financial service provider that conforms to Islamic principles, the research argued that consumers' level of religious commitment affects their willingness to elaborate on advertising messages. Results denote correlation coefficient between $REL \leftrightarrow DRPR$ estimated at .269, and which was statistically significant at $p = .001$. However, correlation between $REL \leftrightarrow SRMCC$ was not statistically significant (correlation = .132; $p = .111$). The findings suggest that the level of one's commitment to Islamic values does not influence his or her willingness to elaborate on means-end elements related to social

recognition, but facilitated respondents to realise the service is instrumental to satisfy one's end-goal of devoutness to religious value.

H8 which predicted that higher degree of means-end chain connectivity for Islamic banking, comprised of means-end elements related to financial security, social recognition and devoutness to religion, improves consumers' visualisation of intangible aspects of the advertised product and service brand. Subsequently, this has positive impacts on perceived tangibility, attitude towards the advertisement and attitude towards the Islamic financial brand. In addition to the absence of means-end connectivity of financial security, it was found that one's devoutness to religion (DRPR) does not have significant impacts on perceived tangibility and attitude towards the advertisement, at $p = .05$ significance level. On the other hand, path analysis denotes a significant relationship from DRPR to attitude towards the brand, with standardised estimate of .369 at $p = .05$. Thus, this hypothesis was not supported.

The findings indicated that tangible cues of religious content in advertising of an Islamic financial service provider did not help improve consumers' visualisation of intangible aspects of services, but tangible cues related to social recognition assisted them to visualise mental representations of service features. An insight of path analysis in Figure 30 (p.272) was that although a religious factor did not result to improved perceived tangibility or higher degree of positive attitude towards the advertisement, respondents did perceived the Islamic financial service to be congruent to their personal goals of adhering to Islamic practices; and thus greater degree of positive attitude towards the brand.

H9 proposed that an individual's religious commitment influences his or her cognitive efforts to elaborate on advertising message, and has positive impacts on perceived tangibility, attitude towards the advertisement and attitude towards the brand. Results in Table 50 revealed that religiosity did not have significantly affect perceived tangibility, attitude towards the advertisement and attitude towards the brand, at $p = .05$ level. Thus, the hypothesis was not supported. This denotes that the degree of one adhering to his or her religious

values does not influence one's extent of elaborating tangible cues displayed in the advertisement, and it may not be an important factors that may led to enhanced advertising effectiveness.

Goodness-of-fit indices denotes acceptance of the proposed structural model to enhance advertising effectiveness for financial services, via stimulating personal values of social recognition and devoutness to religion. Path estimates illustrated in Figure 30 revealed some important findings. The simultaneous occurrence of consumers' ability to link means-end elements of social recognition and personal relevance related to social recognition, triggered from tangible cues of courteous and help bank personnel, created a mental picture of the advertised service, and thus, improved perceived tangibility and attitude towards the advertisement. However, it did not have significant influence on attitude towards the brand. In contrast, realising the advertising service is congruent with consumers' needs for banking practices conforming to Islamic principles did have positive impact on attitude towards the brand.

Competing Models

The hypothesised structural model illustrated in Figure 29 (p.270) was compared with two competing models to determine if it was the best-fit to the data. COMIB1 was proposed as the first competing model, where religiosity was dropped from the hypothesised model to investigate the role of religious commitment on respondents' elaboration of message content. In the hypothesised model, examination of path estimates have pointed out that religiosity has no significant impacts on perceived tangibility, attitude towards the advertisement and attitude towards the brand. Thus, it is rational to exclude religiosity as a factor that leads to improved advertising effectiveness.

H8 and H9 are not supported during testing of the hypotheses. At a bigger picture, it appears that items related to religious value, that is, DRPR and REL, are not important explanatory factors that will enhance advertising effectiveness for Islamic banking. The proposed structural model to enhance advertising effectiveness for Islamic banking is an extension of the proposed model for financial services (as it encapsulates Islamic banking into the model).

Thus, a second competing model (COMIB2) was proposed, where DRVR and REL were dropped, and this model is similar to the hypothesised model for financial services, but components related to financial security were absent in COMIB2.

COMIB1 and COMIB2 were assessed with AMOS, and results converged to an admissible solution. Table 51 (p.279) displays the goodness-of-fit indices of the hypothesised model and the competing models. χ^2 for COMIB1 was estimated at 13.81 with 5 degrees of freedom, and χ^2 value of 12.41 with 4 degrees of freedom for COMIB2. Both competing models are not statistically significant at $p = .01$ level, denoting that excellent fit with the data. With reference to the model-fit indices in Table 51, with the exception of AGFI under the recommended guidelines of .90, other fit indices such as GFI, NFI, TLI and CFI were beyond the minimum threshold of .90 – representing good fit with the data. RMSEA values were .100 and .109 for COMIB1 and COMIB2, above the .50 to .80 range of a good-fitting model. Given the favourable indices, COMIB1 and COMIB2 are good models that help explain the interactions between latent variables.

The goodness-of-fit indices displayed in Table 51 were used to make comparisons between the hypothesised model and the competing models, to assess which model is the best fit to the data. The indices of the three models are close, with about .01 to .05 differences between indices like GFI, AGFI, NFI, TLI, CFI and RMSEA. However, the various indicators for the hypothesised model are consistently better than the competing models. Thus, the research considers the hypothesised model as the best-fitting model with the data. Although H8 and H9 were not supported, signalling religious factors do not enhance advertising effectiveness for Islamic banking. For instance, religiosity does not have significant impacts on perceived tangibility, attitude towards the advertisement and attitude towards the brand. However, the latent constructs related to religious value (that is, DRPR and REL) provide insights on the extent that consumers are willing to elaborate on message content, and that consumers' commitment to religious value influence their perception that

a service is congruent to their need for a financial product that adhere to their religious practices.

Table 51: Comparison of goodness-of-fit measures for the hypothesised and competing models on enhancing advertising effectiveness for Islamic financial services

Goodness-of-Fit Measures	Hypothesised Model	Competing Models	
		COMIB1	COMIB2
Likelihood-ratio chi-square	14.281	13.809	12.410
Degrees of freedom	6	5	4
Ratio of chi-square to degrees of freedom	2.38	2.762	3.013
<i>p</i> -value	.027	.017	.015
Goodness-of-fit index (GFI)	.980	.978	.978
Adjusted-goodness-of-fit index (AGFI)	.882	.879	.883
Normed fit index (NFI)	.976	.975	.971
Tucker-Lewis index (TLI)	.933	.932	.924
Comparative fit index (CFI)	.986	.984	.980
Root mean square error of approximation (RMSEA)	.088	.100	.109

Note: Parameter estimates for COMIB1 and COMIB2 are displayed in Appendix 16 (p.386).

Acceptance of the hypothesised model and comparisons with competing models illustrate that the proposed structural model to enhance advertising effectiveness for Islamic banking fits best with the data. The analysis in this section has demonstrated that tangible cues related to personal values important to the Muslims, eased consumers' evaluations of intangible aspects of an Islamic financial service provider. Thus, it is important that Islamic financial service provider tangibilise their service offerings, through advertising, to enhance favourable attitudes. Some important findings by SEM in this section are:

1. The Muslims' respondents appeared to be less reluctant to elaborate on tangible elements related to financial security; and henceforth, they do not perceive enhancement of their financial security status from Islamic banking. This is probably why financial security is a factor that does

not fit in the proposed structural model of enhancing advertising effectiveness for Islamic financial service provider.

2. Being well-respected and a sense of being appreciated by staff members of Islamic banking are the values that consumers seek to realise from their patronage with Islamic bank. This was indicated by the dominance of components related to social recognition in the means-end chain connectivity construct, and which positively impact on perceived tangibility and social recognition.
3. Emotional appeal is probably more effective to enhance advertising effectiveness for Islamic banking, because of the dominance of social recognition in the model, where tangible cues of elements related to social recognition have been predominantly manipulated with emotional appeal during the experiment. This finding is in coherent with the MANCOVA results in Section 4.3.
4. The higher the likelihood that consumers make means-end connections in their mind and also realise perceived personal relevance, the greater the influence on the level of involvement towards a financial product. Thus, stronger means-end chain connectivity facilitates consumers' evaluation of benefits related to the service and eased their evaluations of message elements displayed in advertisement. In turn, greater visualisation of service features enhances advertising effectiveness. Involvement was also found to positively impact on perceived tangibility and attitude towards the advertisement.
5. Findings revealed that although one's level of commitment to religion does not have positive impacts on advertising effectiveness, but nevertheless, religiosity influences an individual's willingness to elaborate on message content. Consumers who are more committed are more likely to devote attention to elaborate on information in advertisement, and enhance advertising effectiveness through means-end chain connectivity.
6. Operations of Islamic banks conforming to Islamic laws help consumers to recognise that the bank is in line with their religion. They may, then, perceive personal relevance of the Islamic bank on realising their religious value. Recognising the Islamic bank is congruent to their

religious value, the Muslim consumers are more likely to develop favourable attitude towards the brand.

A Summary of Chapter 4

Table 52 summarises the main findings of Section 4.1 through to Section 4.5, where the data was analysed with multivariate analysis of covariance to test H1 to H3, and structural equation modelling to test H4 to H9. Detailed discussions of the findings were made in the respective section. The main findings in this chapter are: firstly, rational and emotional appeal should be employed according to a financial service provider's objectives. Secondly, in general, there are supports that stronger means-end chain connectivity improved perceived tangibility and produced more favourable consumers' attitudes. Thirdly, tangible cues in advertisement led to greater visualisation of service features and benefits in the minds of the consumers, which then eased their evaluation of services. Thus, tangible cues related to personal values important to the consumers should be used during advertising to raise the level of perceived tangibility and to enhance advertising effectiveness. Finally, it was found that religious content did not have direct impact on perceived tangibility and consumers' attitudes; but it influences consumers willingness to expand messages embedded in an advertisement of an Islamic bank, which then improve effectiveness of the service advertisement through means-end chain connectivity.

Table 52: Results of hypotheses testing

Hypotheses	Results
H1: Rational appeal is more effective to improve perceived tangibility of a financial service, increase level of attitude towards the advertisement and enhance attitude towards the brand, compared to emotional appeal.	Partially supported.
H2a: For a simple financial product, emotional appeal is more effective in tangibilising the product, improving attitude towards the advertisement and enhancing attitude towards the brand compared to a rational appeal.	Not supported.

H2b: For a complex financial product, rational appeal is more effective in tangibilising the product, improving attitude towards the advertisement and enhancing attitude towards the brand compared to an emotional appeal.	Not supported.
H3a: In the case of conventional banking, rational appeal is more effective in tangibilising the financial product, improving attitude towards the advertisement and enhancing attitude towards the brand compared to an emotional appeal.	Not supported.
H3b: In the case of Islamic banking, emotional appeal is more effective in tangibilising the financial product, improving attitude towards the advertisement and enhancing attitude towards the brand compared to a rational appeal.	Partially supported.
H4: Higher degree of means-end chain connectivity, comprised of means-end elements related to financial security and social recognition, leads to improved visualisation of financial services and has direct positive impacts on: (a) perceived tangibility; (b) attitude towards the advertisement; and (c) attitude towards the brand.	Partially supported.
H5: Increased level of perceived tangibility can ease consumers' evaluation of financial service which subsequently has a positive impact on attitude towards the advertisement.	Supported.
H6: Positive attitude towards the advertisement, because of an increased level of perceived tangibility of financial service, has a positive impact on attitude towards the brand.	Supported.
H7: Involvement influences consumers' cognitive efforts to expand on service-related information in advertising, and has significant impacts on: (a) perceived tangibility; (b) attitude towards the advertisement; and (c) attitude towards the brand.	Supported.
H8: Higher degree of means-end chain connectivity for Islamic banking, comprised of means-end elements related to financial security, social recognition and devoutness to religion, leads to improved visualisation of financial services and has direct positive impacts on: (a) perceived tangibility; (b) attitude towards the advertisement; and (c) attitude towards the Islamic financial brand.	Not supported.
H9: Religiosity affects consumers' cognitive efforts to expand on service-related information in advertising, and has significant impacts on: (a) perceived tangibility; (b) attitude towards the advertisement; and (c) attitude towards an Islamic financial brand.	Not supported.

CHAPTER 5

DISCUSSION AND CONCLUSION

This research seeks to extend our understanding on the factors that drive advertising effectiveness for services. In response to the main research problem concerned with *the type of message content (tangible cues) and structure (advertising appeal) in advertising that might improve perceived tangibility and, at the same time, enhance positive formations of attitude towards the advertisement and attitude towards the brand*, several insights and contributions are provided by the research and they are discussed in this chapter. With reference to Figure 8 (p.80) which is a summary of the relevant literatures and the nature of a main research problem, this chapter aims to inform the readers on the contribution of the research on understanding the different broad literatures.

Firstly, the services advertising literature has been intrigued by questions of how different message elements and the structure of message content affect advertising effectiveness. There are some interesting discussions in the extant literature centring on the intangible property of services. Section 2.1 (p.12) explained that some researchers argued that due to intangibility, consumers find it more difficult to evaluate the intangible aspects of services, such as performance and service quality (Bateson, 1979; Rushton & Carson, 1985; Zeithaml, 1981). The research addresses that mental intangibility is the dominant characteristic leading to consumers' increased difficulty of evaluating services.

In face of these difficulties, consumers tend to look for tangible cues associated with services in order to gain a better understanding of service features and benefits. Section 2.1.2 (p.16) elaborated on the need to increase tangible cues to help consumer form evaluative criteria of services. It was suggested that increasing tangible cues in service advertising is important to facilitate consumers' evaluations of service components and the relative benefits of a service, especially when consumers are unfamiliar with a service's offerings or

when they are not physically present at the service provider's outlet (Abernethy & Butler, 1992; Crane & Clarke, 1988; George & Berry, 1981). The research has provided further understanding in this research area by demonstrating that tangible cues in advertising triggered consumers to go through a cognitive means-end chain connection. This mental process facilitates consumers' visualisation of services and eases their evaluation of services. The effects of means-end chain connectivity, subsequently, improve perceived tangibility of services and enhanced consumer attitudes.

Secondly, some previous studies which investigated the effects of tangible cues and advertising appeal on advertising strategies suggested that marketers should display more tangible cues in advertising to tangibilise service (Matilla, 1999; Stafford & Day, 1995; Zinkhan et al., 1992). Section 2.2.2 (p.31) noted that the type of tangible cues and advertising appeal that can render services to appear more concrete in the eyes of consumers remains unclear in the literature of service advertising. Rational and emotional appeals, created by manipulating message elements to influence consumers' perceptions, attitudes and behaviours toward a service, have often been compared in terms of their potential to improve the perceived tangibility of services.

Rational appeal, a form of message-based persuasion, conveys factual information of services in a direct and formal manner, aimed at stimulating participants to evaluate services on the basis of functional benefits of a service. More informational cues were included as message elements in a rational appeal, while the structure of the advertisement is such that the content is conveyed in a formal and "cold" manner. On the other hand, an emotional appeal is a type of feelings-based persuasion where advertisers try to evoke participants' feelings and emotions by a set of psychological events during message processing. It has been argued that emotional appeals allow consumers to perceive greater personal relevance with the advertised service, and develop positive perceptions and attitudes toward a service. Emotional appeals aimed at generating likeability towards an advertisement often display more imagery and transformational cues in a "warm" and friendly style in advertising.

Thereon, investigation was carried out in different experimental groups to provide understanding on the effects of tangible cues and advertising appeal that may tangibilise financial services in the eyes of the consumers. The experimental study was conducted in eight experimental groups that differ on: (1) product complexity (different level of perceived tangibility), (2) advertising appeal and (3) corporate brand values. An investigation of the effects of tangible cues and advertising appeal in different groups of financial service advertising is an empirical examination to provide insights into the type of tangible cues and advertising appeal that may enhance perceived tangibility and advertising effectiveness. Group comparisons were made by the research demonstrating the impact of advertising effects across contexts, and which also provide understandings on the type of tangible cues and how advertising appeal affects service advertising effectiveness.

Financial service was selected as the service category for investigation, as Section 2.1.2 (p.16) pointed out that consumers tend to perceive financial services as more intangible compared to other services, and within the financial industry, there exists different level of perceived tangibility among the various financial product. Additionally, Section 2.2.3 (p.38) pointed out that both financial products and the corporate brand are intangibles, contributing to the increased difficulty of evaluating financial services. This signalled an increasing need to investigate advertising approach to tangibilise financial services and enhance advertising effectiveness.

It was also noted in Section 2.6 (p.81) that most studies on services advertising had primarily looked at the professional service industry, like dental, professional consultancy, medical or attorney service, which are characterised with high level of contact between service providers and customers. There are fewer contacts between providers of financial services and customers, and the offerings of financial institutions are mainly financial products with pre-specified criteria and conditions that are not often easily augmented to individual consumers. On the basis of the above reasoning, the study recognised a need to investigate and provide further understanding on the

effects of tangible cues and advertising appeal to tangibilise this non-professional industry.

Thirdly, the research conceptualised a model to enhance advertising effectiveness for services by applying concepts of the means-end chain and Berry and Clark's (1986) visualisation strategy designed to induce consumers to go through a psychological process linking product attributes to consumption benefits and to personal values. Components of the means-end chain related to personal values important to the financial consumers and the Means-End Conceptualisation of the Components of Advertising strategy (MECCAs) guided the manipulations of tangible cues in the experimental ads. Making use of Berry and Clark's (1986) recommendations to improve perceived tangibility of services in advertising, the research demonstrated that tangible cues in advertisements are created with a combination of physical representation and documentation strategies of service attributes and benefits in advertising, which subsequently facilitated visualisation of service.

The conceptual framework to enhance advertising effectiveness for services is illustrated by Figure 9 (p.88). Empirical evidence supported the proposition that strengthened means-end chain connectivity, activated by appropriate tangible cues, concretises service in the eyes of the consumers, and which subsequently ease consumers' heightened difficulties of service evaluations. Involvement was explained as having positive association with elements of the means-end chain (in Section 2.3.1, p.55) denoting that those consumers who are able to gauge the importance of the advertised service as a mean of satisfying their inner-self goals are more likely to devote expand cognitive efforts and are more willing to elaborate on messages displayed in advertisement. The increased degree of visualising intangible representations of services enhances perceived tangibility and has positive effects on consumers' attitudes. Support of the conceptual framework provides an insight into the psychological processes that occur as audiences consume the message.

Means-end chain has always been explained as the adjacent connections between attributes to consequences, and from consequences to values. For

instance, an illustration of means-end linkages for financial services in Section 2.3.2 (p.58) revealed how consumers make connections between attributes to consequences and to values; providing insights into the psychological means-end reaction occurring in the minds of the consumers and understanding the significance of these means-end elements help determine the type of tangible cues to include in advertising of financial services.

The study has operationalised the MECCAs to manipulate contents in advertisement, and information of these manipulations was made in Section 3.1.2 (p.130) of the thesis. The research demonstrates an understanding on how the MECCAs could be utilised to develop and guide the creation of tangible cues and advertising appeal in different context of services. The successful manipulation of tangible cues and advertising appeal in the experimental study denotes that tangible cues should be conceived from means-end elements related to personal values important to consumers. On the other hand, advertising appeal aims to strengthen means-end chain connectivity occurring in the minds of the consumers, by “tightening” the links between attributes, consequences and values and facilitate realisation of perceived relevance, which aim to ease consumers’ evaluation of the intangible aspects of services. In a way, an advertising appeal directs whether the tangible cues should be communicated in a factual, informative manner or to induce consumers to develop positive perceptions and favourable attitudes toward the service.

Section 2.4 (p.67) details the underlying principle of Islamic banking which resides on the prohibition of interest. Unlike Western-styled banking that operates on the basis of the equity and debt systems derived from interest, Islamic banking forbid any form of interest, and financial transactions operate on a profit-and-loss sharing basis. The research provides understanding of the extent of religious value on advertising effectiveness of Islamic banking. Furthermore, the effects of advertising appeal and personal values manipulated as tangible cues in the experiment was compared between conventional banking and Islamic banking to provide insights into the role of corporate value on advertising effectiveness.

The above is a discussion addressing the contribution of the research on understanding some key areas in the different literatures. The theoretical contribution of this research is discussed in the next section, followed by managerial implications based on some important findings in this study. The research has demonstrated the importance of means-end chain connectivity, triggered by tangible cues, on tangibilising services and enhancing effectiveness of service advertisements. Understanding the cognitive linkages of means-end elements that consumers make when they saw cues related to personal values helps managers of financial services to develop advertising strategies aimed to influence consumers' perceptions and create favourable attitudes. Limitations of the current study and directions for future research are discussed in the subsequent section, followed by a conclusion for the thesis.

Theoretical Contributions

A main contribution of this research to the knowledge base is the incorporation of means-end chain connectivity in a conceptualised framework to enhance advertising effectiveness for service. Means-end chain connectivity is a mental process made in the minds of the consumers where tangible cues related to specific personal values triggered consumers to elaborate on messages in advertisements. When consumers are able to make linkages between attributes to consumption benefits and to personal values, this cognitive means-end reaction facilitates them to recognise a service as personally relevant to achieving their personal end-goals. Those consumers with strengthened means-end chain connectivity are able to conceptualise service features, denoting greater visualisation of a service's offerings.

Acceptance of the conceptual model to enhance advertising effectiveness for financial services indicates that higher degree of means-end chain connectivity assist consumers to comprehend and conceptualise service features, and improve consumers' visualisation of a service's benefits. Subsequently, it eased consumers' evaluation of a service allowing them to pass judgments on service quality and performance, and which improve perceived tangibility and positively impact on consumers' attitudes. The research has demonstrated that activating personal values is a viable approach to tangibilise services through

the use of appropriate tangible cues, and contributes to the literature of advertising by demonstrating that means-end linkages stimulated from the appropriate tangible cues have positive impacts on advertising outcomes.

This research demonstrated that tangible cues help shape consumers' pre-conceived perceptions of services, evident by the means-end chain connectivity processed by respondents, which increase their capacity to mentally visualise tangible representations of financial services. Previous studies that examined the effects of tangible cues and advertising appeals suggested improving perceived tangibility and advertising effectiveness by making services appear more "physically concrete" in advertisement. A contribution of this study was that inducing perceived personal relevance in the minds of consumers may be more important on assisting consumers to evaluate the intangible aspects of services, and which has positive impacts on advertising effectiveness. Thus, tangible cues should be developed from means-end elements related to personal values that consumers are more likely to emphasise on to satisfy their personal goals.

This research contributes to the means-end chain literature by demonstrating that the means-end chain consist of several dimensions, emerged from two main dimensions: (i) strength of means-end connectivity, and (ii) realisation of personal relevance. It was conceptualised by the research that two dimensions exist for each personal value(s) that consumers associate with a service. Empirical evidence supported the above conceptualisation, evident by CFA results in Section 3.4.3 (p.198) of the thesis. For instance, in the case of financial services, there exist four components in the means-end chain connectivity construct (see Figure 12 in p.100) related to personal values important to consumers of financial services.

The research has conceptualised that there exists strength of means-end connectivity dimension and realisation of personal relevance dimension in the proposed means-end chain connectivity for services. An important insight from the findings in Section 4.4 (p.254) and Section 4.5 (p.268) is the effect of advertising appeal on means-end chain connectivity. Results pointed out that

stronger social recognition value was activated in the minds of the respondents compared to financial security. Rational appeal was created focusing on tangible cues of financial security, while emotional appeal has primarily been developed with tangible cues related to social recognition. Findings implied that emotional appeal enhanced stronger bonds between attributes, consequences and personal values and higher degree of personal relevance, compared to rational appeal. Thus, the research contributes to the literature base of service advertising and means-end chain by providing empirical evidence that emotional appeal has greater impact on consumers' psychological process.

The study also contributes to the means-end literature by demonstrating how the principles of means-end linkages can be applied to enhance advertising effectiveness. Many studies have made use of the means-end chain to identify attributes, consequences and personal values related to a specific product or service, aimed to provide understanding of consumers' argumentative and cognitive processes, or their preferences, attitudes or behavioural intentions. This study is an alternative application of the means-end chain, using previously identified means-end elements for a service category, and demonstrated that respondents' ability to make means-end linkages affects their perceptions and attitudes that they form about services. Additionally, this research has demonstrated a methodological implication of how the means-end chain may be applied as a quantitative study to influence consumers' motivation to elaborate on message content, as an alternative to the popular use of the laddering technique (a qualitative approach to investigate matter of interest to the researcher).

An important finding in this study is that respondents demonstrated that they associate a financial service provider with personal values important to them, despite differences on tangible cues manipulated as message elements. O'Loughlin and Szmigin (2005) reported that elements related to financial security are functional attributes while friendliness and service-oriented values represent emotional attributes associated with financial services. There are indications that functional attributes (financial return) triggering financial

security exist in an emotional appeal, while psychological attributes (service-oriented quality) linked to social recognition was activated in the mind of consumers through a rational appeal. It indicated that consumers' evaluations of the message elements of financial services are a combination of cognitive efforts and subjective mental process. The findings reinforced de Chernatony, Drury and Segal-Horn's (2004) argument that brands are clusters of functional and emotional values. The research contributes to the literature of advertising by providing empirical evidence that argumentative and subjective mental process occur in the minds of the consumers when they are exposed to advertising message.

This research has provided empirical support for Berry and Clark's (1986) conceptual work on communications strategies. The authors proposed that services in advertising can augment perceived tangibility by use of (i) physical representation, (ii) documentation, (iii) association, and (iv) visualisation strategies. Empirical support for the proposed conceptual model in this study corroborates the claim that integration of both documentation and physical representation strategies in advertising can lead to improved visualisation of a service's benefits. This research demonstrated that tangibilising services may be a combination of any of Berry and Clark's communication strategies. The current study is also an extension of the previous studies by Stafford (1996) and Hill et al. (2004), where the researchers investigated and compared the effectiveness of Berry and Clark's recommendation of enhancing perceived tangibility through the use of documentation, physical representation and visualisation strategies.

This research found that involvement towards a product had significant impact on advertising effectiveness, and it was positively associated with the means-end chain connectivity. There are evidence that consumers who believed a service is instrumental to achieve their end-goals are more likely to elaborate on messages laid out in an advertisement, in contrast to those who are unwilling to elaborate on message information in advertisement. Thus, those who are more willing to elaborate on message content are more likely to visualise the intangible benefits of a financial service provider and develop

favourable attitude towards the service provider. The research provides empirical evidence that cognitive associations of means-end chain elements and interpretations that a product is personally relevant to satisfying personal desires and goals has positive association with involvement. These indicate that the stronger the links between attributes-consequences-values, the higher the likelihood that consumers perceive the product as personally-relevant to themselves, and are more willing to devote attention to comprehend and elaborate on product features and benefits improving perceived tangibility of services. The findings are consistent to those of Celsi and Olson (1988) who suggested that highly-involved consumers will devote cognitive attention to elaborate on message content.

Vast amount of studies have been conducted for Western-styled financial services providing important theories and concepts in the literature of financial services. However, there is minimal study on advertisings for Islamic financial services, and it is unclear what components may enhance advertising effectiveness for Islamic banking. This research adds knowledge to the research area of Islamic financial service advertising, with empirical results. It was found that tangible cues related to enhancing one's financial security did not have significant impact on enhancing advertising effectiveness; but communicating elements of respecting and appreciating the presence of consumers enhanced perceived tangibility and favourable attitudes toward the advertisement and the corporate brand. The level of one's commitment to religious value did not have significant impact on enhancing advertising effectiveness, but it does influence the Muslims' willingness to expand cognitive efforts to evaluate advertising messages of Islamic banking. It was also found that one's devoutness to religion has significant impact on an individual's attitude towards the brand. Finally, compared to rational appeal, emotional appeal is more effective to improve advertising effectiveness for Islamic financial services; thus, tangible cues in advertisements of Islamic banking should increase the use of elements related to social recognition with some degree of religious elements, conveyed by emotional appeal, to enhance advertising effectiveness.

Managerial Implications

Understanding the means-end linkages of important elements which facilitate perceived personal relevance helps managers of financial services to develop specific advertising strategies aimed at influencing consumers' perceptions and attitudes. Acceptance of the proposed model of enhancing advertising effectiveness for financial services highlights the importance of representing service features related to personal values as tangible cues in advertisements of services. These personal values stimulate perceived personal relevance allowing consumers to mentally visualise the intangible benefits of a financial service provider. In turn, this eases the evaluation process for consumers and tends to lead to the formation of more positive attitudes. Thus, managers of service organisations should aim to identify the values important to consumers which affect their purchase decision; as these elements triggered consumers to perceive the service as instrumental in attaining their desired personal needs and goals. This is likely to enhance advertising effectiveness for a service provider, and successful advertising campaigns are likely to create a favourable brand image in the mind of consumers. This research also suggests that managers of service organisations need not try to make a service appear more concrete by including more tangible cues in their advertisement. Instead, message elements of personal values conveyed in the most appropriate manner are likely to be more effectiveness.

It was mentioned in the thesis that earlier studies by Johar and Sirgy (1991), and Stafford and Day (1995) suggested that a rational appeal should be used for "thinking" products and emotional appeal should be used for "feeling" product. Financial services had been broadly classified as a thinking/functional product, implying that rational appeal is more effective to tangibilise services and enhance advertising effectiveness. However, it was found that perceived tangibility and attitude towards the advertisement were improved with a rational appeal, while emotional appeal enhanced attitude towards the brand.

There are indications that the rational appeals helped respondents to go through a cognitive process in their mind, by judging service attributes from informational cues laid out in a formal structure. Informational cues helped respondents to mentally visualise service-related benefits and the

advertisement was subsequently better-liked. On the other hand, attitude towards the brand was further enhanced with cues of an intangible attribute, communicated in a subjective feelings-based approach (emotional appeal). This suggests that respondents developed likings toward the brand based on their feelings that the organisation recognised their presence and would put in extra effort to please them, leading to favourable attitude towards the brand.

Thus, the indications are that service managers should communicate message elements through rational appeal if the objective was to promote a new or existing service to help consumers evaluate service offerings and benefits, or to enhance attitude towards the advertisement. Message content communicated through an emotional appeal is more appropriate if the manager seeks to enhance favourable brand attribute. Thus, it appears that the argument that rational appeal is more effective for thinking products and emotional appeal is more appropriate for feeling product are less relevant. The research suggests that the type of appeal should be in line with the objective(s) of the advertisers.

Additionally, this research suggests that tangible cues emphasising personal values important to consumers, manipulated by advertising appeal, and should not be developed based solely on a functional attribute or a subjective psychological attribute. A balance should be made depending on the objective of the advertiser, as explained above with regard to the use of rational and emotional appeal in advertising strategies. There are some indications that respondents realised both functional and emotional values from tangible cues, which signalled that managers of service firms should display those tangible cues related to personal values in order to enhance advertising effectiveness. These advertisements should include the relevant tangible elements that would stimulate personal values important to the consumers, so as to enhance perceived personal relevance of a service on meeting personal goals, facilitate consumers' evaluative criteria of service offerings and generate favourable attitude towards the brand.

Two financial products that differed in terms of product complexity were included to determine the extent of intangibility on advertising effectiveness.

The findings revealed that differences in perceived complexity between simple and complex financial products had little effect on advertising, but the type of tangible cues (role of personal values) are more influential on effectiveness of the advertising appeal. There were indications that the type of advertising appeal may be generalised for advertising of a savings product, as no significant difference by type of financial product was found. An important implication provided by this study was that should financial advertisers choose to make use of either rational or emotional advertising, their decision should depend on the objective of the advertising campaign: for instance, a focus on financial security in advertising is likely to increase awareness of the financial product and generate likeability towards the advertisement; while emphasising on appreciating and valuing the presence of the customer is more effective on enhancing positive attitude towards the brand.

In the case of Islamic banking that prohibits interests in any financial products or service-offerings, managers of Islamic banks should not be too confident that Muslims will become their customers on just the basis that the banking operations were in line with their religion. Results indicated that the religious factor does not have a major role on advertising effectiveness of Islamic financial services. This finding implies that although one's daily practices influence their product consumption and behaviour, the strength of one's belief is less influential on the Muslims' perception and attitude towards the advertisements of Islamic financial service provider. On the other hand, tangible cues related to social recognition are important that enhances advertising effectiveness for Islamic financial services. It was also found that emotional appeal enhanced advertising effectiveness for an Islamic financial provider. Thus, managers of Islamic banks should communicate brand messages encompassing social recognition, with some degree of religious elements, and conveyed in a feelings-based persuasion style to influence perceptions and attitudes of potential and existing Muslim customers.

Limitations and Direction for Future Research

The aim of this research was to develop a conceptual model to enhance advertising effectiveness for services and to empirically test the conceptual

model. The means-end chain provides important directions for the manipulation of appropriate message elements and advertising appeal for service advertising, and understanding how consumers mentally linked the elements of the means-end chain and realisation of personal relevance impacts on advertising effectiveness. The conceptual framework to enhance advertising effectiveness for services should be further tested in different experimental conditions, to validate the proposed model that means-end linkages facilitating personal relevance is an effective strategy to ease consumers' evaluation of service features and benefits, reduce services' intangibility and to positively impact on advertising effectiveness. This research, perhaps, provides an opportunity for service researchers to look at advertising strategies from another perspective; that is, activating personal values from tangible cues may be more appropriate to tangibilise services compared to investigating the level of informational cues or the impact of advertising appeal to improve perceived tangibility of services.

This research identified and assumed only two key personal values (financial security and social recognition) that consumers normally associate with financial services which influenced their perceptions and attitudes. There may be other personal values that consumers associate with financial services not included in this research that may affect advertising effectiveness. Taking note of this limitation, the main contribution of this study was to demonstrate the importance of means-end elements as tangible cues that are mentally linked in the minds of consumers and which enhance advertising strategies for services.

The research was carried out where respondents were requested to participate in a survey. Stafford and Day (1995) explained that this is a form of forced exposure, subjecting respondents to a highly analytical state in search of cognitive responses to justify their evaluations and which may affect results of the experiment. However, considering that the experiments involved creation of hypothetical brands to mitigate the effects of prior brand knowledge, this study believed that the experimental procedure undertaken was an appropriate approach to examine effectiveness of the tangible cues manipulation where respondents were not affected by prior brand knowledge and other distractions

(like numerous advertisements or articles that are often found in magazines affecting respondents' attention and elaboration on message content).

This research examined the effects of different tangible cues and advertising appeal for two different types of financial products that catered to consumers' needs for savings to enhance future security. The two financial products differ in terms of complexity and intangibility, but they share a primary property, that is, safekeeping of one's money with financial returns. Credit products, like credit cards, loans and mortgages, offer benefits and are associated with personal values different from those of savings products. To extend the literature of financial services advertising, future research should determine the type of personal values important for credit products and compare the role of these personal values, translated as tangible cues, as means-end elements on advertising effectiveness by making comparisons between a savings and a credit financial product.

This research is limited only to visual components of communicating messages to respondents, where the message elements are static. Auditory elements are likely to have different effects on advertising, especially on emotional (transformational) appeal. Additionally, the vibrancy and moving objects in non-static advertisements are believed to have a significant effect on advertising. Future research could aim to investigate advertising effectiveness in channels like television, radio and the Internet which provide auditory and/or visual components during advertising.

The current study was limited to examining advertising effectiveness of a functional service category, one that caters mainly for the financial needs of consumers. Financial services are characterised as well-structured and highly systematic, following strict regulations abiding to industry and government's guideline. All providers of financial services have established their own brand identity, ranging from facilities, logo, uniforms, colour, or equipment, etc., that are highly visible to the consumers. Future research should aim to examine the effects of message elements and advertising appeal for those services classified as experiential services, where tangible cues of physical representation are less

visible to the consumers, like travel services, distance-learning and entertainment. Additionally, more research should be made to compare those service categories characterised as physical actions directed at the consumer's body (people-processing) or belongings (possession-processing) as they provide benefits and values different from those of financial services. Future research should test the robustness of the conceptual model to develop and investigate the impact of personal values and message content across different categories of services.

The primary property of services is “non-physical actions”, denoting physical intangibility of services and which is then translated by consumers as mental intangibility. Thus, increased difficulty of evaluating service features are likely to exist. The research demonstrated a simultaneous occurrence of means-end linkages and perceived personal relevance that took place in the minds of the consumers facilitates consumers' evaluation of services and also serves to tangibilise service features. Although analyses in this research were carried out for financial services and Islamic banking, the conceptual framework to enhance advertising effectiveness, illustrated by Figure 9 (p.88), is applicable for other service category; after all, services are mainly dominated by non-physical actions of service providers. The conceptual framework may also be applied for those physical goods that consumers have difficulty in evaluating, such as luxury goods or self-expressive items.

Validation of the proposed model indicated that tangible cues should be developed and created based on personal values important to consumers to trigger means-end chain linkages and enhance perceived personal relevance, and the above means-end chain reaction tangibilise service features and enhance attitudes toward the advertisement and brand. Researchers have to be very clear on the specific means-end elements associated with different services, and to test the impact of different means-end chain elements on advertising effectiveness. To broaden the literature of services advertising, additional research is required to further develop the proposed model of enhancing advertising effectiveness for services, by including additional

variables like mood, attitude towards the advertiser, ad credibility and behavioural intentions.

Conclusion

In the literature of services marketing, intangibility was recognised as one of the key characteristics from which the other characteristics of services emerged: heterogeneity, inseparability and perishability; and was the most cited characteristic in studies of services marketing. Referring to Table 1 (p.9) in Chapter 2, Edgett and Parkinson (1993) pointed out that management of service organisations have to increase the degree of perceived tangibility, develop appropriate cues, images and brand to help consumers overcome difficulty of evaluating service quality. The authors added that effective communication strategies will help reduce intangibility of services. This research recognised that physical intangibility of services led to the lack of a clear, mentally tangible representation of a service (mental intangibility), which called for an increased need to make service offerings appear more tangible in the minds of consumers.

With positive findings signalling acceptance of a conceptual framework to enhance advertising effectiveness for services, this research contributes to the literature of service advertising by demonstrating that activating personal values in advertising, through concepts of the means-end chain connectivity, helps consumers to visualise service-related benefits and which subsequently improves perceived tangibility. These tangible cues should be made up of message elements representing benefits that consumers seek to fulfil their inner-self values, allowing them to perceive personal relevance with service consumption. Ease of evaluating a service's intangible offerings and benefits allows consumers to pass judgments on service performance and quality. These psychological reactions, in turn, enhance advertising effectiveness and generate favourable consumers' attitudes. Meanwhile, the use of advertising appeal should be in line with the objectives of a service provider, which is believed to enhance the effects of the message elements and facilitate consumers' evaluation process. To conclude, this research is believed to have narrowed existing gaps in the different literatures by suggesting a conceptual

framework that seeks to enhance advertising effectiveness for services. There is empirical evidence that means-end chain connectivity and a visualisation strategy assist consumers to pass judgments on service performance and quality, tangibilise services and enhance advertising effectiveness.

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Appendices

APPENDIX 1

Individual Service Characteristics

Authors	Definitions/Conception/Problems
Intangibility	
Rathmell (1966), Shostack (1977, 1982) De Bandt (1995)	Intangible: immaterial, not corporeal
Berry (1975) Kotler (1977) Zeithaml, Parasuraman & Berry (1985)	Intangible: inaccessibility to the senses
Bateson (1977) Shostack (1977) Flipo (1985) Schmenner (1995)	Intangible: untouchable, impalpable
Bowen, Siehl & Schneider (1989) Lovelock (1983) Lovelock & Yip (1996) Lovelock & Gummesson (2004)	Intangible: absence of ownership
Gadrey (2000)	Intangible: observable (not physical) materiality
Hill (1977, 1999) Shostack (1982)	Goods exist in both time and space, services exist in time only
Bateson (1977) Gronröos (1984, 1988) Laroche, Bergeron & Goutland (2001)	Add mental intangibility: difficult to have a clear and concrete image before purchase
Breivik, Troye & Olsson (1998) Laroche et al. (2001)	Add general intangibility: how general and/or specific a consumer perceives a product
Kotler (1977) Bateson (1977) Zeithaml et al. (1985) Bowen (1989) Bitner (1992)	Physical intangibility is a distinctive characteristic of services
Rathmell (1966) Hill (1999) Shostack (1977, 1982) Gummesson (1995) Vargo & Lusch (2004)	Intangibility can be a continuum dimension between goods and services
Heterogeneity	
Kotler (1977)	Variability between services
Lovelock (1983) Bowen, Siehl & Schneider	Inability to standardize the service output

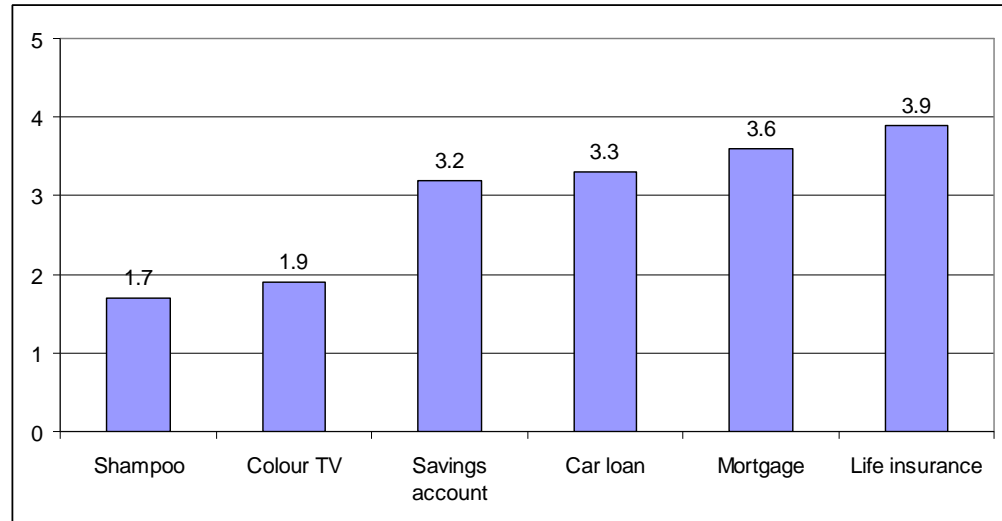
(1989) Vargo & Lusch (2004)	
Rathmell (1974) Sasser (1978) Zeithaml et al. (1985)	Variability in personnel performance
Eiglier & Langeard (1975) Gronröos (1984)	Variability in service quality
Inseparability	
Kotler (1977) Sasser, Olsen & Wyckoff (1978) Zeithaml et al. (1985) De Bandt (1995) Bowen & Ford (2002)	Simultaneity of production and consumption
Hill (1977) Gronröos (1984, 1988) Czepiel, Solomon & Surprenant (1985) Bitner (1992) Schmenner (1995) Lovelock (1983) Lovelock & Yip (1996) Lovelock & Gummesson (2004)	Customer interaction or his presence in service production (co-production)
Chase (1978)	Front-back office separation
Perishability	
Kotler (1977) Zeithaml et al. (1985) Zeithaml & Bitner (2003) Edgett & Parkinson (1993) Bowen J. & Ford (2002)	Service cannot be saved, stored for reuse at a later date, resold, or returned (which yields marketing problems)
Lovelock (1983) Lovelock & Gummesson (2004) Darmon, Laroche & Pétröf (1996) Pride & Ferrel (2003) Fitzsimmons & Fitzsimmons (2004)	Unused service capacity of one time period cannot be stored for future use (which yields capacity management problems)

Source: Balin, S., & Giard, V. (2006). *A process oriented approach to the service concepts*. Paper presented at the International Conference on Services Systems and Services Management, Université de Technologie de Troyes, France.

APPENDIX 2

Degree of Intangibility between Products

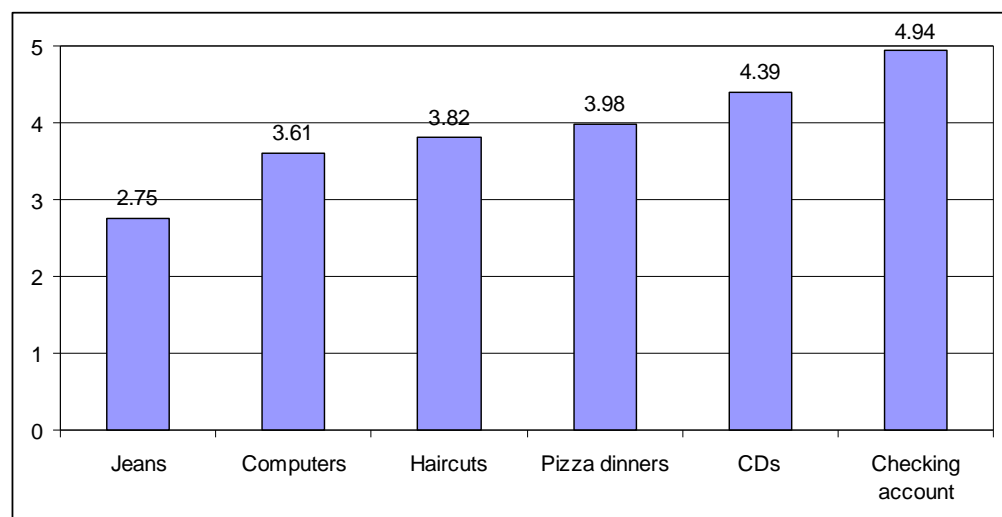
1. McDougall and Snetsinger's (1990) Degree of Intangibility between Products



Source: McDougall, G. H. G., & Snetsinger, D. W. (1990). The intangibility of services: Measurement and competitive perspectives. *Journal of Services Marketing*, 4(4), 27-40.

Note: Mean score for items, range from 1 = very tangible to 9 = very intangible

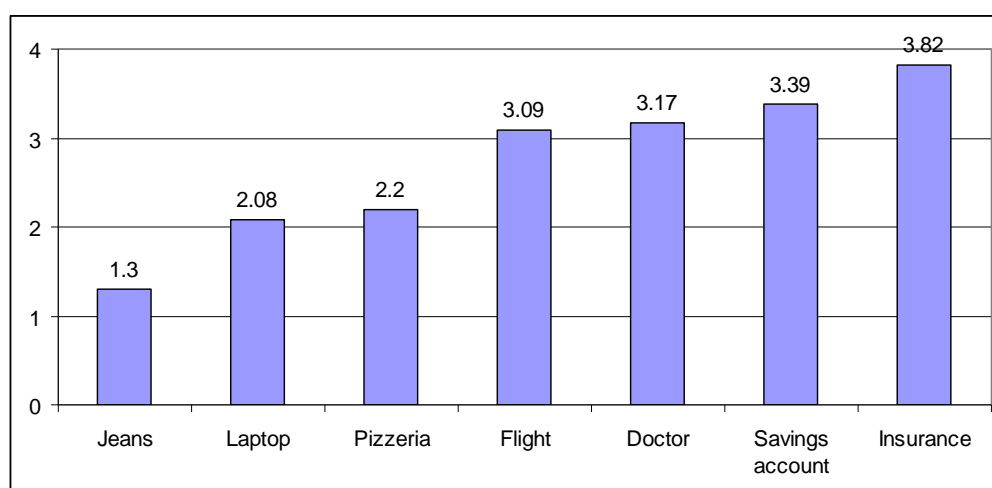
2. Laroche, Bergeron and Goutaland's (2001) Degree of Intangibility between Products



Source: Laroche, M., Bergeron, J., & Goutaland, C. (2001). A three-dimensional scale of intangibility. *Journal of Service Research*, 4(1), 26-38.

Note: Mean scores are computed by averaging scores for physical intangibility, generality and mental intangibility for items; ratings range from 1 = very tangible to 9 = very intangible

3. Bielen and Sempels' (2003) Degree of Intangibility between Products



Source: Bielen, F., & Sempels, C. (2003). *The dimensionality of the concept of intangibility: A critical analysis* (Working Paper): Louvian School of Management, Universite Catholique de Louvain.

Note: Mean scores are computed by averaging scores for physical intangibility and mental intangibility for items; ratings range from 1 = very tangible to 7 = very intangible

APPENDIX 3

Type of Islamic Financial Products

Murabaha (trade with mark-up or cost-plus sale)

It is one of the most widely used instruments for short-term financing based on the traditional notion of purchase finance. The bank finances the purchase of an asset by buying it on behalf of the client. The bank then adds a 'mark-up' in its sale price to its client who pays on a deferred basis. Around 75 per cent of Islamic financial transactions are cost-plus sales. Customers may also deposits with a bank through a Murabaha fund and then share in the returns from such transactions.

Ijara (leasing)

Another popular instrument, accounting for about 10 per cent of Islamic financial transactions is leasing. This is the *Shariah's* concept of leasing finance whereby the bank purchases the asset required by the customer and then leases the asset to the customer for a given period at a pre-arranged rate with the asset to be used productively.

Mudaraba (profit-sharing agreement)

This is identical to an investment fund in which managers handle a pool of funds. It is a form of contract between a capital provider (known as *rabbulmal*) and an entrepreneur (*mudarib*). The *rabbulmal* may "invest" on an agreed project to be handled by the *mudarib*. Upon completion of the project, the *mudarib* returns the principal and a pre-agreed share of profit to the *rabbulmal*, but losses are wholly borne by the *rabbulmal*.

Musharaka (equity participation)

This is akin to a classical joint venture. Both a bank and an entrepreneur contribute to the capital (assets, technical and managerial expertise, working capital, etc) of the operation in varying degrees and agree to share the profits (as well as losses) in proportions agreed before-hand. This is perhaps the purest form of Islamic financing with return being uncertain and both parties sharing the profit and loss.

Bai'muajjal / Bai'salam (sales contracts)

Deferred-payment sale (*bai'muajjal*) and deferred-delivery sale (*bai'salam*) contracts, in addition to spot sales, are carried out for credit sales. For deferred-payment sale, delivery of the product is taken on the spot but payment is delayed for an agreed period. Payments may be made in a lump sum or in instalments, so long as there is no extra charge for the delay. On the other hand, a deferred-delivery sale is similar to a forward contract whereby the product will be delivered in the future when payment has been made on the spot market.

Al-Kafalah (letter of credit)

These are effectively documentary credits but with a non interest-based commission. The bank undertakes a certain transaction (import of an item) using its own funds for the customer, on the notion of sharing the profit from the sale of this item or on a mark-up basis.

Sukuk (bonds)

Shariah-compliant bonds are relatively “new” to the Islamic financial market, making its mark when Malaysia introduced *Sukuk* in 2001. Short-term bonds are made available via *Sukuk Salam*, the Islamic equivalent of treasury bills, or by *Murabaha* finance, where the bank buys an asset and transfer ownership to a third-party client. Longer-term bonds are met by investment in leasing contracts, or *Ijara*. Besides making both equity and trade financing available to customers, Islamic banks are also engaged with provision of lending facilities to customers. The major forms of lending are:

Loans with a service charge

The bank lends money to the customer without interest, but the bank imposes a service charge to cover their expenses and this charge may be subject to a maximum set by the authorities.

No-cost loan (Qard Hassan)

Islamic banks are expected to allocate a certain amount of their funds to grant loans to needy persons, like farmers, entrepreneurs, producers and customers in need of beneficial loan. The borrower is obliged to repay the principal (without interest) to the bank, but the borrower may reward the bank by paying any sum above the principal at his discretion.

Current account

Current or demand deposit accounts perform the same functions as the conventional banks, giving no returns to the depositors but to facilitate transactions. It is a safe-keeping (*wadiah*) arrangement between the depositors and the bank, allowing the former to withdraw their money at any time while allowing the latter to use the depositors’ money. Like conventional banks, cheque books are issued and the banks provide the range of facilities including clearing mechanisms, bank drafts, bills of exchange and travellers’ cheque.

Savings account

The savings accounts operate on a *wadiah* basis, but the bank has the discretion to pay the depositors a positive return periodically dependent on its own profitability. Such payment is considered allowed by the *Shariah* as it is not a condition of lending by the depositors to the bank or is it pre-determined. The savings account holders are normally issued with savings books and are allowed to withdraw money at any time.

Investment account

Investment accounts are based on the *mudaraba* principle, and the deposits are term deposits that are not to be withdrawn before maturity. General investment deposits and special investment deposits are similar to the fixed deposits commonly accepted by the commercial banks, merchant banks and finance companies. Depositors are treated as shareholders, but they have no control over the management of the bank or how its earnings are distributed. However, before the funds are invested, an agreement is made on the ratio of profit and loss share out.

APPENDIX 4

Guidelines on creating the experimental ads based from MECCAs

(1) Savings account x Rational appeal

<i>Level</i>	<i>Description</i>
Brand Name	Federal Eastern Bank
Product Name	Regular Savers Account
Driving Force	Financial security
Leverage Point	Your financial security comes first
Executional Framework	<p><u>Slogans:</u></p> <ul style="list-style-type: none"> ▪ Receive interest every month for your hard-earned cash. ▪ Federal Eastern Bank makes it a priority that your savings will be financially-secured. ▪ Improve your financial security with Federal Eastern Bank. <p><u>Descriptions:</u></p> <p>The Regular Savers Account is tailored for customers who intend to save on a regular basis. An attractive 4.5 percent interest rate will be paid monthly to your savings, giving you a peace of mind on your financial security. This account provides safekeeping of your money while allowing convenient access for withdrawals whenever necessary.</p> <p>The Federal Eastern Bank always makes sure that customers will be getting the best interest rate in the market. The Bank makes it a priority that your hard-earned cash will give you what you deserve, while striving to ensure that your deposit is fully-secured with us.</p>
Consumer Benefit	<ul style="list-style-type: none"> ▪ Financial security on your deposits ▪ Monthly interest paid to your savings account
Message Elements	4.5% interest rate: Make your money work for you (Pictorial representations of financial gains)

(2) Savings account x Emotional appeal

<i>Level</i>	<i>Description</i>
Brand Name	Federal Eastern Bank
Product Name	Regular Savers Account
Driving Force	Social recognition
Leverage Point	You are our priority
Executional Framework	<p><u>Slogans:</u></p> <ul style="list-style-type: none"> ▪ Excellent service with a smile is our motto. ▪ Be part of our growing financial organisation and experience what it is like to be one of our privileged customers. <p><u>Descriptions:</u></p> <p>Federal Eastern Bank has paid much attention on listening to customers' needs, and we make it a priority that you will receive the service you deserve when you open an account with us. Our friendly, experienced and professionally-trained staffs are readily available to give you the best advice to meet your financial needs.</p> <p>Get your interest paid monthly with our Regular Savers Account, giving you a peace of mind for your financial security. A hassle-free account providing safekeeping of your money also allows you to withdraw whenever needed.</p>
Consumer Benefit	<ul style="list-style-type: none"> ▪ You are one of our privileged customers ▪ Feel respected
Message Elements	Pictorial representations of friendly service (4.5% monthly interest rate)

(3) Bond x Rational appeal

<i>Level</i>	<i>Description</i>
Brand Name	Federal Eastern Bank
Product Name	High-Interest Growth Bond
Driving Force	Financial security
Leverage Point	Your financial security comes first
Executional Framework	<p><u>Slogans:</u></p> <ul style="list-style-type: none"> ▪ Gain 22.5% interest + initial investment upon maturity of the bond for your hard-earned cash. ▪ Federal Eastern Bank makes it a priority that your savings will be financially-secured. ▪ Improve your financial security with Federal Eastern Bank. <p><u>Descriptions:</u></p> <p>With a minimum investment of \$20,000, the High-Interest Growth Bond will give you back your initial investment, plus a fixed financial gain of 22.5 percent interest over a five-year investment term. This low-risk bond is specially tailored by our team of financial experts, and offers financial security on your investment over the term period.</p> <p>The Federal Eastern Bank always makes sure that customers will be getting the best interest rate in the market. The Bank makes it a priority that your hard-earned cash will give you what you deserve, while striving to ensure that your deposit is fully-secured with us.</p>
Consumer Benefit	<ul style="list-style-type: none"> ▪ Financial security on your deposits ▪ Gain interest upon maturity
Message Elements	<p>4.5% Interest per annum for Five-Year Investment Term</p> <p>(Pictorial representations of financial gains)</p>

(4) Bond x Emotional appeal

<i>Level</i>	<i>Description</i>
Brand Name	Federal Eastern Bank
Product Name	High-Interest Growth Bond
Driving Force	Social recognition
Leverage Point	You are our priority
Executional Framework	<p><u>Slogans:</u></p> <ul style="list-style-type: none"> ▪ Excellent service with a smile is our motto. ▪ Be part of our growing financial organisation and experience what it is like to be one of our privileged customers. <p><u>Descriptions:</u></p> <p>Federal Eastern Bank has paid much attention on listening to customers' needs, and we make it a priority that you will receive the service you deserve when you open an account with us. Our friendly, experienced and professionally-trained staffs are readily available to give you the best advice to meet your financial needs.</p> <p>If you have at least \$20,000 to invest in our High-Interest Growth Bond, in a period of 5-years we will give you back a fixed-return of 22.5 percent interest plus your initial investment. Reap the harvest from your investment in 5 years.</p>
Consumer Benefit	<ul style="list-style-type: none"> ▪ You are one of our privileged customers ▪ Feel respected
Message Elements	Pictorial representations of friendly service (4.5% interest per annum over five-year investment term)

(5) Islamic savings account x Rational appeal

<i>Level</i>	<i>Description</i>
Brand Name	Islamic Eastern Bank
Product Name	Al-Wadiah Account
Driving Force	Financial security & devoutness to religion
Leverage Point	Your financial security comes first
Executorial Framework	<p><u>Slogans:</u></p> <ul style="list-style-type: none"> ▪ Receive monthly profit in accordance to Islamic banking principles for your hard-earned cash. ▪ Islamic Eastern Bank makes it a priority that your savings will be financially-secured. ▪ Improve your financial security with Islamic Eastern Bank. <p><u>Descriptions:</u></p> <p>The Al-Wadiah Account, based on the Al-Wadiah contract, gives you profit gained from investment according to previously determined ratio. Profits will be paid monthly to your account, giving you a peace of mind on your financial security. This account provides safekeeping of your money while allowing convenient access for withdrawals whenever necessary.</p> <p>The Islamic Eastern Bank always makes sure that customers will be getting the best return in the market. The Bank makes it a priority that your hard-earned cash will give you what you deserve, while striving to ensure that your deposit is fully-secured with us.</p>
Consumer Benefit	<ul style="list-style-type: none"> ▪ Financial security on your deposits ▪ Monthly profits paid to your Al-Wadiah Account
Message Elements	<p>4.5% profit (Indicative only)</p> <p>(Pictorial representations of financial gains)</p>

(6) Islamic savings account x Emotional appeal

<i>Level</i>	<i>Description</i>
Brand Name	Islamic Eastern Bank
Product Name	Al-Wadiah Account
Driving Force	Social recognition & devoutness to religion
Leverage Point	You are our priority
Executorial Framework	<p><u>Slogans:</u></p> <ul style="list-style-type: none"> ▪ Excellent service with a smile is our motto. ▪ Be part of our growing financial organisation and experience what it is like to be one of our privileged customers. <p><u>Descriptions:</u></p> <p>Islamic Eastern Bank has paid much attention on listening to customers' needs, and we make it a priority that you will receive the service you deserve when you open an account with us. Our friendly, experienced and professionally-trained staffs are readily available to give you the best advice to meet your financial needs.</p> <p>Our Al-Wadiah Account gives you the benefit of safekeeping your money based on the Al-Wadiah contract. Monthly profit will be deposited into your account from our investment according to previously determined ratio. A hassle-free account giving you the convenience of withdrawing your money whenever needed.</p>
Consumer Benefit	<ul style="list-style-type: none"> ▪ You are one of our privileged customers ▪ Feel respected
Message Elements	Pictorial representations of friendly service [(4.5% profit (Indicative only))]

(7) Islamic bond x Rational appeal

<i>Level</i>	<i>Description</i>
Brand Name	Islamic Eastern Bank
Product Name	Al-Ijara Sukuk
Driving Force	Financial security & devoutness to religion
Leverage Point	Your financial security comes first
Executorial Framework	<p><u>Slogans:</u></p> <ul style="list-style-type: none"> ▪ Receive profit in accordance to Islamic banking principles for your hard-earned cash. ▪ Islamic Eastern Bank makes it a priority that your savings will be financially-secured. ▪ Improve your financial security with Islamic Eastern Bank. <p><u>Descriptions:</u></p> <p>The Al-Ijara Sukuk, or Islamic bond, based on the Al-Ijara contract (leasing contract) gives you profits gained from investment according to previously determined profit-sharing-ratio. With a minimum investment of \$20,000 over a five-year investment term, profits will be paid annually to your account, giving you a peace of mind on your financial security. The Al-Ijara Sukuk is low risk, and offers financial security on your investment over the term period.</p> <p>The Islamic Eastern Bank always makes sure that customers will be getting the best return in the market. The Bank makes it a priority that your hard-earned cash will give you what you deserve, while striving to ensure that your deposit is fully-secured with us.</p>
Consumer Benefit	<ul style="list-style-type: none"> ▪ Financial security on your deposits ▪ Annual Profits paid to your Al-Ijara Sukuk
Message Elements	4.5% profit per annum for a five-year investment term (Pictorial representations of financial gains)

(8) Islamic bond x Emotional appeal

<i>Level</i>	<i>Description</i>
Brand Name	Islamic Eastern Bank
Product Name	Al-Ijara Sukuk
Driving Force	Social recognition & devoutness to religion
Leverage Point	You are our priority
Executorial Framework	<p><u>Slogans:</u></p> <ul style="list-style-type: none"> ▪ Excellent service with a smile is our motto. ▪ Be part of our growing financial organisation and experience what it is like to be one of our privileged customers. <p><u>Descriptions:</u></p> <p>Islamic Eastern Bank has paid much attention on listening to customers' needs, and we make it a priority that you will receive the service you deserve when you open an account with us. Our friendly, experienced and professionally-trained staffs are readily available to give you the best advice to meet your financial needs.</p> <p>If you have at least \$20,000 to invest in our Al-Ijara Sukuk, or Islamic bond, annual profits will be paid to your account over a five-year investment term.</p>
Consumer Benefit	<ul style="list-style-type: none"> ▪ You are one of our privileged customers ▪ Feel respected
Message Elements	Pictorial representations of friendly service (4.5% profit per annum for a five-year investment term)

APPENDIX 5

Experimental Ads used in Pilot Study 1

(1) Savings Account x Rational Appeal

Federal Eastern Bank


Your Financial Security comes First

4.5%

Interest Rate

Regular Savers Account

Make your money work for you




Monthly Interest
paid to your Savings
Account

Our high interest rate will reward you every month on your hard-earned cash.

We prioritise on ensuring tht your money is fully secured with us.


You can be sure that your money is secured with the Federal Eastern Bank.



Financial Security on
your Deposits

The Regular Savers Account is tailored for customers who intend to save on a regular basis. An attractive 4.5 percent interest rate will be paid monthly to your savings, giving you a peace of mind on your financial security. This account provides safekeeping of your money while allowing convenient access for withdrawals whenever necessary.

Our staff members ensure that you will be getting the best interest rate in the market. We makeit a priority that your hard-earned cash will give you what you deserve, while striving to ensure that your deposit is fully-secured with us.



(2) Savings Account x Emotional Appeal**Federal Eastern Bank**

You are Our Priority

Be one of our
privileged
customers**Regular Savers Account**
4.5% Monthly Interest Rate

We pride ourselves on putting you first for your financial needs.

Our friendly and professionally-trained staff are always available to assist you.

Feel respected

Earn interest with our Regular Savers Account, offering you a high interest rate of 4.5 percent on your savings. Get your interest paid monthly, while giving you a peace of mind for your financial security. Our hassle-free safekeeping of your money also allows you to withdraw whenever needed.

Our friendly, experienced and professionally-trained staffs are always ready to offer the best advice to meet your financial needs. Be part of our growing financial organisation and experience what it is like to be one of our privileged customers.



(3) Bond x Rational Appeal**Federal Eastern Bank**

Your Financial Security comes First

4.5% Interestper annum for Five-Year
Investment Term**High-Interest Growth
Bond**

Make your money work for you

Gain interest upon
maturity

Our high interest bond will reward you upon maturity for your hard-earned cash.

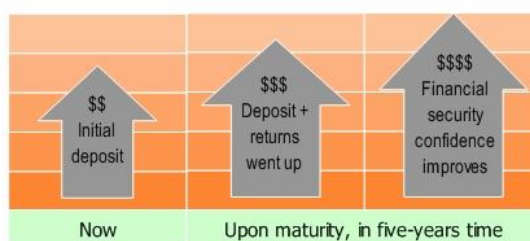
We prioritise on ensuring tht your money is fully secured with us.

You can be sure that your money is secured with the Federal Eastern Bank.

Financial Security on your
Deposits

With a minimum investment of \$20,000, the High-Interest Growth Bond will give you back your initial investment, plus a fixed financial gain of 22.5 percent interest over a five-year investment term. This low-risk bond is specially tailored by our team of financial experts, and offers financial security on your investment over the term period.

Our staff members ensure that you will be getting the best interest rate in the market. We makeit a priority that your hard-earned cash will give you what you deserve, while striving to ensure that your deposit is fully-secured with us.



(4) Bond x Emotional Appeal**Federal Eastern Bank**

You are Our Priority

You are one
of our
privileged
customers

High-Interest Growth Bond

4.5% Interest for Five-Year
Investment Term



We pride ourselves on putting you
first for your financial needs.

Our friendly and professionally-
trained staff are always available to
assist you.

Feel respected

Don't know what to do with extra cash in your savings? If you have at least \$20,000 to invest in our High-Deposit Growth Bond, in a period of 5-years we will give you back fixed-return on 22.5 percent plus your initial investment. Reap the harvest from your investment in 5 years.

Our friendly, experienced and professionally-trained staff are readily available to give you the best advice to meet your financial needs. Be part of our growing financial organisation and experience what it is like to be one of our privileged customers.



(5) Islamic Savings Account x Rational Appeal

Islamic Eastern Bank

Your Financial Security comes First

4.5% Profit Rate(Indicative only) based
on Al-Wadiah contract**Al-Wadiah Savings
Account**

Make your money work for you

Monthly Profits paid to
your Al-Wadiah
Account

We assure you that our banking practices are fully in compliance with Islamic banking practices.

Our profits will reward you every month on your hard-earned cash.

We prioritise on ensuring that your money is fully-secured with us.

Financial Security on your
Deposits

Islamic Eastern Bank offers the Al-Wadiah Savings Account, based on the Al-Wadiah contract, giving you profit gained from investment according to previously determined ratio. Profits will be paid monthly to your account, giving you a peace of mind on your financial security. This account provides safekeeping of your money while allowing convenient access for withdrawals whenever necessary.

Our staff members ensure that you will be getting the best interest rate in the market. We make it a priority that your hard-earned cash will give you what you deserve, while striving to ensure that your deposit is fully-secured with us.



(6) Islamic Savings Account x Emotional Appeal

Islamic Eastern Bank

You are Our Priority

You are one of our privileged customers

Al-Wadiah Account

4.5% Profit (Indicative only)

We pride ourselves on putting you first for your financial needs.

We assure you that our banking practices are fully in compliance with Islamic banking principles.

Our friendly and professionally-trained staff are always available to assist you.

Feel respected

Our Al-Wadiah Savings Account gives you the benefit of safekeeping your money based on the Al-Wadiah contract. Monthly profit will be deposited into your account from our investment according to previous determined ratio. It is hassle-free and you can withdraw money whenever needed.

Meet our friendly, experienced and professionally-trained staff are readily available to give you the best advice to meet your financial needs. Be part of our growing Islamic financial organisation and experience what it is like to be one of our privileged customers.




(7) Islamic Bond x Rational Appeal

Islamic Eastern Bank

Your Financial Security comes First

4.5% Profit

for a Five-Year
Investment Term



Annual Profits paid to
your Al-Ijara Sukuk

Al-Ijara Sukuk

Make your money work for you

We assure you that our banking practices are fully in compliance with Islamic banking principles.

Our profits will reward you yearly on your hard-earned cash.

We prioritise on ensuring that your money is fully-secured with us.



Financial Security on your
Deposits

Islamic Eastern Bank offers the Al-Ijara Sukuk, or Islamic bond, based on the Al-Ijara contract giving you profits gained from investment according to previously determined ratio. With a minimum investment of \$20,000 over a five-year investment term, profits will be paid annually to your account, giving you a peace of mind on your financial security.

Our staff members ensure that you will be getting the best interest rate in the market. We make it a priority that your hard-earned cash will give you what you deserve, while striving to ensure that your deposit is fully-secured with us.



(8) Islamic Bond x Emotional Appeal

Islamic Eastern Bank

You are Our Priority

You are one of our privileged customers

Al-Ijara Sukuk

4.5% Profit for a Five-Year Investment Term



We pride ourselves on putting you first for your financial needs.

We assure you that our banking practices are fully in compliance with Islamic banking principles.

Our friendly and professionally-trained staff are always available to assist you.

Feel respected

Our Al-Ijara Sukuk, or Islamic bond, is based on the Al-Ijara contract giving you profits gained from investment according to previously determined ratio. With a minimum investment of \$20,000 over a five-year investment term, profits will be paid annually to your account, giving you a peace of mind on your financial security. The Al-Ijara Sukuk is low-risk, and offer financial security over the term period.

Meet our friendly, experienced and professionally-trained staff are readily available to give you the best advice to meet your financial needs. Be part of our growing Islamic financial organisation and experience what it is like to be one of our privileged customers.



APPENDIX 6

Results of Pilot Study 1: Means & T-tests

Table 1: Means for items measuring the degree by which the means-end elements are communicated in the respective advertising appeal

Group Statistics					
Type of appeal		N	Mean	Std. Deviation	Std. Error Mean
A1	Rational appeal	112	3.64	.858	.081
	Emotional appeal	111	3.34	.879	.083
A2	Rational appeal	111	3.76	.777	.074
	Emotional appeal	111	3.50	.883	.084
A3	Rational appeal	109	3.70	.855	.082
	Emotional appeal	111	3.48	.989	.094
A4	Rational appeal	113	3.51	.992	.093
	Emotional appeal	111	3.24	.844	.080
A5	Rational appeal	113	3.58	.952	.090
	Emotional appeal	110	3.21	.899	.086
A6	Rational appeal	110	2.97	.981	.094
	Emotional appeal	108	3.89	.970	.093
A7	Rational appeal	112	2.96	1.039	.098
	Emotional appeal	111	3.87	.926	.088
A8	Rational appeal	113	2.78	.923	.087
	Emotional appeal	111	3.84	.848	.080
A9	Rational appeal	113	3.35	.834	.078
	Emotional appeal	111	3.78	.868	.082
A10	Rational appeal	113	3.12	.933	.088
	Emotional appeal	111	3.76	.886	.084
A11	Rational appeal	112	3.07	.756	.071
	Emotional appeal	111	3.44	.839	.080
A12	Rational appeal	53	3.55	1.084	.149
	Emotional appeal	55	3.60	.955	.129
A13	Rational appeal	54	3.81	1.065	.145
	Emotional appeal	55	3.75	1.022	.138
A14	Rational appeal	54	3.43	1.057	.144
	Emotional appeal	55	3.36	1.078	.145

Table 2: Results of independent samples t-test for degree by which the means-end elements have been communicated in advertisement, comparing between rational and emotional appeal

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
A1	Equal variances assumed	.000	.988	2.583	221	.010	.301	.116	.071	.530
	Equal variances not assumed			2.583	220.757	.010	.301	.116	.071	.530
A2	Equal variances assumed	5.272	.023	2.340	220	.020	.261	.112	.041	.481
	Equal variances not assumed			2.340	216.512	.020	.261	.112	.041	.481
A3	Equal variances assumed	3.971	.048	1.761	218	.080	.220	.125	-.026	.466
	Equal variances not assumed			1.763	214.562	.079	.220	.125	-.026	.465
A4	Equal variances assumed	4.605	.033	2.192	222	.029	.270	.123	.027	.513
	Equal variances not assumed			2.195	217.608	.029	.270	.123	.028	.512
A5	Equal variances assumed	1.536	.217	2.950	221	.004	.366	.124	.122	.611
	Equal variances not assumed			2.952	220.799	.003	.366	.124	.122	.611
A6	Equal variances assumed	.486	.486	-6.932	216	.000	-.916	.132	-1.177	-.656
	Equal variances not assumed			-6.933	215.989	.000	-.916	.132	-1.177	-.656
A7	Equal variances assumed	2.603	.108	-6.900	221	.000	-.910	.132	-1.169	-.650
	Equal variances not assumed			-6.904	218.532	.000	-.910	.132	-1.169	-.650
A8	Equal variances assumed	2.284	.132	-8.938	222	.000	-1.059	.118	-1.293	-.826
	Equal variances not assumed			-8.944	221.006	.000	-1.059	.118	-1.292	-.826
A9	Equal variances assumed	.328	.568	-3.781	222	.000	-.430	.114	-.654	-.206
	Equal variances not assumed			-3.779	221.259	.000	-.430	.114	-.654	-.206
A10	Equal variances assumed	.154	.695	-5.275	222	.000	-.642	.122	-.881	-.402
	Equal variances not assumed			-5.278	221.754	.000	-.642	.122	-.881	-.402
A11	Equal variances assumed	7.507	.007	-3.461	221	.001	-.370	.107	-.581	-.159
	Equal variances not assumed			-3.460	218.240	.001	-.370	.107	-.581	-.159
A12	Equal variances assumed	.923	.339	-.269	106	.788	-.053	.196	-.442	.337
	Equal variances not assumed			-.268	103.229	.789	-.053	.197	-.443	.338
A13	Equal variances assumed	.068	.795	.347	107	.729	.069	.200	-.327	.466
	Equal variances not assumed			.347	106.620	.729	.069	.200	-.327	.466
A14	Equal variances assumed	.014	.906	.305	107	.761	.062	.205	-.343	.468
	Equal variances not assumed			.305	107.000	.761	.062	.204	-.343	.468

Table 3: Results for independent samples t-test for degree of difference between rational and emotional appeal

Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means					
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference Lower Upper
B1	Equal variances assumed	.005	.942	.281	222	.779	.043	.154	-.260 .347
	Equal variances not assumed			.281	221.954	.779	.043	.154	-.260 .347
B2	Equal variances assumed	3.265	.072	-2.691	222	.008	-.459	.171	-.795 -.123
	Equal variances not assumed			-2.685	209.927	.008	-.459	.171	-.796 -.122
B3	Equal variances assumed	.874	.351	-1.198	222	.232	-.207	.173	-.547 .133
	Equal variances not assumed			-1.197	217.761	.233	-.207	.173	-.547 .134
B4	Equal variances assumed	.088	.767	-.776	222	.438	-.125	.161	-.441 .192
	Equal variances not assumed			-.777	221.995	.438	-.125	.161	-.441 .192

APPENDIX 7

Experimental Ads used in Pilot Study 2

(1) Savings Account x Rational Appeal

Federal Eastern Bank


Your Financial Security comes First

4.5%

Interest Rate

Regular Savers Account

Make your money work for you




Monthly Interest paid
to your Savings
Account

Receive interest every month for your hard-earned cash.

Federal Eastern Bank makes it a priority that your savings will be financially-secured.

Improve your financial security with Federal Eastern Bank.



Financial Security on your
Deposits

The Regular Savers Account is tailored for customers who intend to save on a regular basis. An attractive 4.5 percent interest rate will be paid monthly to your savings, giving you a peace of mind on your financial security. This account provides safekeeping of your money while allowing convenient access for withdrawals whenever necessary.

The Federal Eastern Bank always make sure that customers will be getting the best interest rate in the market. The Bank makes it a priority that your hard-earned cash will give you what you deserve, while striving to ensure that your deposit is fully-secured with us.


\$\$

Monthly savings go up a little

\$\$\$\$

Financial security confidence improves

(2) Savings Account x Emotional Appeal




Federal Eastern Bank

You are Our Priority

You are
one of our
privileged
customers

Regular Savers Account

4.5% Interest Rate




Excellent service with a smile is our motto.

Be part of our growing financial organisation and experience what it is like to be one of our privileged customers.

Feel
respected

Federal Eastern Bank has paid much attention on listening to customers' needs, and we made it a priority that you will receive the service you deserve when you open an account with us. Our service-oriented staff are always available to give you the best advice to meet your financial needs.

Get your interest paid monthly with our Regular Savers Account, giving you a peace of mind for your financial security. A hassle-free account providing safekeeping of your money also allows you to withdraw whenever needed.

(3) Bond x Rational Appeal**Federal Eastern Bank**

Your Financial Security comes First

4.5% Interestper annum for Five-Year
Investment Term**High-Interest Growth
Bond**

Make your money work for you

Gain interest upon
maturity

Receive 22.5% interest +
initial investment upon
maturity of the bond for
your hard-earned cash.

Federal Eastern Bank
makes it a priority that
your savings will be
financially-secured.

Improve your financial
security with Federal
Eastern Bank.

Financial Security on your
Deposits

With a minimum investment of \$20,000, the High-Interest Growth Bond will give you back your initial investment, plus a fixed financial gain of 22.5 percent interest over a five-year investment term. This low risk bond is specially tailored by our team of financial experts, and offers financial security on your investment over the term period.

The Federal Eastern Bank always make sure that customers will be getting the best interest rate in the market. The Bank makes it a priority that your hard-earned cash will give you what you deserve, while striving to ensure that your deposit is fully-secured with us.



(4) Bond x Emotional Appeal



Federal Eastern Bank

You are Our Priority

You are
one of our
privileged
customers



High Interest Growth Bond

4.5% Interest per annum for
Five-Year Investment Term

Excellent service with a smile is
our motto.

Be part of our growing financial
organisation and experience what
it is like to be one of our privileged
customers.

Feel
respected

Federal Eastern Bank has paid much attention on listening to customers' needs, and we made it a priority that you will receive the service you deserve when you open an account with us. Our service-oriented staff are always available to give you the best advice to meet your financial needs.

If you have at least \$20,000 to invest in our High-Interest Growth Bond, in a period of 5 years we will give you back a fixed-return of 22.5 percent interest plus your initial investment. Reap the harvest from your investment in 5 years.




(5) Islamic Savings Account x Rational Appeal**Islamic Eastern Bank**

Your Financial Security comes First

4.5% Profit

(Indicative only)



Monthly Profits paid to your Al-Wadiah Account

Al-Wadiah Account

Make your money work for you

Receive monthly profit in accordance to Islamic banking principles for your hard-earned cash.

Islamic Eastern Bank makes it a priority that your savings will be financially-secured.

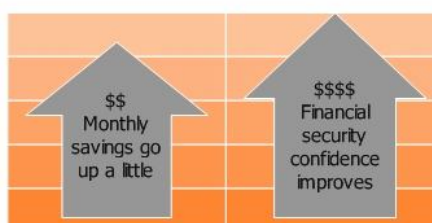
Improve your financial security with Islamic Eastern Bank.



Financial Security on your Deposits

The Al-Wadiah Account, based on the Al-Wadiah contract, gives you profit gained from investment according to previously determined ratio. Profits will be paid monthly to your account, giving you a peace of mind on your financial security. This account provides safekeeping of your money while allowing convenient access for withdrawals whenever necessary.

The Islamic Eastern Bank always make sure that customers will be getting the best return in the market. The Bank makes it a priority that your hard-earned cash will give you what you deserve, while striving to ensure that your deposit is fully-secured with us.



(6) Islamic Savings Account x Emotional Appeal



Islamic Eastern Bank

You are Our Priority

You are one
of our
privileged
customers



Al-Wadiah Account

4.5% Profit (Indicative only)

Excellent service with a smile is our motto.

Be part of our growing financial organisation and experience what it is like to be one of our privileged customers.

Receive profit according to Islamic banking principles.

Feel
respected

Islamic Eastern Bank has paid much attention on listening to customers' needs, and we made it a priority that you will receive the service you deserve when you open an account with us. Our service-oriented staff are always available to give you the best advice to meet your financial needs.

Our Al-Wadiah Account gives you the benefit of safekeeping your money based on the Al-Wadiah contract. Monthly profit will be deposited into your account from our investment according to previously determined ratio. A hassle-free account giving you the convenience of withdrawing your money whenever needed.





(7) Islamic Bond x Rational Appeal

Islamic Eastern Bank

Your Financial Security comes First

4.5% Profit

per annum for a Five-Year Investment Term



Annual Profits paid to your Al-Ijara Sukuk

Al-Ijara Sukuk

Make your money work for you

Receive profit in accordance to Islamic banking principles for your hard-earned cash.

Islamic Eastern Bank makes it a priority that your savings will be financially-secured.

Improve your financial security with Islamic Eastern Bank.



Financial Security on your Deposits

The Al-Ijara Sukuk, or Islamic bond, based on the Al-Ijara contract (leasing contract) gives you profits gained from investment according to previously determined profit-sharing-ratio. With a minimum investment of \$20,000 over a five-year investment term, profits will be paid annually to your account, giving you a peace of mind on your financial security. The Al-Ijara Sukuk is low risk, and offers financial security on your investment over the term period.

The Islamic Eastern Bank always make sure that customers will be getting the best return in the market. The Bank makes it a priority that your hard-earned cash will give you what you deserve, while striving to ensure that your deposit is fully-secured with us.



(8) Islamic Bond x Emotional Appeal

Islamic Eastern Bank

You are Our Priority

You are one of our privileged customers



Al-Ijara Sukuk

4.5% Profit per annum for a Five-Year Investment Term

Excellent service with a smile is our motto.

Be part of our growing financial organisation and experience what it is like to be one of our privileged customers.

Receive profit according to Islamic banking principles.

Feel respected

Islamic Eastern Bank has paid much attention on listening to customers' needs, and we made it a priority that you will receive the service you deserve when you open an account with us. Our service-oriented staff are always available to give you the best advice to meet your financial needs.

If you have at least \$20,000 to invest in our Al-Ijara Sukuk, or Islamic bond, profits will be paid to your account annually over a five-year investment term. The Al-Ijara Sukuk is based on the Al-Ijara contract (leasing contract), giving you profits from investment according to previously determined profit-loss-sharing ratio.




APPENDIX 8

Results of Pilot Study 2: Means & T-tests

Table 1: Means for items measuring the degree by which the means-end elements are communicated in the respective advertising appeal

Group Statistics					
	Type of appeal	N	Mean	Std. Deviation	Std. Error Mean
A1	Rational appeal	65	3.68	.850	.105
	Emotional appeal	66	3.18	.910	.112
A2	Rational appeal	65	3.95	.717	.089
	Emotional appeal	66	3.33	.900	.111
A3	Rational appeal	65	3.68	.831	.103
	Emotional appeal	66	3.30	.841	.103
A4	Rational appeal	65	3.75	.708	.088
	Emotional appeal	66	3.18	.783	.096
A5	Rational appeal	65	3.83	.698	.087
	Emotional appeal	66	3.12	.886	.109
A6	Rational appeal	65	2.57	.968	.120
	Emotional appeal	66	4.12	.775	.095
A7	Rational appeal	65	2.45	.919	.114
	Emotional appeal	66	4.08	.615	.076
A8	Rational appeal	65	2.34	.834	.103
	Emotional appeal	66	4.06	.699	.086
A9	Rational appeal	65	2.80	.987	.122
	Emotional appeal	66	3.95	.831	.102
A10	Rational appeal	65	2.71	.914	.113
	Emotional appeal	66	3.95	.773	.095
A11	Rational appeal	65	2.80	.905	.112
	Emotional appeal	66	3.55	.807	.099
A12	Rational appeal	32	3.59	.946	.167
	Emotional appeal	33	3.52	1.004	.175
A13	Rational appeal	32	3.78	.941	.166
	Emotional appeal	33	3.48	1.034	.180
A14	Rational appeal	32	3.22	.832	.147
	Emotional appeal	33	3.27	.944	.164

Table 2: Results of independent samples t-test for degree by which the means-end elements have been communicated in advertisement, comparing between rational and emotional appeal

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
A1	Equal variances assumed	.121	.729	3.217	129	.002	.495	.154	.191	.800
	Equal variances not assumed			3.219	128.639	.002	.495	.154	.191	.799
A2	Equal variances assumed	9.944	.002	4.361	129	.000	.621	.142	.339	.902
	Equal variances not assumed			4.369	123.591	.000	.621	.142	.339	.902
A3	Equal variances assumed	.241	.624	2.559	129	.012	.374	.146	.085	.663
	Equal variances not assumed			2.560	128.998	.012	.374	.146	.085	.663
A4	Equal variances assumed	.257	.613	4.385	129	.000	.572	.130	.314	.830
	Equal variances not assumed			4.389	128.076	.000	.572	.130	.314	.830
A5	Equal variances assumed	6.259	.014	5.088	129	.000	.710	.139	.434	.985
	Equal variances not assumed			5.097	123.055	.000	.710	.139	.434	.985
A6	Equal variances assumed	8.358	.005	-10.140	129	.000	-1.552	.153	-1.855	-1.249
	Equal variances not assumed			-10.123	122.321	.000	-1.552	.153	-1.855	-1.248
A7	Equal variances assumed	23.535	.000	-11.941	129	.000	-1.630	.136	-1.900	-1.360
	Equal variances not assumed			-11.906	111.583	.000	-1.630	.137	-1.901	-1.358
A8	Equal variances assumed	8.529	.004	-12.813	129	.000	-1.722	.134	-1.988	-1.456
	Equal variances not assumed			-12.796	124.489	.000	-1.722	.135	-1.989	-1.456
A9	Equal variances assumed	4.293	.040	-7.246	129	.000	-1.155	.159	-1.470	-.839
	Equal variances not assumed			-7.236	124.678	.000	-1.155	.160	-1.470	-.839
A10	Equal variances assumed	7.509	.007	-8.435	129	.000	-1.247	.148	-1.539	-.954
	Equal variances not assumed			-8.424	124.921	.000	-1.247	.148	-1.540	-.954
A11	Equal variances assumed	.058	.809	-4.977	129	.000	-.745	.150	-1.042	-.449
	Equal variances not assumed			-4.973	126.893	.000	-.745	.150	-1.042	-.449
A12	Equal variances assumed	.092	.762	.325	63	.746	.079	.242	-.405	.562
	Equal variances not assumed			.325	62.949	.746	.079	.242	-.405	.562
A13	Equal variances assumed	.932	.338	1.207	63	.232	.296	.246	-.194	.787
	Equal variances not assumed			1.209	62.752	.231	.296	.245	-.194	.786
A14	Equal variances assumed	.652	.422	-.244	63	.808	-.054	.221	-.496	.388
	Equal variances not assumed			-.245	62.438	.808	-.054	.221	-.495	.387

Table 3: Results for independent samples t-test for degree of difference between rational and emotional appeal

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
B1	Equal variances assumed	.658	.419	-1.197	129	.234	-.268	.224	-.711	.175
	Equal variances not assumed			-1.198	127.927	.233	-.268	.224	-.711	.175
B2	Equal variances assumed	6.909	.010	-4.315	129	.000	-.983	.228	-1.434	-.532
	Equal variances not assumed			-4.323	122.034	.000	-.983	.227	-1.433	-.533
B3	Equal variances assumed	.760	.385	-2.087	129	.039	-.479	.229	-.932	-.025
	Equal variances not assumed			-2.087	128.981	.039	-.479	.229	-.932	-.025
B4	Equal variances assumed	1.002	.319	-2.783	129	.006	-.575	.207	-.984	-.166
	Equal variances not assumed			-2.783	128.991	.006	-.575	.207	-.984	-.166

APPENDIX 9
Questionnaires used in the main experiment

Note:

The terms “items” and included advertisement were replaced by the appropriate financial product and appeal type according to the experimental group.

Two examples of the questionnaires are included here.

Set 1

**The questionnaire for a savings account, with a rational advertisement.
(forward-order)**

Set 2

**The questionnaire for an Islamic bond, with an emotional advertisement.
(reversed-order)**

Set 1:
Questionnaire for savings account x rational appeal
(forward order)

SURVEY

Dear sir/madam,

This is part of an academic exercise with an objective of determining consumers' views, opinions and attitudes toward advertising in Brunei. Your response is valuable to us, and we hope you are able to answer all questions. We ensure all information will be kept private and confidential. There are no right or wrong responses to any of the questions. We simply seek your candid opinions pertaining to your feelings toward the questions.

Instructions:

1. Section 1 of this questionnaire consists of questions related to you, and your opinion and perception on some subject matters that are of interest to us. Please tick or circle the answer most appropriate to you.
2. In section 2, you will be presented with an advertisement of a fictitious bank. Please look at the advertisement at your own pace, and answer the questions in the following page.

Please tick or circle the answer to every question.

The Survey Committee deeply appreciates your cooperation and time to answer this survey. Thank you for your kind cooperation.

Yours sincerely,

Vai Leong
Research Student
University of Nottingham
United Kingdom

SECTION 1

A. Please tell us something about yourself.

- | | |
|--|--|
| <p>1. Gender</p> <p><input type="checkbox"/> Male</p> <p><input type="checkbox"/> Female</p> <p>2. Age</p> <p><input type="checkbox"/> Less than 20 years</p> <p><input type="checkbox"/> 20-29 years</p> <p><input type="checkbox"/> 30-39 years</p> <p><input type="checkbox"/> 40-49 years</p> <p><input type="checkbox"/> More than 50 years</p> <p>3. Religion</p> <p><input type="checkbox"/> Muslim</p> <p><input type="checkbox"/> Buddhist</p> <p><input type="checkbox"/> Hindu</p> <p><input type="checkbox"/> Christian</p> <p><input type="checkbox"/> Others _____</p> <p>4. Highest level of education</p> <p><input type="checkbox"/> Primary</p> <p><input type="checkbox"/> Secondary</p> <p><input type="checkbox"/> College/University</p> <p><input type="checkbox"/> Postgraduate (Master degree/PhD)</p> <p><input type="checkbox"/> Professional</p> | <p>5. Type of employer</p> <p><input type="checkbox"/> Government</p> <p><input type="checkbox"/> Private sector</p> <p><input type="checkbox"/> Semi-government</p> <p><input type="checkbox"/> Self-employed</p> <p>6. Occupation</p> <p><input type="checkbox"/> Professional</p> <p><input type="checkbox"/> Administration/Management</p> <p><input type="checkbox"/> Clerical/Semi-skilled</p> <p><input type="checkbox"/> Academic</p> <p><input type="checkbox"/> Own business</p> <p><input type="checkbox"/> Others _____</p> <p>7. Monthly income</p> <p><input type="checkbox"/> Less than \$1,000</p> <p><input type="checkbox"/> \$1,000-\$1,999</p> <p><input type="checkbox"/> \$2,000-\$2,999</p> <p><input type="checkbox"/> \$3,000-\$3,999</p> <p><input type="checkbox"/> More than \$4,000</p> |
|--|--|

B. Please circle the answer that is most appropriate to you.

	Not at all true of me	Somewhat true of me	Moderately true of me	Mostly true of me	Totally true of me
1. I often read books and magazines about my faith.	1	2	3	4	5
2. I make financial contributions to my religious organisation.	1	2	3	4	5
3. I spend time trying to grow in understanding of my faith.	1	2	3	4	5
4. Religion is especially important to me because it answers many questions about the meaning of life.	1	2	3	4	5
5. My religious beliefs lie behind my whole approach to life.	1	2	3	4	5
6. I enjoy spending time with others of my religious affiliation.	1	2	3	4	5
7. Religious beliefs influence all my dealings in life.	1	2	3	4	5
8. It is important to me to spend periods of time in private religious thought and reflection.	1	2	3	4	5
9. I enjoy working in the activities of my religious organisation.	1	2	3	4	5
10. I keep well-informed about my local religious group and have some influence in its decision.	1	2	3	4	5

C. We would like to know what does a savings account means to you. Please circle the answer that you feel is most closely relate to your perception on this item.

The **savings account** is:

1. unimportant to me	1 – 2 – 3 – 4 – 5 – 6 – 7	important to me
2. boring to me	1 – 2 – 3 – 4 – 5 – 6 – 7	interesting to me
3. irrelevant to me	1 – 2 – 3 – 4 – 5 – 6 – 7	relevant to me
4. unexciting to me	1 – 2 – 3 – 4 – 5 – 6 – 7	exciting to me
5. means nothing to me	1 – 2 – 3 – 4 – 5 – 6 – 7	means a lot to me
6. unappealing to me	1 – 2 – 3 – 4 – 5 – 6 – 7	appealing to me
7. mundane to me	1 – 2 – 3 – 4 – 5 – 6 – 7	fascinating to me
8. worthless to me	1 – 2 – 3 – 4 – 5 – 6 – 7	valuable to me
9. uninvolving to me	1 – 2 – 3 – 4 – 5 – 6 – 7	involving to me
10. not needed by me	1 – 2 – 3 – 4 – 5 – 6 – 7	needed to me

D. Do you have a savings account with a conventional (western-style) bank?

☐ Yes

☐ No

E. Do you intend to open a savings account with a conventional bank in the near future?

☐ Yes

☐ No

Section 2

Assume that you received a bonus of \$20,000 for the year and intend to deposit the money in a bank. You made a decision to deposit the money into a savings account of a bank. Now, you will see an advertisement of a savings account from a fictitious bank. Please look at the advertisement at your own pace, and tell us your perception and opinion toward the advertisement.

Note:

The term “involving” refers to putting in efforts to think about the item.

The term “tangible” refers to able to see or visualise the item.

Federal Eastern Bank

Your Financial Security comes First

4.5%
Interest Rate

Regular Savers Account

Make your money work for you



Monthly Interest paid
to your Savings
Account

Receive interest every month for your hard-earned cash.

Federal Eastern Bank makes it a priority that your savings will be financially-secured.

Improve your financial security with Federal Eastern Bank.



Financial Security on your
Deposits

The Regular Savers Account is tailored for customers who intend to save on a regular basis. An attractive 4.5 percent interest rate will be paid monthly to your savings, giving you a peace of mind on your financial security. This account provides safekeeping of your money while allowing convenient access for withdrawals whenever necessary.

The Federal Eastern Bank always make sure that customers will be getting the best interest rate in the market. The Bank makes it a priority that your hard-earned cash will give you what you deserve, while striving to ensure that your deposit is fully-secured with us.



Please tell us what you think of the advertisement that you have just seen.

Please circle the answer that is most appropriate to you, where 1 = strongly disagree; 2 = disagree; 3 = neither agree nor disagree; 4 = agree; 5 = strongly agree.

The advertisement illustrates that:

	Strongly disagree	Disagree	No opinion	Agree	Strongly agree
1. The interest rate of 4.5% is a sign of monthly financial gain for me.	1	2	3	4	5
2. Monthly interest paid into my account means I am saving more every month.	1	2	3	4	5
3. Monthly deposits of interest into my account provide me a peace of mind on my financial security.	1	2	3	4	5
4. When I am saving more every month, I feel that my financial security has improved.	1	2	3	4	5
5. Friendly service means staff is readily available to help me.	1	2	3	4	5
6. Quality service will allow me to be more comfortable approaching the staff to answer my questions.	1	2	3	4	5
7. When staff personnel are approachable, I feel appreciated by the bank.	1	2	3	4	5
8. Friendly and good services give me a sense of being part of the financial organisation.	1	2	3	4	5
9. Friendly and good services provide me a feeling of being respected by members of the bank.	1	2	3	4	5

Do you agree with the following statements after you have seen the advertisement?

The advertisement shows that:

	Strongly disagree	Disagree	No opinion	Agree	Strongly agree
1. My deposits are secured with the bank.	1	2	3	4	5
2. The bank will make wise investments from my deposits.	1	2	3	4	5
3. A correct decision was made on my future security if I deposit with this bank.	1	2	3	4	5
4. This bank fulfils my need for a financially-secured organisation to deposit my money.	1	2	3	4	5
5. This bank provides me a sense of security for my current and future financial security.	1	2	3	4	5
6. The bank values me as a customer.	1	2	3	4	5
7. The bank personnel will be readily available to attend to my needs.	1	2	3	4	5
8. I am important as a customer of the bank.	1	2	3	4	5
9. The bank personnel appreciate my presence in the bank.	1	2	3	4	5
10. I can always rely on the bank for my financial needs.	1	2	3	4	5
11. The bank personnel will respect me as a customer of the organisation.	1	2	3	4	5
12. The bank personnel will put in effort to please me.	1	2	3	4	5
13. The bank fulfils my need on being respected whenever I patronise the organisation.	1	2	3	4	5
14. Being respected by bank personnel means a lot to me.	1	2	3	4	5
15. It is important that I am respected by others if I deposit with this bank.	1	2	3	4	5

After you have seen the advertisement, what is your perception of the savings account?

Please circle the answer that is most appropriate to you, where 1 = strongly disagree; 9 = strongly agree.

	Strongly Disagree	Strongly Agree
1. This ad made the savings account more tangible.	1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9	
2. The ad made it easy to visualise the savings account.	1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9	
3. I have a very clear picture of the savings account shown in the ad.	1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9	
4. The ad made the savings account easy to picture.	1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9	

We would like to know your reaction toward the advertisement that you have just seen.

Please circle the most appropriate number for the following questions.

1. Did you find this advertisement interesting or uninteresting?	Uninteresting	1 – 2 – 3 – 4 – 5 – 6 – 7	Interesting
2. Did you like or dislike this advertisement?	Not likeable	1 – 2 – 3 – 4 – 5 – 6 – 7	Likeable
3. Did you find the content in the advertisement positive or negative?	Negative	1 – 2 – 3 – 4 – 5 – 6 – 7	Positive
4. Did you find the content in the advertisement favourable or unfavourable?	Unfavourable	1 – 2 – 3 – 4 – 5 – 6 – 7	Favourable
5. Did you find this advertisement appealing or unappealing?	Unappealing	1 – 2 – 3 – 4 – 5 – 6 – 7	Appealing

Please indicate your reaction toward the Regular Savers Account after you have seen the advertisement.

Please circle the most appropriate number for the following questions.

1. Did you think the Regular Savers Account of Federal Eastern Bank to be good or bad?	Bad	1 – 2 – 3 – 4 – 5 – 6 – 7	Good
2. Did you find the Regular Savers Account of Federal Eastern Bank favourable or unfavourable?	Unfavourable	1 – 2 – 3 – 4 – 5 – 6 – 7	Favourable
3. Did you perceive the Regular Savers Account of Federal Eastern Bank to be positive or negative?	Negative	1 – 2 – 3 – 4 – 5 – 6 – 7	Positive
4. Was the Regular Savers Account of Federal Eastern Bank satisfactory to you?	Unsatisfactory	1 – 2 – 3 – 4 – 5 – 6 – 7	Satisfactory
5. Was the Regular Savers Account of Federal Eastern Bank meant for you?	Not for me	1 – 2 – 3 – 4 – 5 – 6 – 7	For me

Set 2:
Questionnaire for Islamic bond x emotional appeal
(reversed order)

SURVEY

Dear sir/madam,

This is part of an academic exercise with an objective of determining consumers' views, opinions and attitudes toward advertising in Brunei. Your response is valuable to us, and we hope you are able to answer all questions. We ensure all information will be kept private and confidential. There are no right or wrong responses to any of the questions. We simply seek your candid opinions pertaining to your feelings toward the questions.

Instructions:

1. Section 1 of this questionnaire consists of questions related to you, and your opinion and perception on some subject matters that are of interest to us. Please tick or circle the answer most appropriate to you.
2. In section 2, you will be presented with an advertisement of a fictitious bank. Please look at the advertisement at your own pace, and answer the questions in the following page.

Please tick or circle the answer to every question.

The Survey Committee deeply appreciates your cooperation and time to answer this survey. Thank you for your kind cooperation.

Yours sincerely,

Vai Leong
Research Student
University of Nottingham
United Kingdom

SECTION 1

A. Please tell us something about yourself.

- | | |
|--|--|
| <p>1. Gender</p> <p><input type="checkbox"/> Male</p> <p><input type="checkbox"/> Female</p> <p>2. Age</p> <p><input type="checkbox"/> Less than 20 years</p> <p><input type="checkbox"/> 20-29 years</p> <p><input type="checkbox"/> 30-39 years</p> <p><input type="checkbox"/> 40-49 years</p> <p><input type="checkbox"/> More than 50 years</p> <p>3. Religion</p> <p><input type="checkbox"/> Muslim</p> <p><input type="checkbox"/> Buddhist</p> <p><input type="checkbox"/> Hindu</p> <p><input type="checkbox"/> Christian</p> <p><input type="checkbox"/> Others _____</p> <p>4. Highest level of education</p> <p><input type="checkbox"/> Primary</p> <p><input type="checkbox"/> Secondary</p> <p><input type="checkbox"/> College/University</p> <p><input type="checkbox"/> Postgraduate (Master degree/PhD)</p> <p><input type="checkbox"/> Professional</p> | <p>5. Type of employer</p> <p><input type="checkbox"/> Government</p> <p><input type="checkbox"/> Private sector</p> <p><input type="checkbox"/> Semi-government</p> <p><input type="checkbox"/> Self-employed</p> <p>6. Occupation</p> <p><input type="checkbox"/> Professional</p> <p><input type="checkbox"/> Administration/Management</p> <p><input type="checkbox"/> Clerical/Semi-skilled</p> <p><input type="checkbox"/> Academic</p> <p><input type="checkbox"/> Own business</p> <p><input type="checkbox"/> Others _____</p> <p>7. Monthly income</p> <p><input type="checkbox"/> Less than \$1,000</p> <p><input type="checkbox"/> \$1,000-\$1,999</p> <p><input type="checkbox"/> \$2,000-\$2,999</p> <p><input type="checkbox"/> \$3,000-\$3,999</p> <p><input type="checkbox"/> More than \$4,000</p> |
|--|--|

B. Please circle the answer that is most appropriate to you.

	Not at all true of me	Somewhat true of me	Moderately true of me	Mostly true of me	Totally true of me
1. I keep well-informed about my local religious group and have some influence in its decision.	1	2	3	4	5
2. I enjoy working in the activities of my religious organisation.	1	2	3	4	5
3. It is important to me to spend periods of time in private religious thought and reflection.	1	2	3	4	5
4. Religious beliefs influence all my dealings in life.	1	2	3	4	5
5. I enjoy spending time with others of my religious affiliation.	1	2	3	4	5
6. My religious beliefs lie behind my whole approach to life.	1	2	3	4	5
7. Religion is especially important to me because it answers many questions about the meaning of life.	1	2	3	4	5
8. I spend time trying to grow in understanding of my faith.	1	2	3	4	5
9. I make financial contributions to my religious organisation.	1	2	3	4	5
10. I often read books and magazines about my faith.	1	2	3	4	5

C. We would like to know what does a Sukuk (Islamic bond) means to you. Please circle the answer that you feel is most closely relate to your perception on this item.

The **Sukuk** is:

1. not needed by me	1 – 2 – 3 – 4 – 5 – 6 – 7	needed to me
2. uninvolving to me	1 – 2 – 3 – 4 – 5 – 6 – 7	involving to me
3. worthless to me	1 – 2 – 3 – 4 – 5 – 6 – 7	valuable to me
4. mundane to me	1 – 2 – 3 – 4 – 5 – 6 – 7	fascinating to me
5. unappealing to me	1 – 2 – 3 – 4 – 5 – 6 – 7	appealing to me
6. means nothing to me	1 – 2 – 3 – 4 – 5 – 6 – 7	means a lot to me
7. unexciting to me	1 – 2 – 3 – 4 – 5 – 6 – 7	exciting to me
8. irrelevant to me	1 – 2 – 3 – 4 – 5 – 6 – 7	relevant to me
9. boring to me	1 – 2 – 3 – 4 – 5 – 6 – 7	interesting to me
10. unimportant to me	1 – 2 – 3 – 4 – 5 – 6 – 7	important to me

D. Do you intend to purchase an Islamic bond from an Islamic bank in the near future?

☐ Yes

☐ No

E. Do you currently hold an Islamic bond with an Islamic bank?

☐ Yes

☐ No

Section 2

Assume that you received a bonus of \$20,000 for the year and intend to deposit the money in a bank. You made a decision to purchase an Islamic bond worth \$20,000 from an Islamic bank. Now, you will see an advertisement for an Islamic bond of a fictitious bank. Please look at the advertisement at your own pace, and tell us your perception and opinion toward the advertisement.

Note:

The term “involving” refers to putting in efforts to think about the item.

The term “tangible” refers to able to see or visualise the item.

Islamic Eastern Bank

You are Our Priority

You are one
of our
privileged
customers



Al-Ijara Sukuk

4.5% Profit per annum for a
Five-Year Investment Term

Excellent service with a smile is
our motto.

Be part of our growing financial
organisation and experience what
it is like to be one of our privileged
customers.

Receive profit according to
Islamic banking principles.

Feel
respected

Islamic Eastern Bank has paid much attention on listening to customers' needs, and we made it a priority that you will receive the service you deserve when you open an account with us. Our service-oriented staff are always available to give you the best advice to meet your financial needs.

If you have at least \$20,000 to invest in our Al-Ijara Sukuk, or Islamic bond, profits will be paid to your account annually over a five-year investment term. The Al-Ijara Sukuk is based on the Al-Ijara contract (leasing contract), giving you profits from investment according to previously determined profit-loss-sharing ratio.



Please indicate your reaction toward the Al-Ijara Sukuk after you have seen the advertisement.

Please circle the most appropriate number for the following questions.

1. Was the Al-Ijara Sukuk of Islamic Eastern Bank meant for you?	Not for me	1 – 2 – 3 – 4 – 5 – 6 – 7	For me
2. Was the Al-Ijara Sukuk of Islamic Eastern Bank satisfactory to you?	Unsatisfactory	1 – 2 – 3 – 4 – 5 – 6 – 7	Satisfactory
3. Did you perceive the Al-Ijara Sukuk of Islamic Eastern Bank to be positive or negative?	Negative	1 – 2 – 3 – 4 – 5 – 6 – 7	Positive
4. Did you find the Al-Ijara Sukuk of Islamic Eastern Bank favourable or unfavourable?	Unfavourable	1 – 2 – 3 – 4 – 5 – 6 – 7	Favourable
5. Did you think the Al-Ijara Sukuk of Islamic Eastern Bank to be good or bad?	Bad	1 – 2 – 3 – 4 – 5 – 6 – 7	Good

We would like to know your reaction toward the advertisement that you have just seen.

Please circle the most appropriate number for the following questions.

1. Did you find this advertisement appealing or unappealing?	Unappealing	1 – 2 – 3 – 4 – 5 – 6 – 7	Appealing
2. Did you find the content in the advertisement favourable or unfavourable?	Unfavourable	1 – 2 – 3 – 4 – 5 – 6 – 7	Favourable
3. Did you find the content in the advertisement positive or negative?	Negative	1 – 2 – 3 – 4 – 5 – 6 – 7	Positive
4. Did you like or dislike this advertisement?	Not likeable	1 – 2 – 3 – 4 – 5 – 6 – 7	Likeable
5. Did you find this advertisement interesting or uninteresting?	Uninteresting	1 – 2 – 3 – 4 – 5 – 6 – 7	Interesting

After you have seen the advertisement, what is your perception of the Al-Ijara Sukuk?

Please circle the answer that is most appropriate to you, where 1 = strongly disagree; 9 = strongly agree.

	Strongly Disagree	Strongly Agree
1. The ad made the Al-Ijara Sukuk easy to picture.	1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9	
2. I have a very clear picture of the Al-Ijara Sukuk shown in the ad.	1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9	
3. The ad made it easy to visualise the Al-Ijara Sukuk.	1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9	
4. This ad made the Al-Ijara Sukuk more tangible (tangible refers to able to see the item).	1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9	

Do you agree with the following statements after you have seen the advertisement?

The advertisement shows that:

	Strongly disagree	Disagree	No opinion	Agree	Strongly agree
1. Financial gain according to Islamic principles is important to me.	1	2	3	4	5
2. The Islamic bank will invest my money in activities that are not against the <i>Shariah</i> .	1	2	3	4	5
3. The financial product is in line with my religion.	1	2	3	4	5

	Strongly disagree	Disagree	No opinion	Agree	Strongly agree
4. If I am customer of an Islamic bank, others will respect me.	1	2	3	4	5
5. Banking with an Islamic bank is important to me.	1	2	3	4	5
6. It is important that I am respected by others if I deposit with this bank.	1	2	3	4	5
7. Being respected by bank personnel means a lot to me.	1	2	3	4	5
8. The bank fulfils my need on being respected whenever I patronise the organisation.	1	2	3	4	5
9. The bank personnel will put in effort to please me.	1	2	3	4	5
10. The bank personnel will respect me as a customer of the organisation.	1	2	3	4	5
11. I can always rely on the bank for my financial needs.	1	2	3	4	5
12. The bank personnel appreciate my presence in the bank.	1	2	3	4	5
13. I am important as a customer of the bank.	1	2	3	4	5
14. The bank personnel will be readily available to attend to my needs.	1	2	3	4	5
15. The bank values me as a customer.	1	2	3	4	5
16. This bank provides me a sense of security for my current and future financial security.	1	2	3	4	5
17. This bank fulfils my need for a financially-secured organisation to deposit my money.	1	2	3	4	5
18. A correct decision was made on my future security if I deposit with this bank.	1	2	3	4	5
19. The bank will make wise investments from my deposits.	1	2	3	4	5
20. My deposits are secured with the bank.	1	2	3	4	5

Please tell us what you think of the advertisement that you have just seen.

Please circle the answer that is most appropriate to you, where 1 = strongly disagree; 2 = disagree; 3 = neither agree nor disagree; 4 = agree; 5 = strongly agree.

The advertisement illustrates that:

	Strongly disagree	Disagree	No opinion	Agree	Strongly agree
1. Friendly and good services provide me a feeling of being respected by members of the bank.	1	2	3	4	5
2. Friendly and good services give me a sense of being part of the financial organisation.	1	2	3	4	5
3. When staff personnel are approachable, I feel appreciated by the bank.	1	2	3	4	5
4. Quality service will allow me to be more comfortable approaching the staff to answer my questions.	1	2	3	4	5
5. Friendly service means staff is readily available to help me.	1	2	3	4	5
6. When I gain profit after 5 years, I feel that my financial security has improved.	1	2	3	4	5
7. Profits gained from the bond will provide me a peace of mind on my financial security.	1	2	3	4	5
8. Profits paid for the bond means I will save more at the end of the 5-year term.	1	2	3	4	5
9. The profit rate of 4.5% is a sign of financial gain for me.	1	2	3	4	5

APPENDIX 10
Demographic Profile of Respondents

Demographic category	Number	Percentage
Gender		
Male	263	56.2
Female	205	43.8
Age		
Less than 20 years	24	5.1
20-29	253	54.1
30-39	115	24.6
40-49	51	10.9
More than 50 years	25	5.3
Religion		
Muslim	358	76.5
Buddhist	44	9.4
Hindu	10	2.1
Christian	49	10.5
Others	7	1.5
Education		
Primary	4	0.9
Secondary	72	15.4
College/University	290	62.0
Postgraduate	85	18.2
Professional	17	3.6
Type of employer		
Government	278	59.5
Private sector	135	28.9
Semi-government	37	7.9
Self-employed	17	3.6
Occupation		
Professional	53	11.3
Administration/Management	137	29.3
Clerical/Semi-skilled	99	21.2
Academic	141	30.2
Own business	18	3.9
Others	19	4.1
Monthly Income		
Less than \$1,000	59	12.6
\$1,000-\$1,999	84	17.9
\$2,000-\$2,999	176	37.6
\$3,000-\$3,999	79	16.9
More than \$4,000	70	15.0

APPENDIX 11
Comparison of Means: All Values & Listwise

Items	Group 1 (All values)		Missing data		Group 2 (Listwise)		Mean Difference
	N	Mean	Count	Percent	N	Mean	
ACV1	468	3.712	0	0.00	439	3.724	-0.013
ACV2	468	3.774	0	0.00	439	3.786	-0.012
ACV3	468	3.735	0	0.00	439	3.749	-0.014
ACV4	464	3.782	4	0.85	439	3.770	0.012
ACV5	468	3.799	0	0.00	439	3.804	-0.005
ACV6	467	3.867	1	0.21	439	3.872	-0.005
ACV7	468	3.776	0	0.00	439	3.788	-0.013
ACV8	468	3.662	0	0.00	439	3.661	0.002
ACV9	468	3.776	0	0.00	439	3.788	-0.013
PV1	468	3.833	0	0.00	439	3.834	0.000
PV2	468	3.641	0	0.00	439	3.642	-0.001
PV3	467	3.664	1	0.21	439	3.667	-0.004
PV4	468	3.630	0	0.00	439	3.631	-0.001
PV5	466	3.710	2	0.43	439	3.706	0.004
PV6	468	3.675	0	0.00	439	3.670	0.006
PV7	466	3.663	2	0.43	439	3.663	0.000
PV8	468	3.564	0	0.00	439	3.567	-0.003
PV9	467	3.619	1	0.21	439	3.604	0.015
PV10	468	3.502	0	0.00	439	3.499	0.003
PV11	466	3.642	2	0.43	439	3.647	-0.005
PV12	467	3.653	1	0.21	439	3.658	-0.005
PV13	468	3.496	0	0.00	439	3.483	0.013
PV14	467	3.797	1	0.21	439	3.811	-0.014
PV15	467	3.336	1	0.21	439	3.346	-0.010
PV16	468	4.814	0	0.00	439	4.804	0.010
PV17	468	4.498	0	0.00	439	4.483	0.015
PV18	468	4.891	0	0.00	439	4.884	0.007
PV19	468	4.908	0	0.00	439	4.902	0.006
PV20	467	4.899	1	0.21	439	4.895	0.004
PT1	468	5.400	0	0.00	439	5.415	-0.015
PT2	468	5.353	0	0.00	439	5.383	-0.030
PT3	467	5.360	1	0.21	439	5.390	-0.030
PT4	467	5.355	1	0.21	439	5.392	-0.036
AD1	468	4.459	0	0.00	439	4.453	0.006
AD2	468	4.400	0	0.00	439	4.399	0.001
AD3	468	4.861	0	0.00	439	4.870	-0.009
AD4	468	4.600	0	0.00	439	4.615	-0.015
AD5	468	4.387	0	0.00	439	4.371	0.015
AB1	468	4.927	0	0.00	439	4.948	-0.020
AB2	468	4.767	0	0.00	439	4.788	-0.021
AB3	468	4.927	0	0.00	439	4.945	-0.018
AB4	468	4.528	0	0.00	439	4.542	-0.014
AB5	468	4.357	0	0.00	439	4.376	-0.019
REL1	468	2.774	0	0.00	439	2.747	0.026
REL2	467	3.103	1	0.21	439	3.082	0.021

Items	Group 1 (All values)		Missing data		Group 2 (Listwise)		Mean Difference
	N	Mean	Count	Percent	N	Mean	
REL3	468	2.959	0	0.00	439	2.954	0.005
REL4	467	3.375	1	0.21	439	3.349	0.026
REL5	467	3.208	1	0.21	439	3.200	0.007
REL6	468	2.983	0	0.00	439	2.959	0.024
REL7	463	3.197	5	1.07	439	3.182	0.014
REL8	468	2.970	0	0.00	439	2.959	0.011
REL9	468	2.682	0	0.00	439	2.665	0.016
REL10	468	2.551	0	0.00	439	2.522	0.030
INV1	468	4.737	0	0.00	439	4.724	0.013
INV2	468	4.382	0	0.00	439	4.360	0.023
INV3	468	4.590	0	0.00	439	4.572	0.018
INV4	467	4.261	1	0.21	439	4.244	0.018
INV5	468	4.622	0	0.00	439	4.601	0.020
INV6	466	4.412	2	0.43	439	4.396	0.016
INV7	468	4.310	0	0.00	439	4.305	0.005
INV8	468	4.741	0	0.00	439	4.731	0.010
INV9	468	4.449	0	0.00	439	4.421	0.027
INV10	468	4.613	0	0.00	439	4.613	0.000

Note: No T-test is conducted as there are no variables with 5 percent or more missing values.

APPENDIX 12

Principal Component Analysis for Financial Services

Table 1: KMO and Barlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.951
Bartlett's Test of Sphericity	Approx. Chi-Square	20922.81
	df	1128
	Sig.	.000

Table 2: Eigenvalues associated with each linear component before and after extraction

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	17.881	37.252	37.252	17.881	37.252	37.252
2	5.256	10.950	48.201	5.256	10.950	48.201
3	4.025	8.386	56.588	4.025	8.386	56.588
4	2.502	5.213	61.801	2.502	5.213	61.801
5	2.053	4.278	66.078	2.053	4.278	66.078
6	1.367	2.848	68.926	1.367	2.848	68.926
7	1.123	2.339	71.265	1.123	2.339	71.265
8	1.071	2.230	73.495	1.071	2.230	73.495
9	.921	1.920	75.415			
10	.747	1.555	76.970			
11	.684	1.425	78.395			
12	.662	1.379	79.774			
13	.602	1.255	81.029			
14	.582	1.213	82.242			
15	.526	1.095	83.337			
16	.520	1.084	84.421			
17	.467	.972	85.394			
18	.442	.921	86.314			
19	.438	.912	87.227			
20	.422	.879	88.106			
21	.400	.832	88.939			
22	.371	.773	89.711			
23	.354	.737	90.448			
24	.335	.699	91.147			
25	.311	.648	91.795			
26	.292	.608	92.403			
27	.291	.606	93.009			
28	.256	.534	93.543			
29	.244	.509	94.053			
30	.243	.505	94.558			
31	.227	.472	95.031			
32	.223	.464	95.494			
33	.205	.428	95.922			
34	.204	.425	96.347			
35	.189	.393	96.741			
36	.184	.384	97.124			
37	.168	.349	97.473			
38	.162	.337	97.810			
39	.147	.306	98.116			
40	.132	.275	98.391			
41	.122	.254	98.645			
42	.117	.243	98.887			
43	.113	.235	99.123			
44	.100	.208	99.331			
45	.087	.182	99.513			
46	.084	.176	99.689			
47	.076	.159	99.847			
48	.073	.153	100.000			

Extraction Method: Principal Component Analysis.

Table 3: Varimax rotation of 8 factors solution for financial services

Items	Component							
	1 INV	2 SRPR	3 ATTad	4 SRSC	5 PT	6 FSPR	7 ATTb	8 FSSC
INV1	0.871							
INV2	0.834							
INV3	0.900							
INV4	0.860							
INV5	0.907							
INV6	0.871							
INV7	0.859							
INV8	0.896							
INV9	0.856							
INV10	0.871							
ACV2								0.790
ACV3								0.769
ACV4								0.753
ACV5				0.782				
ACV6				0.828				
ACV7				0.819				
ACV8				0.763				
ACV9				0.817				
PV1						0.680		
PV2						0.730		
PV3						0.790		
PV4						0.770		
PV5						0.669		
PV6		0.730						
PV7		0.728						
PV8		0.755						
PV9		0.738						
PV11		0.774						
PV12		0.764						
PV13		0.708						
PT1					0.762			
PT2					0.803			
PT3					0.793			
PT4					0.806			
AD1			0.759					
AD2			0.782					
AD3			0.657					
AD4			0.735					
AD5			0.770					
AB1							0.767	
AB2							0.739	
AB3							0.763	
AB4							0.623	
Eigenvalue	16.553	4.918	3.795	2.346	1.954	1.331	1.069	1.025
% variance explained	38.496	11.436	8.825	5.456	4.540	3.094	2.486	2.383
Cronbach's alpha	0.978	0.911	0.940	0.923	0.961	0.837	0.917	0.749

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization
Values suppressed at .40

Table 4: Communalities – Financial services

	Initial	Extraction
INV1	1.000	.833
INV2	1.000	.795
INV3	1.000	.875
INV4	1.000	.819
INV5	1.000	.880
INV6	1.000	.839
INV7	1.000	.815
INV8	1.000	.870
INV9	1.000	.844
INV10	1.000	.835
ACV2	1.000	.701
ACV3	1.000	.686
ACV4	1.000	.685
ACV5	1.000	.748
ACV6	1.000	.789
ACV7	1.000	.773
ACV8	1.000	.756
ACV9	1.000	.789
PV1	1.000	.603
PV2	1.000	.579
PV3	1.000	.687
PV4	1.000	.666
PV5	1.000	.569
PV6	1.000	.638
PV7	1.000	.651
PV8	1.000	.651
PV9	1.000	.664
PV11	1.000	.715
PV12	1.000	.704
PV13	1.000	.604
PT1	1.000	.852
PT2	1.000	.919
PT3	1.000	.894
PT4	1.000	.904
AD1	1.000	.822
AD2	1.000	.843
AD3	1.000	.762
AD4	1.000	.816
AD5	1.000	.815
AB1	1.000	.843
AB2	1.000	.845
AB3	1.000	.846
AB4	1.000	.768

Extraction Method: Principlal Component Analysis

APPENDIX 13

Principal Component Analysis for Islamic Banking

Table 1: KMO and Barlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.884
Bartlett's Test of Sphericity	Approx. Chi-Square	9622.867
	df	1953
	Sig.	.000

Table 2: Eigenvalues associated with each linear component before extraction

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	19.242	30.544	30.544	19.242	30.544	30.544
2	6.776	10.756	41.300	6.776	10.756	41.300
3	4.715	7.484	48.783	4.715	7.484	48.783
4	3.284	5.213	53.996	3.284	5.213	53.996
5	2.535	4.024	58.021	2.535	4.024	58.021
6	2.182	3.463	61.484	2.182	3.463	61.484
7	1.513	2.402	63.886	1.513	2.402	63.886
8	1.408	2.236	66.121	1.408	2.236	66.121
9	1.370	2.175	68.296	1.370	2.175	68.296
10	1.271	2.018	70.314	1.271	2.018	70.314
11	1.091	1.732	72.047	1.091	1.732	72.047
12	1.001	1.589	73.636	1.001	1.589	73.636
13	.893	1.417	75.053			
14	.869	1.379	76.432			
15	.843	1.338	77.770			
16	.775	1.230	79.000			
17	.718	1.139	80.139			
18	.692	1.098	81.237			
19	.653	1.036	82.273			
20	.622	.987	83.260			
21	.581	.923	84.183			
22	.563	.893	85.076			
23	.540	.857	85.933			
24	.526	.835	86.768			
25	.506	.803	87.571			
26	.478	.758	88.329			
27	.439	.697	89.026			
28	.432	.686	89.712			
29	.393	.624	90.335			
30	.376	.597	90.933			
31	.342	.543	91.476			
32	.312	.495	91.971			
33	.308	.488	92.459			
34	.300	.477	92.936			
35	.284	.451	93.386			
36	.276	.439	93.825			
37	.263	.417	94.243			
38	.259	.412	94.654			
39	.251	.398	95.052			
40	.236	.375	95.428			
41	.234	.371	95.799			
42	.215	.342	96.141			
43	.202	.320	96.461			
44	.190	.302	96.764			
45	.183	.290	97.054			
46	.172	.273	97.327			
47	.166	.264	97.590			
48	.156	.248	97.838			
49	.148	.235	98.074			
50	.137	.218	98.292			
51	.128	.203	98.495			
52	.121	.191	98.686			
53	.112	.177	98.863			
54	.101	.160	99.024			
55	.098	.155	99.179			
56	.088	.139	99.319			
57	.081	.129	99.448			
58	.077	.123	99.571			
59	.065	.103	99.673			
60	.061	.097	99.770			
61	.057	.091	99.861			
62	.051	.080	99.942			
63	.037	.058	100.000			

Extraction Method: Principal Component Analysis.

Table 3: Varimax rotation of 10 factors solution for Islamic banking

Items	Component									
	1 INV	2 REL	3 SRPR	4 SRSC	5 PT	6 ATTad	7 FSPR	8 FSSC	9 ATTb	10 DRPR
REL1		0.691								
REL2		0.721								
REL3		0.745								
REL4		0.880								
REL5		0.879								
REL6		0.704								
REL7		0.870								
REL8		0.772								
INV1	0.833									
INV2	0.816									
INV3	0.875									
INV4	0.870									
INV5	0.883									
INV6	0.882									
INV7	0.844									
INV8	0.882									
INV9	0.830									
INV10	0.876									
ACV2								0.741		
ACV3								0.723		
ACV4								0.714		
ACV5				0.715						
ACV6				0.781						
ACV7				0.803						
ACV8				0.732						
ACV9				0.793						
PV1							0.664			
PV2							0.712			
PV3							0.752			
PV4							0.744			
PV5							0.624			
PV6			0.749							
PV7			0.721							
PV8			0.793							
PV9			0.747							
PV11			0.740							
PV12			0.735							
PV13			0.630							
PV18										0.672
PV19										0.675
PV20										0.466
PT1					0.717					
PT2					0.813					
PT3					0.821					
PT4					0.801					
AD1						0.748				
AD2						0.773				
AD3						0.488				
AD4						0.681				
AD5						0.689				
AB1									0.646	
AB2									0.608	
AB3									0.567	
Eigenvalue	16.809	6.091	4.365	2.868	2.321	2.010	1.537	1.304	1.243	1.077
% variance explained	31.715	11.492	8.237	5.412	4.380	3.793	2.559	2.460	2.345	1.765
Cronbach's alpha	0.973	0.927	0.897	0.899	0.945	0.917	0.784	0.763	0.868	0.835

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization

Values suppressed at .40

Table 4: Communalities – Islamic Banking

	Initial	Extraction
REL1	1.000	0.632
REL2	1.000	0.687
REL3	1.000	0.757
REL4	1.000	0.825
REL5	1.000	0.834
REL6	1.000	0.676
REL7	1.000	0.820
REL8	1.000	0.780
INV1	1.000	0.786
INV2	1.000	0.777
INV3	1.000	0.859
INV4	1.000	0.819
INV5	1.000	0.838
INV6	1.000	0.829
INV7	1.000	0.791
INV8	1.000	0.855
INV9	1.000	0.841
INV10	1.000	0.831
ACV2	1.000	0.651
ACV3	1.000	0.643
ACV4	1.000	0.659
ACV5	1.000	0.736
ACV6	1.000	0.746
ACV7	1.000	0.758
ACV8	1.000	0.728
ACV9	1.000	0.737
PV1	1.000	0.544
PV2	1.000	0.572
PV3	1.000	0.687
PV4	1.000	0.609
PV5	1.000	0.653
PV6	1.000	0.690
PV7	1.000	0.635
PV8	1.000	0.718
PV9	1.000	0.650
PV11	1.000	0.714
PV12	1.000	0.687
PV13	1.000	0.516
PV18	1.000	0.699
PV19	1.000	0.778
PV20	1.000	0.669
PT1	1.000	0.796
PT2	1.000	0.869
PT3	1.000	0.857
PT4	1.000	0.875
AD1	1.000	0.820
AD2	1.000	0.845
AD3	1.000	0.693
AD4	1.000	0.803
AD5	1.000	0.768
AB1	1.000	0.745
AB2	1.000	0.735
AB3	1.000	0.780

Extraction Method: Principal Component Analysis.

APPENDIX 14
Level 2 Confirmatory Factor Analysis for Islamic Banking

Scales		Standardised estimate	t-value	Standard error	Composite reliability	Variance extracted
FSMCC - Financial Security Means-End Chain Connectivity						
FSSC	Financial security strength of connectivity	0.385	3.042	0.043	0.583	0.445
FSPR	Financial security personal relevance	0.861	4.352	0.085		
SRMCC - Social recognition Means-End Chain Connectivity						
SRSC	Social recognition strength of connectivity	0.749	8.133	0.065	0.782	0.643
SRPR	Social recognition personal relevance	0.851	8.720	0.057		
FSSC - Financial Security Strength of Connectivity						
ACV2	<i>Item</i> paid into my account means I am saving more every month.*	0.548		-	0.669	0.405
ACV3	<i>Item</i> into my account provide me a peace of mind on my financial security.	0.648	4.999	0.280		
ACV4	When I am saving more <i>item</i> , I feel that my financial security has improved.	0.704	4.935	0.322		
SRSC - Social Recognition Strength of Connectivity						
ACV5	Friendly service means staff is readily available to help me.*	0.766		-	0.900	0.642
ACV6	Quality service will allow me to be more comfortable approaching the staff to answer my questions.	0.791	10.891	0.095		
ACV7	When staff personnel are approachable, I feel appreciated by the bank.	0.842	11.698	0.095		
ACV8	Friendly and good services give me a sense of being part of the financial organisation.	0.795	10.948	0.094		
ACV9	Friendly and good services provide me a feeling of being respected by members of the bank.	0.810	11.197	0.093		
FSPR - Financial Security Personal Relevance						
PV1	My deposits are secured with the bank.*	0.607		-	0.786	0.425
PV2	The bank will make wise investments from my deposits.	0.604	6.218	0.168		
PV3	A correct decision was made on my future security if I deposit with this bank.	0.731	7.033	0.188		
PV4	This bank fulfils my need for a financially-secured organisation to deposit my money.	0.684	6.762	0.165		
PV5	This bank provides me a sense of security for my current and future financial security.	0.623	6.352	0.166		

SRPR - Social Recognition Personal Relevance

PV6	The bank values me as a customer.*	0.745		-	0.898	0.559
PV7	The bank personnel will be readily available to attend to my needs.	0.715	9.469	0.106		
PV8	I am important as a customer of the bank.	0.762	10.148	0.111		
PV9	The bank personnel appreciate my presence in the bank.	0.724	9.600	0.091		
PV11	The bank personnel will respect me as a customer of the organisation.	0.842	11.298	0.103		
PV12	The bank personnel will put in effort to please me.	0.793	10.594	0.099		
PV13	The bank fulfils my need on being respected whenever I patronise the organisation.	0.637	8.373	0.107		

DRPR - Devoutness to Religion Personal Relevance

PV18	The financial product is in line with my religion.	0.729		-	0.833	0.625
PV19	The Islamic bank will invest my money in activities that are not against the <i>Shariah</i> .	0.812	10.139	0.119		
PV20	Financial gain according to Islamic principles is important to me.	0.828	10.315	0.119		

PT - Perceived tangibility

PT1	This ad made the <i>item</i> more tangible.*	0.864		-	0.946	0.813
PT2	The ad made it easy to visualise the <i>item</i> .	0.917	17.574	0.061		
PT3	I have a very clear picture of the <i>item</i> shown in the ad.	0.908	17.194	0.066		
PT4	The ad made the <i>item</i> easy to picture.	0.916	17.505	0.063		

ATTad - Attitude towards the advertisement

AD1	Did you find this advertisement interesting or uninteresting?*	0.855		-	0.920	0.696
AD2	Did you like or dislike this advertisement?	0.872	15.191	0.062		
AD3	Did you find the advertisement positive or negative?	0.775	12.471	0.061		
AD4	Did you find the advertisement favourable or unfavourable?	0.865	14.982	0.057		
AD5	Did you find this advertisement appealing or unappealing?	0.800	13.116	0.066		

ATTb - Attitude towards the brand

AB1	Did you think the <i>item</i> to be good or bad?*	0.817			0.868	0.688
AB2	Did you find the <i>item</i> favourable or unfavourable?	0.811	12.057	0.091		
AB3	Did you perceive the <i>item</i> to be positive or negative?	0.859	12.959	0.084		

INV - Involvement towards the product

INV1	unimportant to me -- important to me*	0.863		-	0.973	0.783
INV2	boring to me -- interesting to me	0.840	15.048	0.059		

INV3	irrelevant to me -- relevant to me	0.913	17.765	0.057		
INV4	unexciting to me -- exciting to me	0.890	16.829	0.058		
INV5	means nothing to me -- means a lot to me	0.900	17.259	0.057		
INV6	unappealing to me -- appealing to me	0.883	16.572	0.058		
INV7	mundane to me -- fascinating to me	0.862	15.806	0.059		
INV8	worthless to me -- valuable to me	0.906	17.491	0.054		
INV9	uninvolving to me -- involving to me	0.892	16.905	0.060		
INV10	not needed by me -- needed to me	0.899	17.216	0.060		
REL - Religiosity						
REL1	I often read books and magazines about my faith.*	0.632		-	0.908	0.628
REL2	I make financial contributions to my religious organisation.	0.698	8.030	0.135		
REL4	Religion is especially important to me because it answers many questions about the meaning of life.	0.876	9.530	0.153		
REL5	My religious beliefs lie behind my whole approach to life.	0.919	9.834	0.143		
REL6	I enjoy spending time with others of my religious affiliation.	0.701	8.062	0.137		
REL7	Religious beliefs influence all my dealings in life.	0.881	9.569	0.150		

Fit statistics: $\chi^2 = 1930.319$, $df = 1192$, $p = .000$, $\chi^2/df = 1.619$, $RMR = .081$, $GFI = .717$, $AGFI = .685$, $NFI = .774$, $TLI = .891$, $CFI = .898$, $RMSEA = .059$

* Fixed at 1 to standardise.

The term *item* was replaced with the appropriate savings product/brand during the experiment.

APPENDIX 15
Parameter estimates of COMFS1 and COMFS2

Table 1: Maximum likelihood parameter estimates of COMFS1

Parameters	Standardised estimate	t-value	Standard error
FSMCC --> FSSC	0.573	9.024	0.035
FSMCC --> FSPR	0.908	12.231	0.04
SRMCC --> SRSC	0.667	12.399	0.042
SRMCC --> SRPR	0.995	16.503	0.039
FSMCC --> ATTad	0.297	5.181	0.07
FSMCC --> ATTb	0.163	3.09	0.061
SRMCC --> ATTad	0.208	4.242	0.06
SRMCC --> ATTb	0.103	2.406	0.049
ATTad --> ATTb	0.55	10.822	0.047
INV --> ATTad	0.376	8.411	0.034
INV --> ATTb	0.114	2.678	0.03

* All parameters significant at $p = .05$

Table 2: Maximum likelihood parameter estimates of COMFS2

Parameters	Standardised estimate	t-value	Standard error
FSMCC --> FSSC	0.624	5.353	0.064
FSMCC --> FSPR	0.963	6.288	0.083
SRMCC --> SRSC	1.319	3.617	0.287
SRMCC --> SRPR	2.033	3.336	0.392
FSMCC --> PT	0.486	4.999	0.163
FSMCC --> ATTad*	0.09	1.455	0.076
FSMCC --> ATTb	0.206	3.148	0.075
SRMCC --> PT	0.264	2.045	0.217
SRMCC --> ATTad	0.297	5.852	0.062
SRMCC --> ATTb*	0.135	1.959	0.079
PT --> ATTad	0.506	10.362	0.036
ATTad --> ATTb	0.544	10.617	0.048
INV --> FSSC*	-0.091	-0.523	0.059
INV --> FSPR*	-0.178	-0.707	0.085
INV --> SRPR	-1.434	-2.155	0.267
INV --> SRSC	-0.903	-2.238	0.198

* Parameters not significant at $p = .05$

APPENDIX 16
Parameter estimates of COMIB1 and COMIB2

Table 1: Maximum likelihood parameter estimates of COMIB1

Parameters			Standardised estimate	t-value	Standard error
SRMCC	-->	SRSC	0.741	9.193	0.06
SRMCC	-->	SRPR	0.844	10.402	0.049
SRMCC	-->	PT	0.312	2.595	0.188
SRMCC	-->	AD	0.216	1.988	0.119
SRMCC	-->	AB*	0.047	0.417	0.1
DRPR	-->	PT*	0.131	0.936	0.328
DRPR	-->	AD*	0.046	0.382	0.197
DRPR	-->	AB	0.392	3.245	0.161
INV	-->	PT	0.343	3.907	0.104
INV	-->	AD	0.311	3.855	0.067
INV	-->	AB*	0.011	0.13	0.059
PT	-->	AD	0.419	5.954	0.049
AD	-->	AB	0.504	5.845	0.071

* Parameters not significant at $p = .05$

Table 2: Maximum likelihood parameter estimates of COMIB2

Parameters			Standardised estimate	t-value	Standard error
SRMCC	-->	SRSC	0.698	8.124	0.063
SRMCC	-->	SRPR	0.891	9.936	0.054
SRMCC	-->	PT	0.392	5.163	0.119
SRMCC	-->	AD	0.219	2.955	0.081
SRMCC	-->	AB	0.25	3.117	0.072
PT	-->	AD	0.433	6.019	0.05
AD	-->	AB	0.545	6.054	0.074
INV	-->	PT	0.395	6.019	0.078
INV	-->	AD	0.327	5.246	0.051
INV	-->	AB	0.164	2.255	0.049

* All parameters significant at $p = .05$