

“BUY NOW, PAY LATER”

APPEALING TO CONSUMERS BY PRODUCT TYPE:  
ADVERTISING MESSAGE STRATEGIES IN MAGAZINE ADVERTISEMENTS  
FOR CREDIT CARDS

by

JONGSUK CHOI

(Under the Direction of Spencer F. Tinkham)

ABSTRACT

The purpose of this study is to investigate the advertising message strategies of credit cards for informational and transformational appeals in a print medium. The credit card, a financial service, is regarded as think/high involvement product-based on the FCB Grid, so following informational appeals to arouse cognitive motives is recommended. This study tries to examine whether a credit card follows a match strategy or chooses a mismatch strategy against the FCB Grid. Furthermore, the difference between ads for brands themselves and ads for co-branding is detected in a category of credit cards.

For conducting the analysis, all selected print advertisements (N=245) out of seven magazines are coded on informational and transformational content. The results show overall transformational appeals were used more than informational appeals in print card ads. Moreover, ads for bank/co-branded cards use more intangible informational appeals and fewer transformational appeals compared with ads for card brands themselves.

**INDEX WORDS:** Informational and Transformational Appeals, Cognitive and Affective Motives, Credit Card Advertising, Magazine, Co-branding, FCB Grid, Match and Mismatch Strategy

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DEDICATION

For

My Parents,

Eunnyung,

Jongsoo

&

Kyungmi

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## TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENTS.....	vii
LIST OF TABLES.....	x
LIST OF FIGURES.....	xi
CHAPTER	
I. INTRODUCTION.....	1
Statement of Problem.....	2
Purpose of Study.....	3
II. LITERATURE REVIEW.....	5
Cognitive and Affective Motives.....	5
Informational and Transformational Advertising.....	6
Informative and Emotional Content.....	6
Significance of the Credit Card in Modern Life .....	8
History and Usage Pattern of the Credit Card in the U.S.....	9
Credit Card Ad Expenditures and Tactics.....	11
Regulation of Credit Card Advertising .....	12
Co-branding in the Credit Card Industry.....	14
Research Questions .....	14
III. METHOD.....	17
Selection of Magazines.....	17

Selection of Advertisements.....	18
Coding Categories (Scheme).....	18
Coders and Coding Procedure.....	20
IV. RESULTS.....	22
Credit Card Ads in Magazines.....	22
Visual/Verbal Content Balance.....	23
RQ1: Informational and Transformational Appeals in Credit Card Advertising.....	23
RQ2 and RQ3: Informational and Transformational Appeals (Card Brand Ads vs. Bank/Co-Branded Card Ads).....	25
RQ4 and RQ5: Trends of Informational and Transformational Appeals.....	27
Informational Content in the Triggering Term.....	27
V. GENERAL DISCUSSION.....	29
Implication for Advertising Researchers and Practitioners.....	31
Limitations and Future Directions.....	32
REFERENCES.....	48
APPENDICES.....	54
Credit Card Magazine Ads Code Booklet.....	54
Credit Card Magazine Ads Content Analysis.....	57
Advertisements.....	60

## LIST OF TABLES

	Page
Table 1. Characteristics of Informational and Transformational Advertisements.....	35
Table 2. Three Major Credit Card Companies' Ad Spending.....	35
Table 3. The Triggering Terms and Examples.....	36
Table 4. Sampled Magazines by Magazine Type.....	36
Table 5. Credit Cards Categories.....	37
Table 6. The Content for Coding.....	38
Table 7. Frequency Table for Informational Content.....	39
Table 8. Comparison of Means of Transformational Content.....	40
Table 9. Overall Dominant Appeals of Ads.....	40
Table 10. Informational Content Dimensions of Card Brand Ads and Bank/Co-Branded Card Ads.....	41
Table 11. Transformational Content Dimensions of Card Brand Ads and Bank/Co-branded Card Ads.....	42
Table 12. The Overall Dominance of Informational and Transformational Content.....	43
Table 13. Comparison of Means in the Informational and Transformational Content in Ads Over the 10-Year Period (Card Brand Ads vs. Bank/Co-branded Card Ads).....	44

## LIST OF FIGURES

	Page
Figure 1. Four Distinctive Products in the FCB Grid.....	45
Figure 2. Comparison of Means in the Informational Content (Card Brand Ads vs. Bank/Co-branded Card Ads).....	46
Figure 3. Comparison of Means in the Transformational Content (Card Brand Ads vs. Bank/Co-branded Card Ads).....	47

## CHAPTER I

### INTRODUCTION

During the past decades, numerous advertisers and researchers have studied approaches to developing effective advertising strategies for various product and service types based on theories of consumer behavior (Vaughn 1980, 1986; Puto and Wells 1984; Ratchford 1987; Batra and Ahtola 1990; Rossiter et al. 1991; Claeys et al. 1995; Dubé et al. 1996; Spangenberg et al. 1997; Mehta 2000; Voss et al. 2003). At the same time, motives that affect consumers' decision making, (e.g. think [cognitive] and feel [affective] dimensions), were conceptualized and studied to seek an understanding of consumer attitude formation (McGuire 1976; Vaughn 1980, 1986; Ratchford 1987; Batra and Ahtola 1990; Rossiter et al. 1991; Claeys 1995; Dubé et al. 1996; Spangenberg et al. 1997; Voss et al. 2003). Vaughn (1980) related the concept of the think/feel product dimension to the dimension of product involvement and argued that the two worked very effectively in discriminating consumers' "product decision space" in the FCB Grid planning model. Moreover, some early studies (Appel 1979; Krugman 1980; Hansen 1981; Weinstein 1982; Vaughn 1986) proposed that consumers are affected by the verbal and nonverbal, and the semantic and sensory continuum that permit people to integrate information and emotion as necessary for decision making. Batra and Ahtola (1990, p. 159) suggest that "consumers purchase goods and services and perform consumption behaviors for two basic reasons: (1) consummatory affective (hedonic) gratification (from sensory attributes), and (2) instrumental, utilitarian reason."

Since the late 1980s, based on think/feel, cognitive/affective, and utilitarian/hedonic concepts, much research has been performed by academicians and marketers in an attempt to identify effective advertising strategies by considering product and service types (Mano and Oliver 1993; Dubé et al. 1996; Spangenberg et al. 1997; Voss et al. 2003).

### Statement of Problem

The Foote, Cone and Belding (FCB) Grid (1980), a representative advertising planning model, suggests that advertising for high involvement/think products, such as credit cards, needs to use informative appeals to persuade consumers through the arousal of cognitive (informational) motives in order to result in optimum effectiveness (See Figure 1). Meanwhile, feel products are recommended to arouse emotional (transformational) motives by effecting a transformation in consumer's sensory, mental, and social approval (Rossiter et al. 1991). However, questions have been raised as to whether this grid model is still applicable to present advertising strategies.

For example, in a study of the food industry, Dubé, Chattopadhyay, and Letarte (1996) found that food advertisers choose a mismatch strategy<sup>1</sup> against the FCB Grid, which recommends a match strategy<sup>2</sup>. They explain this phenomenon as a means to greater effectiveness as follows: "Assuming the consumers' motivation to process the message is high,

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<sup>1</sup> Mismatch strategy chooses ad appeals against the FCB Grid: ad appeals should match the purchase motivation and the product type. The FCB Grid suggests that for think products informational appeals are more effective than emotional appeals, while for feel products emotional appeals are more effective than informational appeals.

<sup>2</sup> Match strategy is one which follows the recommendation of the FCB Grid

the likelihood that the consumer will counterargue will also be high and a persuasion attempt based on a match strategy will be likely to fail (Dubé et al. 1996, p. 87).”

Generally, credit card issuers think that credit cards, before issuing and using, demand deeper and more careful consideration than any other products or services developed for maintaining and controlling personal finances in that they are financial products yielding immediate benefits and delayed costs (DellaVigna and Malmendier 2004).

However, it is questionable whether credit card advertisements do actually include enough information. In fact, it is not unusual for credit card advertisements to provide essential information (such as rules for use) in a way that seems to be obscurely written (e.g., in print medium) to discourage people from reading them and to confuse, rather than inform (Hendricks 2001). Hendricks (2001) even proposed that “the obscure information provided by credit card advertising is not much different from tobacco advertising’s use of the surgeon general’s warning on cigarette packs, which is rarely read and largely ignored.” Thus, insufficient and inappropriate information in an advertisement may beguile consumers into wrong choices. In particular, it is argued that misleading and insufficiently detailed credit card advertising may lead not only to financial burdens but also devastating personal bankruptcies for the consumer.

### Purpose of Study

The objective of this study is to examine credit card advertising strategies by investigating the informative and emotional content in such ads over a ten-year period, considering that the credit card is classified as a high involvement/think product type by the FCB Grid. More specifically, the present study attempts to find (1) *whether credit card advertisers follow the FCB Grid planning model: informational advertisements would have more frequent*

*exposures than transformational advertisements in credit card advertising, and (2) how ads for specific card brands themselves are different from bank and co-branded card<sup>3</sup> ads in ad message delivery based on informational and emotional appeals.* Previous studies suggest that the FCB Grid has considerable credibility as a planning model and that its measurement approaches for classifying products are reliable and valid (Ratchford 1987; Rago 1989). Early studies found that advertisements followed the classical planning models such as the FCB Grid (Vaughn 1980, 1986) and the Rossiter-Percy Grid (Rossiter and Percy 1987; Rossiter et al. 1991). For example, a product or service that depends on thinking during the decision-making process was generally found to be advertised in a way that focused on informational attributes. Thus, previous studies have suggested that a persuasive appeal is more effective for consumers when match strategies are utilized in advertisements rather than mismatch strategies (Ruiz and Sicilia 2004).

In the case of the credit card industry, many advertisers and marketers are trying to reach consumers through various advertising and promotion strategies, and enhance the need and desire for “plastic money.” Consequently, misleading advertisements may make people possess fantasies of easy money and few responsibilities.

However, information is indispensable in the case of advertising a financial product or service such as credit cards. To prevent social problems such as delinquencies and bankruptcies, advertising should provide appropriate information for consumers. The Truth in Lending Act regulation contains specific guidelines that credit card ads should expose several kinds of detailed information such as finance charges if they are mentioned as information in the ad (Laware 1991). This study will provide some insights for the service sector’s advertising practitioners, such as advertisers and marketers of financial products.

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<sup>3</sup> A co-branded credit card is sponsored by both the issuing bank and a retail organization such as a department store or an airline. (source: credit card glossary [<http://www.acecredits.com>])

## CHAPTER II

### LITERATURE REVIEW

#### Cognitive and Affective Motives

McGuire (1976) differentiated between cognitive and affective motives: cognitive motives emphasize the need for being accommodated to the environment and attaining meaning, while affective motives stress the need for satisfied feelings and emotional goals. McGuire (1976, p.315) explained that cognitive motives are relevant to utilitarian needs and related them to information processing: “a strong utilitarian need, and consequent cognitive evaluation, will lead to a strong dependence on thinking; a weak utilitarian need, and consequent lack of cognitive processing, will lead to a weak dependence on thinking.” Likewise, he also proposed three causes for affective motives: ego gratification (e.g., the need to defend, enhance, and express one’s basic personality), social acceptance (e.g., the need to be viewed favorably in the eyes of others) and sensory (e.g., the desire for pleasure from any of the five senses). The relationship between affect and cognition in terms of advertising stimuli has been argued in numerous studies, which suggest that affective and cognitive processes may be aroused independently as well as operate in tandem (Ruiz and Sicilia 2004). Based on theories of popular advertising models (e.g. the FCB Grid and Rossiter-Percy Grid), rational and informational appeals were recommended for advertising thinking or functional products, and emotional appeals for advertising feeling or transformational products.

### Informational and Transformational Advertising

Puto and Wells (1984, p. 638) define an informational advertisement as “one which provides consumers with factual, relevant brand data in a clear and logical manner such that they have greater confidence in their ability to assess the merits of buying the brand after having seen the advertisement.” Meanwhile, a transformational advertisement is “one which associates the experience of using or consuming the advertised brand with a unique set of psychological characteristics which would not typically be associated with the brand experience to the same degree without exposure to the advertisement.” They explained the distinguishing characteristics of informational and transformational advertisements (See Table 1). According to Puto and Wells (1984), transformational advertising is derived from three research areas: emotion (Rogers 1983; Clynes 1980), vicarious classical conditioning (Petty and Cacioppo 1981; Berger 1962), and motivation research (Ditcher 1964). Generalized emotion that affects personal decision process is particularly important in transformational advertising.

Hirschman and Holbrook (1982, p.94) emphasized the importance of transformational advertising content, despite the fact that it does not provide necessary information for making rational decisions, with two propositions: “(1) In some instances, emotional desires dominate utilitarian motives in the choice of products, and (2) Consumers inspire a product with a subjective meaning that supplements the concrete attributes it possesses.”

### Informative and Emotional Content

A number of studies demonstrate the characteristics of messages in advertising content. Researchers have found that consumers purchase products and services to satisfy both functional and emotional needs (Rago 1989). Informative and emotional content are commonly used to

categorize advertising content (Sciulli and Taiani 2001). Informative content in ads has frequently been measured through the evaluative information criteria developed by Resnik and Stern (1977). The evaluative criteria is composed of price or value, quality, performance, components or contents, availability, special offers, taste, packaging or shape, guarantees or warranties, safety, nutrition, independent research, and new ideas. Fourteen categories have been consistently used by other researchers (Stern et al. 1981; Harmon et al. 1983; Weinberger and Spotts 1989; Stern and Resnik 1991; Abernethy and Franke 1996). Aaker (1982, p.62) defines factual information in advertising by describing a factual ad as one which is “truthful, complete, intelligible, relevant, unknown and substantial enough to warrant processing.” Also, an advertisement which relies on an informational appeal is defined as one which permits a typical consumer to make a more intelligent buying decision after seeing the advertisement than before seeing it (Resnik and Stern 1977). Useful informational content helps consumers make a rational and informed comparison among numerous choices.

Meanwhile, emotional appeals rely on persuasiveness and creativity in advertising. Emotional appeals create affective or subjective impressions of intangible aspects of a product or service (Shimp 1990; Rossiter et al. 1991; Sciulli and Taiani 2001). Emotional content contained in an ad has been commonly analyzed in the context of three transformational motives: sensory gratification, intellectual stimulation, and social approval (Rossiter et al. 1991). Additionally, Rossiter et al. (1991) suggest that negative feelings are as important as positive feelings for effective advertising. Positive motives generate positive feelings. Likewise, negative motives can also induce positive feelings after generating negative feelings. Studies of advertising that contains emotional appeals commonly focus on their classification (Holbrook and

O'Shaughnessy 1984; Stout and Leckenby 1986), and how emotion effects the persuasion process (Mitchell 1986).

Recently, in the case of service ads, researchers have recognized that informative content sometimes fails to successfully appeal to consumers in terms of effectiveness and satisfying information needs (Mortimer 2000). Thus, an understanding of both the informational and transformational attributes of a product or service is important to yield optimal effectiveness.

### Significance of the Credit Card in Modern Life

Feinberg (1986) observed that the terms of payment in the United States have changed over the past three decades by the introduction of the “buy now, pay later” idea and this change has significantly affected the American lifestyle. Credit cards provide consumers with flexibility, accessibility, and mobility in their consumption. In fact, many credit researchers and retailers agree that credit cards facilitate spending (Hirschman 1979; Galanoy 1980; Feinberg 1986; Hendricks 2001). According to Feinberg (1986, p.349), “While people spend with credit cards because of the ease of transaction, credit card stimuli acquire the ability to elicit spending behavior as a conditioned response.” He theorized in his study that “because credit card stimuli are so closely associated with spending, they may activate a sequence of behaviors that increases the motivation to spend, the amount spent, and the probability of spending, and decrease the decision time to spend” (Feinberg 1986, p. 354).

Furthermore, credit cards have changed the way that people treat their personal finances and control their consumption patterns. Almost half of the American population possesses at least two credit cards, and the credit card industry has rapidly grown since the 1980s, according to Experian Consumer Direct (2004). Though the growth of the credit card has stimulated

economic recovery through domestic consumption, at the same time, its explosion has been linked to personal bankruptcy and disruption of normal personal financial situations due to intemperate and unplanned consumption behaviors. Advertisements for credit cards have stimulated consumers through the concept of materialism, and used it to further understand and target consumers (Maher and Hu 2003). Materialism makes people think of the credit card as a solution to their financial problems, and to lure them into the “good life.” A record of credit card ownership and use has become virtually an essential component for establishing a positive credit rating in the U.S.

#### History and Usage Pattern of Credit Cards in the U.S.

In 1950, Diners’ Club issued the first credit card in the United States, but it was limited to 200 consumers at 27 restaurants in New York. American Express followed in 1958, and Bank of America issued the BankAmericard, the first bank credit card, which was later renamed Visa in 1976. The BankAmericard was the first card to give cardholders payment options, such as being able to pay off the debt in whole or through monthly minimum payments, like today’s cards. By the early 1960s, most credit card companies advertised themselves as a “time-saving device rather than a form of credit.” As MasterCard (formerly MasterCharge) launched into credit card marketing, the credit card industry exploded, and the methods for stimulating consumers became competitive and unregulated as well. Finally, in the mid 1970s, Congress started to regulate the credit card industry by prohibiting the mass mailing of credit cards to those who had not requested them. By the early 1980s, electronic processing had been improved. Consumers could access cash and make deposits through Automatic Teller Machines (ATMs). Furthermore, these

improvements provided the consumers convenience of transactional activity not only in the United States but also in other countries.

In the credit card industry, five card companies dominate: Visa, MasterCard, American Express, Discover and Diners' Club (Electronic Transfer Inc. 2003). Among them, Visa has been a leader in credit card innovation with over one billion cards issued, now accounting for over 50% of all credit card transactions conducted worldwide.

In the United States, consumers have an average of 3.2 credit cards, according to Experian Consumer Direct (2004), the provider of online direct-to-consumer credit reports and products, based on a nationwide sampling of three million consumer profiles. Moreover, approximately 46 percent of the U.S. population has at least two credit cards, and 10 percent of the U.S. population has more than ten credit cards. More than 16 percent of the U.S. population uses at least 50 percent of their available credit.

Today, the credit card serves as an important means of payment in the marketplace and consumer attitudes toward credit card spending have changed over time. Meanwhile, controversial issues have emerged. According to Setlow (2002), people who own credit cards appear to be using them more frequently. Thirty-three percent of Americans report they have used their Visa card in the past month, up four percentage points since 2001. This proportion rose to more than half for higher-income households, an 11-point increase since 2001. Use of MasterCard is up three percentage points from the previous year as well. As the credit card has become a significant part of consumer purchase behavior, several problems have occurred. The typical U.S. household at the end of 2002 owed an average of \$8,940, up 8.5 percent over 2001 and a 173 percent increase since 1992, according to CardWeb.com (2004). Consequently, credit card companies have responded by finding ways to impose high penalty rates and late fees.

However, low minimum payments, higher late fees, and penalty interest rates make it harder for consumers to solve financial problems. Thus, a vicious cycle now exists between the credit card companies and many consumers.

### Credit Card Ad Expenditures and Appeals

Major credit card companies and banks have boosted their spending on advertising to attract card issuers as well as consumers, and ad spending for credit cards has steadily increased over time (See Table5). American Express, with the largest advertising budgets, has spent more than four hundred million dollars on advertising every year since 1997. Ad spending by MasterCard has shown the greatest rate of increased spending in 2002, more than three times its 1995 spending level. Investments in advertising are becoming higher as more card products are introduced, and company rivalries intensify (Bloom 1997).

Advertising spending for credit cards, like almost all industries' ad spending, has shown an increase over time. However, in 2001, ad spending for the three major credit cards sharply declined. In order to explain companies' advertising spending, economic conditions cannot be ignored. According to Downey (2001), the falloff in ad spending in 2001, the biggest decline since 1938, can be attributed to many factors. These include the overall economy experiencing a recession, as well as the excessive ad spending for the Olympics and presidential elections in the prior year, which contributed to the decrease of ad spending for the overall industry in 2001. It is due to credit card companies' enormous advertising budgets on sponsorship with big events.

In delivering ad messages, credit card marketers utilize distinctive brand strategies and advertising tag lines (Fitzerald 2002). American Express has tried new advertising tactics and introduced new advertising tag lines to identify effective messages that appeal to consumers, for

example, “Making life rewarding,” “Do more,” and “Membership has its privileges.” But, in contrast to American Express, the three biggest credit cards in sales, Visa, MasterCard, Discover, have not made substantial changes. Visa has maintained its 17-year-old advertising tag line, “It’s everywhere you want to be.” MasterCard and Discover have also used long- running advertising themes, “Priceless” and “It pays to Discover.” In light of these ad tag lines, credit card marketers try to attract consumers by an image of “invaluable life money cannot buy” rather than directly advertising the product.

The Consumer Council (2002) indicated three major problematic tactics used in print ads for credit cards. First, offers of incentives such as gifts, cash rebates, interest rate reductions, and interest free credit are invariably dependent upon the consumers fulfilling certain stipulated conditions that include paying only the minimum payment or maintaining a high utilization rate of revolving credit. Second, exaggerated claims of low interest rates, high value rebates, and even savings are common tactics. Third, college students are a vulnerable audience, so credit card providers target the college student market, with imprudently frequent promotional activities on college campuses. As the spending power of college students is greater than the previous, the credit card issuing companies try to get the future customers through attractive marketing and advertising strategies (Wolburg and Pokrywczynski 2001).

### Regulation of Credit Card Advertising

According to the Truth in Lending Act<sup>4</sup>, open-ended credit<sup>5</sup> advertising has specific rules that should be applied. If an advertisement promoting open-ended credit contains any of the

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<sup>4</sup> Title I of The Consumer Credit Protection Act of 1968 is called The Truth in Lending Act which was the first general federal consumer protection legislation. It requires in consumer credit transactions that all terms be fully explained. Advertisements covered by this act include written statements such as magazine or newspaper advertisements, price tags, window displays, radio commercials and television commercials.

triggering terms listed in Table 3, three specific disclosures also must be included in the ad. If any triggering term is used in an open-end credit advertisement, then the following three disclosures must also appear: 1) any minimum, fixed, transaction, activity, or similar charge that could be imposed, 2) any periodic rate that may be applied, expressed as an "annual percentage rate." (The term "annual percentage rate" or an abbreviation such as "APR" must be used and, if the plan provides for a variable periodic rate, that fact must be disclosed.), and 3) any membership or participation fee. However, in the case of no specific costs in credit card advertisements, the law does not require other cost information to be provided in the ads. Consequently, the Truth in Lending Act and its regulation do not require full cost information about credit cards in all advertisements, but demand uniform disclosure of cost information in credit card advertisements if an ad contains any of the triggering<sup>6</sup> terms (Laware 1991).

This law controls only the advertiser and not the advertising medium, and it will not allow individuals to file suit against advertisers who violate its terms. The act does allow the government to bring a criminal prosecution against advertisers who knowingly and willfully violate it. There are several federal agencies that have the authority to enforce The Truth in Lending Act. For example, the FTC (Federal Trade Commission) can investigate false advertising and order a company to cease their advertisements.

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Statements made by a salesperson or clerk trying to make a sale are not an advertisement subject to this law. (Pagewise Inc., 2001)

<sup>5</sup> Examples of open-ended credit are bank and retail gasoline credit cards, department stores' revolving charge accounts, and cash-advance checking accounts.

<sup>6</sup> Triggering information is one that results in additional information being required. If triggering terms (e.g. APR) are used in advertising, the required information in the disclosure should be made clearly and conspicuously.

### Co-branding in the Credit Card Industry

Since the early 1990s, co-branded cards have started attracting consumers through rewards or points accumulated by their use. According to Punch (2001), Visa has about 9,000 co-branded card programs, and MasterCard has more than 12,000 co-branded and affinity programs worldwide. Multi-branded cards, such as co-branded, affinity, or loyalty cards, account for about 40% to 50% of cards issued worldwide, so co-branding plays a major role in the card industry. When looking at co-branded card types, airlines and auto cards each account for 23%, followed by retail cards (19%) and telecom cards (12%) (Punch 2001). Moreover, card user types vary according to their usage purposes and spending patterns, so issuers extend the market through partnership with diverse market segments.

When examining monthly spending by card types, co-branded cardholders tend to spend more than standard cardholders (Punch 2001). Co-branded cardholders spend \$452 monthly, followed by holders of loyalty cards (\$349), affinity cards (\$253), and standard cards (\$239). Leuthesser et al. (2003) explained that credit card co-branding makes the effect of “reaching beyond,” which brings both strong image and access to new consumers by choosing a co-branding partner.

### Research Questions

Advertising strategies for credit cards have a considerable effect on consumer attitudes and behavior. In addition, hasty or careless behavior leads to social problems: increasing debts, high late fees and, ultimately, bankruptcies. Card brands have approached their target audiences through various advertising strategies. Furthermore, advertisements for credit cards in magazines have used different brand advertising methods for targeting audiences according to

diverse magazine types. Based on the research reviewed above, credit card brands are classified into the think product category, and this type of product has a need for informative advertising, according to the FCB Grid. First, this study assesses whether credit card advertising is based on a match or mismatch strategy through examination of the content of selected advertisements. Also, this study examines if the content of ads includes informative facts, such as credit line, type of credit card, annual fee, interest rate and type of payment, for optimal decision making.

*RQ1: Based on the FCB Grid, will informational appeals appear more frequently than transformational appeals in credit card advertising?*

Ads for credit cards may be divided into card brand ads and bank/co-branded card ads, based on purpose of targeting and using. Co-branded cards frequently try to inform consumers of the unique benefits, pricing, and promotions that will distinguish their cards. A number of banking firms and non-banking retail firms form partnerships with major credit cards, such as Visa, MasterCard, American Express and Discover. The brand name of the non-banking firm appears on the card along with the card's brand name and sometimes the bank's brand name.

Leuthesser et al. (2003) explained that co-branded products focus on the tangible and intangible benefits that the product offers to consumers. These products require “a thoughtful examination of the product's benefits from the consumer's perspective and a careful inventorying of its determinant attributes” (Leuthesser et al. 2003, p. 45). For example, co-branded credit cards encourage consumers through offering distinctive and attractive benefits such as discounts or rewards to the cardholders, and thus differentiate from other competing brands.

*RQ2: Will both card brands and bank/co-branded cards have similar (or different) informational appeals in their advertising?*

*RQ3: Will both card brands and bank/co-branded cards have similar (or different) transformational appeals in their advertising?*

Resnik and Stern (1977) demonstrated that advertisements of services contain a higher percentage of informational cues, such as price or value, availability, special offers, performance, and quality, than any of product categories, for example food, personal-care-product, laundry & household product, and hobby, toy and transportation product. However, when the survey was repeated fourteen years later (Resnik and Stern, 1991), the percentage of informational cues on service categories was dropped to one of the lowest due to “a greater emphasis being placed on image positioning across the whole service sector (Sciulli and Taiani, 2001)”. Furthermore, Fitzgerald (2002) insisted that many marketers and advertisers have been trying to connect with consumers by emotional strategies since experiencing the terrorism and economic hardship.

*RQ4: Will informational appeals for credit cards be decreased in their advertisements over time?*

*RQ5: Will transformational appeals for credit cards be increased in their advertisements over time?*

## CHAPTER III

### METHOD

#### Selection of Magazines

Seven monthly magazines were selected and categorized by magazine type: Business/Financial, General Editorial, Home & Gardening, Family-Oriented, Male-Oriented, Female-Oriented, and African-American. Non-monthly magazines, magazines not including advertisements, and those with rate-based circulations of less than an average of twenty thousand per month for 10 years based on Audit Bureau of Circulations figures in 2003 were eliminated from the sample selection (Shimp 1988). Table 4 shows the final sample of seven magazines used in the content analysis of this study. The sampling frame was constructed from a list of magazines by type in the *Folio: Source Book 1991* for magazine publishers, consistent with a previous study by Huhmann and Brotherton (1997), but the frame was somewhat modified for this study. All issues of *Money*, *Reader's Digest*, *Ladies' Home Journal*, *Redbook*, *GQ*, *Glamour* and *Ebony* over the 1994-2003 period were examined, and the total sample consisted of 840 magazine issues. Riffe (1998) has suggested that researchers should decide whether their projects logically demand the inclusion of the editions to perform sampling methods for magazines. Thus, no edition was ruled out during sampling to avoid the drastic changes in population parameters for the years.

### Selection of Advertisements

The selection of magazine ads was conducted using a three-step process. First, advertisements for credit cards were defined for coding purposes. Major card companies' credit cards, for example Visa, MasterCard, American Express, Discover, and Diners' Club International, were selected. Second, ads for credit cards directly associated with companies, for example, Citibank-Master, GM-Visa and Delta Airlines-American Express, are also included in the sample as co-branded card ads. However, ads that showed only a credit card logo or promoted a sponsorship of a concert or movie were excluded for data collection because of the ambiguity and insufficiency of defining these as credit card ads - these kinds of ads are focused on the attributes of the main product (e.g., hotel, concert, or movie) rather than those of the credit card. Duplicate ads appearing in different issues and magazine types were counted for frequency purposes, but were ignored when analyzing informational and transformational content due to overlapping content. Additionally, ad size variation entered into the duplicate ad decision. Using this procedure, the total number of credit card ads from the seven magazines was 477 for ten years (out of which 245 are unique ads).

### Coding Categories (Scheme)

Riffe (1998, p. 73) proposed that "the more shared attributes a group has, the easier to classify the units and the smaller the amount of measurement error." For that reason, credit card ads were classified into 11 categories depending on the characteristics of the cards (See Table 5). Five major credit cards remained as they are, and other co-branded cards were classified into several categories based on the characteristics of the issuers or affinity company. However, CitiBank Card is considered a financial company card due to more frequent exposure than some

other kinds of major cards in the whole sample.

The most manifest content is not always the most significant. Thus, this content analysis also seeks to code latent content which is embedded in the content interpreted by coders (Riffe 1998). Manifest content is easy to recognize and count, and is easily observable, while latent content may be unclear to observers and may influence reliability. Although manifest and latent meanings can be regarded as a continuum, informational content can be said to be more manifest than emotional content. To examine latent content, coders used a three-point scale that ranged from “low” to “high” (Signorielli 1994).

Additionally, in order to measure the level of overall dominant content, a five-point scale was used. The first aim was to observe whether informational, transformational, or both types of content were dominant in the ads. This variable investigates comprehensive and predominant content in the ads. In addition, a question was added to check for the most informational and transformational content. To clarify the level of each question in order to measure overall level of content, a guideline described below was constructed:

The level of overall informational content was classified on a five-point scale: (1) very low (ad contains only brand name and/pr logo), (2) low (ad contains brand name and/or logo, popularity or superiority without specific reasons and evidence, or none of the content is regarded as information), (3) medium (ad contains at least one piece of detailed information based on the triggering terms of the Truth in Lending Act (TLA), but the disclosure that should be followed by the TLA is not mentioned.), (4) high (ad contains not only the triggering terms but also the specific disclosure recommended by the TLA, and (5) very high (ad contains at least two triggering terms, and follows the TLA). In addition, the guideline for measuring the level of overall transformational content was (1) very low (no stimuli for emotion appeals), (2) low (one

piece of verbal content [e.g. happy, relaxed, or funny] to stimulate emotion / dilute visual content for emotional appeals), (3) medium (one piece of verbal content to stimulate emotion / moderate visual content), (4) high (two or more to stimulate emotion / moderate visual emotional content), and (5) very high (two or more to stimulate emotion / strong visual emotional content). Also, some additional discussion between the researcher and coders followed to provide consistent guidelines and prevent variable probability in choosing a point on the scales.

### Coders and Coding Procedure

Two (non-author) graduate students (a male and female) served as coders. They were both enrolled in the Masters program in the College of Journalism & Mass Communication at The University of Georgia. The coders were trained prior to coding advertisements. First, they were introduced to the code sheet (See Appendix). They were instructed on how to answer each question and how to use the code sheet. Moreover, in order to help coders to understand each variable on the code sheet, a code book including definitions of items and instructions for coding was presented to them. The code sheet provided definitions and examples of each category to help clarify each variable.

The researcher tested the first draft of the code sheet by having the coders analyze 24 ads selected from magazines on a biyearly basis. The coders were shown 24 advertisements randomly selected from the 1994 through 2003 issues of *Money*, *Reader's Digest*, *Ladies' Home Journal*, *Redbook*, *GQ*, *Glamour*, and *Ebony*. This process was used to detect any problems with the code sheet by actually coding several advertisements.

Without acceptable levels of reliability, content analysis measurement can not have any meaning (Neuendorf 2002), so intercoder reliability assessment is vital to human-coded content

analysis. Intercoder reliabilities were computed for the two coders using percentage of agreement. The coders completed the pilot coding using the code sheets, and the results had an overall agreement of 88.4%. Specifically, reliabilities to check informational and emotional content were 93.6% and 82.1%, respectively. Frey, Botan, and Kreps (2000) indicated that a 70% agreement level in content analysis is considered reliable, and Neuendorf (2002) indicated .80 or greater as acceptable in most situations. Although the overall intercoder agreement was above 88%, this test still indicated there were some questions that were not clear and even confusing to the coders. Based on the pretest, several questions were revised. One change was a supplement for the overall content category designed to help coders to observe whether informational, transformational, or both content types were dominant in the ad. In addition, a question was added to check for the most informational and transformational content. After several revisions, the same coders coded 40 advertisements randomly selected from the seven magazines in order to increase coder agreement. The results showed 92% intercoder reliability. The coders were then released to start coding the entire sample of ads.

Coding was conducted independently, with 10% overlap for the final reliability checks. After coding all 245 ads for this study, intercoder reliability was computed using percentage of agreement. An overall 94% agreement between coders was achieved, and all questions scored above the 80% agreement level.

## CHAPTER IV

### RESULTS

#### Credit Card Ads in Magazines

From 1994 through 2003, the sample consisted of a total of 245 advertisements from seven magazines: *Money*, *Reader's Digest*, *Ladies' Home Journal*, *Redbook*, *GQ*, *Glamour*, and *Ebony*. All ads were coded for general characteristics and for analyzing content of the advertisements. Card ads appeared most frequently in *Money* (business/financial magazine type; 36.7%), followed by *GQ* (male-oriented magazine type; 26.1%), compared with other five magazines (*Glamour* 9.8%; *Redbook* 7.8%; *Reader's Digest* 7.3%; *Ebony* 6.9%; *Ladies' Home Journal* 5.3%). Ads were particularly frequent in October (11.4%), November (17.1%), and December (11.4%) across the ten year period. These ad patterns are likely caused by seasonality in consumers' card usage, reflecting plans to increase their use of credit sharply in the months that lead into the holiday gift-buying season. When ads were divided into two parts by period of year, the second group of years, 1999 to 2003, showed a greater number of appearances (57.9%) than the first group of years, from 1994 to 1998.

In terms of ad pages, 77.6% of the ads (N=190 out of 245) have one page, followed by two pages (16.7%). With regard to ad models, 46.1% of the ads (N=113) have human models, and male models (41.6%), female models (30.1%), and both gender models (25.7%) appeared.

### Visual/Verbal Content Balance

Before examining the content of the ads, the balance of the visual and verbal material was checked. In card advertisements, there were four groups of “no words or just product and headline” (4.5%), “less than 1/3 words but more than no words and headline” (46.9%), “1/3 words – 2/3 words” (34.3%), “more than 2/3 words” (14.3%). More than a half of the sample card ads was composed of less than 1/3 words in a whole page of the ads. When compared with card brand ads and bank/co-branded card ads, bank/co-branded card ads have more verbal content than card brand ads (2.96 vs. 2.40), and the results are significant (.000) at the .01 level.

### RQ1: Informational and Transformational Appeals in Credit Card Advertising

The primary objective of the study 1 was to investigate how credit card ads appeal: whether ads follow popular planning models such as the FCB Grid, or whether they choose mismatch strategies. First of all, the frequencies of each question for measuring informational and transformational content were computed (See Tables 7 & 8). Regarding informational content, the most frequent content in order was “the way to apply” (77.6%), “card appearance” (71.8%)”, and “the way to get information” (67.8%). When examined in terms of pre-usage information and post-usage information, the pre-usage information is stressed to a greater extent than post-usage information. For example, information such as “the way to apply” (77.6%), “card appearance” (71.8%)”, “the way to get information” (67.8%), and “general claim of popularity and superiority” (62.9%) are useful before applying and using a card, but these are not very important after becoming a card member. However, post-usage information such as “cash back, rewards, saving, bonus, or discount” (46.5%), “annual fee” (16.3%), “safety” (13.9%), and

“APR” (7.3%) was less mentioned than pre-usage information although they are essential elements for efficient card usage.

In analyzing transformational content, ads were more likely to use “variety seeking” (67.4%), “self-expression”, “amusement” (both 45.7%), “elated” and “relaxation” (both 45.3%). Content tapping into “sensory gratification” and “intellectual stimulation” modes is more frequently provided.

Based on Table 7 and Table 8, the appeals used in the ads are indicated, but comparison of overall content based on informational and transformational appeals was difficult to compare. While information was coded and computed by frequency of “yes” or “no” based on exposure in the ads, emotion was examined using scales from one to three due to characteristics of such latent content. Neuendorf (2002) demonstrated that manifest content involves elements that are physically present and countable, but latent content cannot be measured directly. Therefore, scores from one to five were used to discern the overall dominant appeals of both the informational and transformational content in each ad, and the two content elements were compared by means through t-tests. This does not depend on the manifest-latent dichotomy, but it is considered a complementary dimension between the two appeals (Neuendorf 2002). As seen in Table 9, the mean of overall transformational content in whole ads was higher than overall informational content (2.99 vs. 2.42), and the difference was significant (.000) at the .01 level. The results show that transformational appeals were used to a greater extent than informational appeals in ads over the 10-year period. Consequently, credit card advertising appealed to consumers by a mismatch strategy against the FCB Grid.

RQ2 and RQ3: Informational and Transformational Appeals (Card Brand Ads vs. Bank/Co-Branded Card Ads)

The objective of the second analysis is to explore the difference of ads for card brand ads and bank/co-branded card ads in terms of informational and transformational content. A one-way ANOVA and t-test were conducted to investigate the mean rating between the two groups.

Table 10 shows that card brand ads and bank/co-branded card ads have significantly different methods of delivering information through their ads. Out of twenty-four informational components, twenty-two are more strongly exposed in bank/co-branded card ads than in card brand ads. The types of dominant informational content are not distinctively different between the ads for card brands and bank/co-branded cards, but the frequency of bank/co-branded card ads is much higher than card brand ads on informational content. Card brand ads tend to stress “the way to apply” (69.3%), “the way to get information” (65.1%), “card appearance” (59.6%), “convenience” (58.4%), “superiority/popularity” (57.8%), and “cash back, reward, saving, and bonus” (34.3%). Similarly, bank & co-branded card ads emphasize “card appearance” (97.5%), “the way to apply” (94.9%), “type of card” (82.3%), “superiority/popularity,” “the way to get information” (both 73.4%), and “cash back, reward, saving, and bonus” (72.2%).

To discern the transformational content of card brand ads and bank/co-branded card ads, the mean scores of the 16 emotional items were compared. As Table 11 shows, the mean scores indicate that transformational content is more dominant in card brand ads than in bank/co-branded card ads. Total mean scores suggest that card brands advertise using more emotional appeals than bank/co-branded cards do (22.72 vs. 20.86).

As for the five major card brands, their ads are more likely to use emotional appeals that have self-expression, elation, relaxation, amusement, adventure, love/seduction, hedonism,

humor, sex appeal, achievement, beauty, affiliation/belongingness, admiration, and memories. However, in terms of variety seeking and fear, bank/co-branded card ads utilized more of such appeals than did credit card brand ads.

In particular, the strongest transformational ad content for major card brands is “self-expression” and “variety seeking” (both 1.75), followed by “amusement” (1.69), “relaxation” (1.67), and “elation” (1.64). In associated card ads, “variety seeking” (1.96), “relaxation” (1.54), and “amusement” (1.53) are strongly used transformational content.

For further analysis of the proposed hypotheses, several items to identify overall characteristics of content were examined as a whole. As seen in Table 12, the overall dominance of informational and transformational elements was computed by t-tests. In terms of the overall informational content dominance, bank/co-branded card ads showed higher scores on mean than major card brand ads (3.10 vs. 2.10), and the difference was significant ( $P < .000$ ). However, card brand ads revealed higher mean scores than did bank/co-branded card ads in terms of transformational content (3.45 vs. 2.01), and the difference was also significant ( $P < .000$ ).

To explore in greater depth the specific dimensions of the two appeals, the relative use of types of informational and transformational content in the ads was investigated. The most frequently used informational content was “cash back, reward, saving, or discount” (35.5%), followed by “convenience” (14.3%), “card appearance” (7.8%), “annual fee” (4.5%), “superiority or popularity” (4.1%), and “special offer in limited-time” (4.1%). For transformational content, frequently used ad appeals were “relaxation” (15.9%), “self-expression” (12.7%), “variety seeking” (12.2%), and “affiliation and belongingness” (11.8%). The results showed that card brand ads persuade consumers by transformational advertising

(emotional appeals), while bank/co-branded card ads use informational advertising (informational appeals) to arouse consumers' motivation.

#### RQ4 and RQ5: Trends of Informational and Transformational Appeals

In order to examine the trends of informational and transformational appeals, the mean scores of the 10-year period were compared. As shown in the table 13, the overall mean scores did not show the consistent trend over time, even though the ad content between ads for card brand and bank/co-branded card is different every year. In particular, the differences of mean scores sharply changes every year. For example, 1997 shows that the mean difference between informational and transformational appeals is .69, while 1999 shows .12 of the mean difference. Additionally, in terms of the mean difference of the informational content between card brand ads and bank/co-branded card ads, 1996 shows 2.28 of mean difference, but 1997 shows .41. Moreover, in the transformational content, 2000 shows 2.40 of mean difference, while 1997 shows .59. As seen in the table 14 and 15, the mean difference of informational and transformational appeals between card brand ads and bank/co-branded card ads irregularly changes. There are no consistent trends in advertising strategies, and the results are not significant at all.

#### Informational Content in the Triggering Terms

As previously stated, if an advertisement promoting open-ended credit contains any (e.g. finance charge) of the triggering terms, three specific disclosures (1) any minimum, fixed, transaction, activity, or similar charge, 2) any periodic rate, 3) any membership or participation fee) also must be included in the ad. Examination of the ads found that 1.6% of the ads did not

follow this regulation. In order to avoid violation of the triggering terms, 32.2% of the ads avoided mention of the specific beneficial rate. For example, they mentioned periodic rate as ambiguous words (e.g. “low APR”), not precise figures. Consequently, 1.6% of the ads violated the TLA to require clear and conspicuous information in the disclosures about charges and payments.

## CHAPTER V

### GENERAL DISCUSSION

Many studies have looked at service advertising strategies. Grove et al. (1995) indicated that service ads contained more informational cues than ads for tangible goods. On the other hand, Abernethy and Butler (1993) determined that service ads used fewer informational cues than goods ads did. Additionally, Zinkhan et al. (1992) concluded that services used emotional or transformational appeals to a greater extent than informational appeals. The content analytic findings regarding service advertising are inconsistent and remain a critical issue.

The objective of this study was to examine how credit cards, a representative “think” product on the FCB Grid (as a financial service), try to persuade potential consumers by means of advertising strategies. Further, this research investigated how these strategies differ between ads for card brands and ads for associated cards such as bank/co-branded cards on informational and transformational appeals.

In print medium of magazines, the relative verbal and pictorial presentations are used for measuring advertising effectiveness (Laskey et al. 1992). Examination of the balance of visual and verbal content in credit card advertisements showed that the number of “no words” and “less than 1/3 words” accounted for more than a half of the total (51.4%). Overall, these results may suggest a lack of information being provided in ads. There is a high possibility that an ad that includes specific words is considered as having a clear message and a more adequate amount of information (Stafford 1996). Stafford indicated that the manipulation of verbal tangible cues in service ads is required as a means of advertising effectiveness when using a print medium. Also,

Zinkhan et. al. (1992) suggest that verbal advertising strategies are effective and maximize effectiveness for service advertising, while Laskey et al. (1992) propose that pictures increase an advertisement's effectiveness.

In Research Question 1, to examine the ad message strategy for credit cards based on the information and emotion category, a total of 245 credit card ads were analyzed. Regarding the informational content, "the way to apply" (77.6%), "the way to obtain information" (67.8%), and "general claims of superiority or popularity" are frequently used in ads. Relatively, other specific information such as annual fee (16.3%), interest rate (7.3%), and APR (7.3%) are not frequently used in ads. There are few tangible elements upon which to evaluate characteristics and compare with other services in ads. The most frequent types of information are intangible cues to help apply for services and intangible evidence to emphasize popularity and superiority. The results of a comparison of the mean values between informational and transformational content identified that recent credit card ads stress emotional appeals rather than informative appeals (Mean 2.99 vs. 2.42). In a study about bank advertising, Laskey et al. (1992) discriminated informational and transformational advertising as "attitude-based advertising" vs. "image-based advertising." According to their study, "the informational advertisements with pictures" have the most effectiveness on the utilitarian/rational dimension. This study, however, found that credit cards tend to use transformational appeals rather than informational appeals in their advertisements, and stress intangible elements rather than tangible elements.

In Research Questions 2 and 3, this study assessed the difference between ads for card brands and ads for bank/co-branded cards. Although all these are included in the category of credit cards, different advertising message strategies were revealed in their ads. Bank/co-branded card ads showed a higher level of dominant informational (functional) appeals (3.10 vs.

2.10), and lower level of emotional (transformational) appeals than ads for card brand ads (2.01 vs. 3.45). According to Leuthesser (2003), the most attractive characteristic of co-branding is the value-added potential. In terms of credit card co-branding, effectiveness between major card brands and the co-branding partner is explained as “reaching beyond” to offer complementary benefits (Leuthesser 2003). In order to emphasize their superior benefits, co-branding partners appeal to consumers through delivering functional and informational messages rather than emotional messages in their advertisements. In particular, tangible information such as “annual fee” (32.9% vs. 8.4%) and “cash back, reward, saving, or bonus” (72.2% vs. 34.3%) was distinctively used more in the bank/co-branded card ads than in the card brand ads. Ads for major card brands use image-based advertising through emotional appeals (Laskey et al.1992). In addition, the co-branding ads try more to arouse “variety seeking” (1.96 vs. 1.75) and reduce “fear” (1.19 vs. 1.08) more often than do ads for the card brand themselves. Consequently, the bank/co-branded card ads tended to emphasize “uniqueness and innovativeness” and “solution to problems.”

In Research Question 4 and 5, this study tries to investigate the trends of advertising strategies over time. Obviously, bank/co-branded card ads used more informational appeals and less transformational appeals every year. However, there are no evidences that informational appeals are decreased, and transformational appeals are increased over time. Advertising appeals were inconsistently and irregularly fluctuated in terms of both type of credit card and appeal content.

### Implication for Advertising Researchers and Practitioners

The FCB Grid has been regarded as a representative planning model for advertising effectiveness based on product type and involvement. At the same time, numerous studies (Rossiter et al. 1991; Dubé et al. 1996; Spangenberg et al. 1997; Mehta 2000; Voss et al. 2003) have investigated whether a match or mismatch strategy is appropriate on the basis of the FCB Grid. For example, Dubé et al. (1996) revealed that food product ads use informational appeals, although food product attitudes are primarily based on emotion. According to their study, consumers may counter argue when the advertising message is consistent with categorization of the product over time. The present study similarly observes that a mismatch strategy is dominantly used in credit card advertisements.

Recognition of not only brands but also products by consumers has changed over time. Furthermore, effective advertising message strategies have changed based on studies of consumer attitudes and behaviors. First, this study found that emotional appeals are utilized for the think product in spite of a mismatch strategy. Second, ads for brands themselves and co-branding make a difference in strategies chosen for persuading consumers. In order to achieve optimal advertising effectiveness, how today's consumers evaluate particular products should be considered.

### Limitations and Future Directions

This study describes how a think product is advertised by exploring the transformational and informational content of ads for such brands. At present, evidence of the relative effectiveness of emotional and informational appeals by such products is an ambiguous issue, so many studies are continuing to investigate this issue by advertisers and marketers.

In spite of the significance of these findings, this study has several limitations. As stated above, numerous advertising studies have investigated effective appeals by product types, motives, and involvement. The FCB Grid and the Rossiter-Percy Grid recommend that advertisers “use rational and informative advertising for thinking and functional products and emotional appeals for feeling and transformational products” (Dubé et al. 1996, p. 83). Various types of products exist (e.g. think/high involvement, feel/high involvement, think/low involvement, and feel/low involvement) according to the FCB Grid. However, this study investigated one product in one product type. Thus, this study has some limitations in discussing comparisons of various product types in terms of informational and transformational appeals.

In addition, this study used one medium (magazines) for content analysis. Advertisements for products may use various media for different purposes and prospective consumers. Product-media matching is an important marketing strategy with the purpose of determining the best fit between them (Yoon and Kim 2001). For example, Internet advertising is more appropriate for high involvement products, but television is mostly used to deliver detailed functional information. Therefore, various media choices exist for product characteristics in the four product categories on the FCB Grid.

Moreover, this study did not reveal why the different appeal patterns were used in a particular year. For example, the difference of mean scores between informational and transformational appeals was small in 1995, but the difference of them was distinctively large in 1996. Yet, this study did not investigate reasons to affect the advertising strategies to appeal to consumers.

Content analysis cannot explore consumer attitudes or the effectiveness of attitude change strategies on potential consumers or users. To examine actual effectiveness, a survey or

experiment is suggested to supplement this study. Attitudinal and behavioral investigations may provide convergent evidence about using effective transformational and informational appeals. Therefore, further study is recommended to investigate consumer attitude and behavior after studying message content.

Despite these limitations, this investigation of a representative product that is becoming an issue in modern society provides stimulus for future study. Thus, analysis of formation and change, and product types as they relate to consumer issues such as motives, attitude, and behaviors is also appropriate for further studies. In addition, future studies should investigate whether a match or a mismatch strategy is likely to be more effective through direct examination of consumers.

**Table 1. Characteristics of Informational and Transformational Advertisements**

<b>Characteristics of Informational Advertisements</b>	<ol style="list-style-type: none"> <li>1. Present factual, relevant information about the brand.</li> <li>2. Present information which is immediately and obviously important to the potential consumer.</li> <li>3. Present data which the consumer accepts as being verifiable.</li> </ol>
<b>Characteristics of Transformational Advertisements</b>	<ol style="list-style-type: none"> <li>1. It must make the experience of using the product richer, warmer, more exciting, and/or more enjoyable, than that obtained solely from an objective description of the advertised brand.</li> <li>2. It must connect the experience of the advertisement so tightly with the experience of using the brand that consumers cannot remember the brand without recalling the experience generated by the advertisement.</li> </ol>

Source: Puto, Christopher P. and William D. Wells (1984). Informational and Transformational Advertising: The Differential Effects of Time. Advances in Consumer Research, 11.

**Table 2. Three Major Credit Card Companies' Ad Spending (1995 – 2002)**

	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>Amex</b>	\$296.3	\$387.1	\$418.0	\$460.4	\$518.8	\$538.2	\$444.5	\$542.1
<b>Visa</b>	\$206.1	\$293.2	\$327.2	\$309.8	\$368.6	\$427.3	\$347.4	\$423.2
<b>MasterCard</b>	\$109.6	\$138.3	\$154.2	\$219.6	\$255.4	\$311.1	\$288.1	\$358.0

Source: *AdAge*, Leading National Advertisers ranked 1 to 200 from 1996 through 2003 edition,  
Notes: Dollars are in millions

**Table 3. The Triggering Terms and Examples**

<b>Triggering Terms</b>	<b>Examples</b>
1. The periodic rate used to compute the finance charge or the annual percentage rate.	"14% APR"
2. A statement of when the finance charge begins to accrue, including the "free ride period (if any).	"We charge interest from the date we receive notice of your purchase"
3. The method of determining the balance on which a finance charge may be imposed.	"Interest will be charged on your average daily balance each month"
4. The method of determining the finance charge, including a description of how any finance charge other than the periodic rate will be determined.	"Minimum finance charge: 50 cents per month"
5. The amount of any charge other than a finance charge that may be imposed as part of the plan.	"There is a \$25 annual membership fee to get your card"

Source: *Federal Trade Commission*

**Table 4. Sampled Magazines by Magazine Type**

<b>Magazine Type</b>	<b>Magazine</b>
Business/Financial	<i>Money</i>
General Editorial	<i>Reader's Digest</i>
Home & Gardening	<i>Ladies' Home Journal</i>
Family-Oriented	<i>Redbook</i>
Male-Oriented	<i>GQ</i>
Female-Oriented	<i>Glamour</i>
African-American	<i>Ebony</i>

Source. *Folio: Source Book* (1991); *Audit Bureau of Circulations* (2003)

**Table 5. Credit Cards Categories and Brand Names**

<b>Category of Credit Card</b>	<b>Credit Card Brand Name</b>
Visa	Visa
MasterCard	MasterCard
American Express	American Express
Discover	Discover
Diners' Club	Diners' Club
CitiBank	CitiBank
Other Financial Companies	Chase/Merrill Lynch/Capital One/ First Premier Bank/Bank One/MBNA
Air Travel	American Airlines/Delta Airlines/Webmiles
Automobile & Gasoline	GM/Ford/Shell
Clothing/Specialty Store	Target/ToysRus
Others	Sony/BET/Jack Ni Claus/ Readers' Digest/Buxx

**Table 6. The Content for Coding**

<b>General Characteristics of Ad</b>	<b>Informational Content</b>	<b>Transformational Content</b>
<ol style="list-style-type: none"> <li>1. Magazine</li> <li>2. Magazine Type</li> <li>3. Year</li> <li>4. Month</li> <li>5. Brand</li> <li>6. Pages of Ad</li> <li>7. Visual/Verbal Balance</li> <li>8. Human Model</li> <li>9. Number of Models</li> <li>10. Gender of the Model</li> <li>11. Human Model's Vocation</li> </ol>	<ol style="list-style-type: none"> <li>1. Annual Fee</li> <li>2. Other Fees</li> <li>3. Interest Rate</li> <li>4. APR (Annual Percentage Rate)</li> <li>5. Penalty Rate</li> <li>6. Superiority or Popularity</li> <li>7. Compared with Other Competing Brands</li> <li>8. Cash back, Reward, Saving or Bonus</li> <li>9. Grace Period</li> <li>10. Type of Card</li> <li>11. Type of Payment</li> <li>12. The Way to Apply</li> <li>13. The Way to Obtain Information</li> <li>14. Convenience</li> <li>15. Special Offers in Limited-Time</li> <li>16. Credit Card Appearance</li> <li>17. Special Shape or Design</li> <li>18. Guaranteed Approval Qualifications</li> <li>19. Safety Features</li> <li>20. Results of Research</li> <li>21. Data Gathered by a Company</li> <li>22. Tips or Warnings</li> </ol>	<ol style="list-style-type: none"> <li>1. Self-Expression</li> <li>2. Elation</li> <li>3. Relaxation</li> <li>4. Amusement</li> <li>5. Adventure</li> <li>6. Love/Seduction</li> <li>7. Hedonism</li> <li>8. Humor</li> <li>9. Sex Appeal</li> <li>10. Variety Seeking</li> <li>11. Achievement</li> <li>12. Fear</li> <li>13. Beauty</li> <li>14. Affiliation and Belongingness</li> <li>15. Admiration</li> <li>16. Memories</li> </ol>
<b>Overall Ad Appeals</b>		
<ol style="list-style-type: none"> <li>1. Overall Informational Content</li> <li>2. The Most Dominant Informational Content</li> <li>3. Overall Transformational Content</li> <li>4. The Most Dominant Transformational Content</li> </ol>		

Table 7. Frequency Table for Informational Content

	<b>Frequency (# out of 245)</b>	<b>Percent</b>
<b>Annual Fee</b>	40	16.3
<b>Other Fees (except annual fee)</b>	18	7.3
<b>Interest Rate</b>	14	5.7
<b>APR (Annual Percentage Rate)</b>	18	7.3
<b>Penalty Rate</b>	7	2.9
<b>Credit Line</b>	11	4.5
<b>General Claims of Superiority or Popularity</b>	154	62.9
<b>Compared with Other Competing Brands</b>	20	8.2
<b>Cash Back, Rewards, Saving, Bonus, or Discount</b>	114	46.5
<b>Grace Period</b>	12	4.9
<b>Type of Credit Card</b>	100	40.8
<b>Type of Payment</b>	5	2.0
<b>The Way to Apply</b>	190	77.6
<b>The Way to Obtain Information on Consumer Issues</b>	166	67.8
<b>Convenience</b>	145	59.2
<b>Special Offer in Limited-Time</b>	27	11.0
<b>Card Appearance</b>	176	71.8
<b>Special Shape or Design of the Product</b>	26	10.6
<b>Guaranteed Approval Qualification</b>	18	7.3
<b>Warranty Period or Coverage</b>	15	6.1
<b>Safety</b>	34	13.9
<b>Result of Research by an Independent Firm</b>	0	0
<b>Data by a Card Company</b>	1	.4
<b>Tip or Warning</b>	20	8.2

**Table 8. Comparison of Means of Transformational Content**

<b>Content</b>	<b>Mean</b>	<b>SD</b>	<b>Content</b>	<b>Mean</b>	<b>SD</b>
<b>SE</b>	1.67	.80	<b>SA</b>	1.07	.28
<b>EL</b>	1.58	.71	<b>VS</b>	1.82	.66
<b>RX</b>	1.63	.77	<b>AC</b>	1.26	.56
<b>AM</b>	1.64	.77	<b>FE</b>	1.11	.43
<b>AV</b>	1.45	.69	<b>BE</b>	1.10	.35
<b>LS</b>	1.13	.41	<b>AB</b>	1.45	.75
<b>HD</b>	1.38	.64	<b>AD</b>	1.30	.63
<b>HM</b>	1.24	.54	<b>MM</b>	1.30	.62

Note. Mean scores are based on a scale of 1 to 3, with 1 being “not exist at all” and 3 being “strongly dominant”; SE = Self-expression; EL = Elation; RX = Relaxation; AM = Amusement; AV = Adventure; LS = Love/Seduction; HD = Hedonism; HM = Humor; SA = Sex appeal; VS = Variety seeking; AC = Achievement; FE = Fear; BE = Beauty; AB = Affiliation/Belongingness; AD = Admiration; MM = Memories.

**Table 9. Overall Dominant Appeals of Ads**

	<b>Mean</b>	<b>SD</b>	<b>t</b>	<b>df</b>	<b>Sig.</b>
<b>INFO</b>	2.42	.97	39.100	244	.000**
<b>TRANS</b>	2.99	1.52	30.843	244	.000**

Note. N = 245; INFO = “Is the informational content dominant in the ad?”; TRANS = “Is the transformational content dominant in the ad?”; \*\* mean difference is significant at the .01 level.

**Table 10. Informational Content Dimensions of Card Brand Ads and Bank/Co-branded Card Ads**

	Top 5 Credit Cards (N = 166)		Associated Cards (N = 79)		Total (N = 245)		
	n	%	n	%	n	%	Sig.
<b>Annual Fee</b>	14	8.4	26	<b>32.9</b>	40	16.3	.000**
<b>Other Fees</b>	8	4.8	10	<b>12.7</b>	18	7.3	.029*
<b>Interest Rate</b>	3	1.8	11	<b>13.9</b>	14	5.7	.000**
<b>APR</b>	6	3.6	12	<b>15.2</b>	18	7.3	.002**
<b>Penalty Rate</b>	0	0	7	<b>8.9</b>	7	2.9	.000**
<b>Credit Line</b>	6	3.6	5	<b>6.3</b>	11	4.5	.258
<b>General Claims of Superiority or Popularity</b>	96	57.8	58	<b>73.4</b>	154	62.9	.012*
<b>Comparison with Other Brands</b>	8	4.8	12	<b>15.2</b>	20	8.2	.007**
<b>Cash Back, Reward, Saving, or Bonus</b>	57	34.3	57	<b>72.2</b>	114	46.5	.000**
<b>Grace Period</b>	5	3.0	7	<b>8.9</b>	12	4.9	.052
<b>Type of Card</b>	35	21.1	65	<b>82.3</b>	100	40.8	.000**
<b>Type of Payment</b>	1	0.6	4	<b>5.0</b>	5	2.0	.039*
<b>The Way to Apply</b>	115	69.3	75	<b>94.9</b>	190	77.6	.000**
<b>The Way to get Information</b>	108	65.1	58	<b>73.4</b>	166	67.8	.122
<b>Convenience</b>	97	58.4	48	<b>60.8</b>	145	59.2	.419
<b>Special Offers in Limited-Time</b>	19	<b>11.4</b>	8	10.1	27	11.0	.472
<b>Card Appearance</b>	99	59.6	77	<b>97.5</b>	176	71.8	.000**
<b>Special Shape or Design</b>	10	6.0	16	<b>20.3</b>	26	10.6	.001**
<b>Guaranteed Approval Qualification</b>	11	6.6	7	<b>8.9</b>	18	7.3	.350
<b>Warranty Period or Coverage</b>	4	2.4	11	<b>13.9</b>	15	6.1	.001**
<b>Safety</b>	19	11.4	15	<b>19.0</b>	34	13.9	.083
<b>Result of Research by a Firm</b>	0	0	0	0	0	0	
<b>Data by a Company</b>	0	0	1	<b>1.3</b>	1	.4	.322
<b>Tip or Warning</b>	10	6.0	10	<b>12.7</b>	20	8.2	.067

Note. Larger scores are in bold.

\* The difference is significant at the .05 level.

\*\* The difference is significant at the .01 level.

**Table 11. Transformational Content Dimensions of Card Brand Ads and Bank/Co-branded Card Ads**

		<b>Mean</b>	<b>SD</b>	<b>F</b>	<b>Sig.</b>
<b>SE</b>	<b>TC</b>	1.75	.82	6.306	.013
	<b>AC</b>	1.48	.73		
<b>EL</b>	<b>TC</b>	1.64	.73	3.815	.052
	<b>AC</b>	1.46	.66		
<b>RX</b>	<b>TC</b>	1.67	.82	1.535	.216
	<b>AC</b>	1.54	.66		
<b>AM</b>	<b>TC</b>	1.69	.81	2.329	.128
	<b>AC</b>	1.53	.69		
<b>AV</b>	<b>TC</b>	1.51	.73	4.421	.037
	<b>AC</b>	1.32	.57		
<b>LS</b>	<b>TC</b>	1.18	.48	7.751	.006
	<b>AC</b>	1.03	.16		
<b>HD</b>	<b>TC</b>	1.39	.65	.127	.722
	<b>AC</b>	1.35	.62		
<b>HM</b>	<b>TC</b>	1.26	.56	.588	.444
	<b>AC</b>	1.20	.49		
<b>SA</b>	<b>TC</b>	1.08	.30	2.414	.122
	<b>AC</b>	1.03	.23		
<b>VS</b>	<b>TC</b>	1.75	.68	5.769	.017
	<b>AC</b>	1.96	.59		
<b>AC</b>	<b>TC</b>	1.31	.60	4.583	.033
	<b>AC</b>	1.15	.43		
<b>FE</b>	<b>TC</b>	1.08	.36	3.668	.057
	<b>AC</b>	1.19	.53		
<b>BE</b>	<b>TC</b>	1.13	.41	5.150	.024
	<b>AC</b>	1.03	.16		
<b>AB</b>	<b>TC</b>	1.54	.79	7.490	.007
	<b>AC</b>	1.27	.61		
<b>AD</b>	<b>TC</b>	1.40	.70	12.288	.001
	<b>AC</b>	1.10	.38		
<b>MM</b>	<b>TC</b>	1.34	.64	2.304	.130
	<b>AC</b>	1.22	.57		

Note. Mean Scores are based on a scale of 1 to 3, with 1 being “not exist at all” and 3 being “strongly dominant”; df between groups is 1, and with groups is 243; Larger mean scores are set in bold. TC = Top 5 cards; AC = Associated Cards; SE = Self-expression; EL = Elation; RX = Relaxation; AM = Amusement; AV = Adventure; LS = Love/Seduction; HD = Hedonism; HM = Humor; SA = Sex appeal; VS = Variety seeking; AC = Achievement; FE = Fear; BE = Beauty; AB = Affiliation/Belongingness; AD = Admiration; MM = Memories

**Table 12. The Overall Dominance of Informational and Transformational Content**

		<b>N</b>	<b>Mean</b>	<b>t-test</b>	<b>df</b>	<b>F</b>	<b>SD</b>	<b>Sig.</b>
<b>The overall dominance of informational content</b>	<b>TC</b>	166	2.10	-8.576	243	.282	.81	.000**
	<b>AC</b>	79	3.10				.94	.000**
<b>The overall dominance of transformational content</b>	<b>TC</b>	166	3.45	7.736	243	52.693	1.52	.000**
	<b>AC</b>	79	2.01				.95	.000**

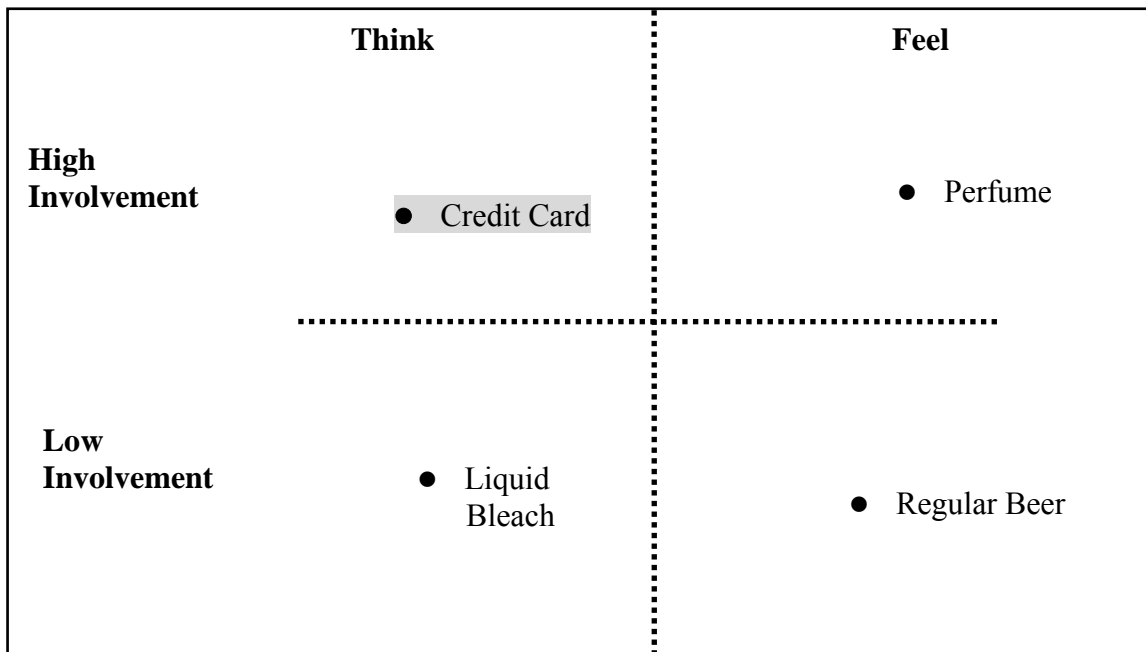
Note. Each item was scored along a 5-point scale (1 = “not exist at all” through 5 = strongly dominant). TC = Top 5 cards; AC = Associated cards (e.g. bank/co-branded card); \*\* mean difference is significant at the .01 level.

**Table 13. Comparison of Means in the Informational and Transformational Appeals Content in Ads Over the 10-Year Period  
(Card Brand Ads vs. Bank/Co-branded Card Ads)**

Year	N	Type of Ad	INFO Mean	INFO SD	TRANS Mean	TRANS SD
<b>1994</b>	8	TC	1.75	.886	4.00	1.195
	8	AC	3.50	.926	2.00	1.069
	16	Total	2.63	1.258	3.00	1.506
<b>1995</b>	12	TC	2.33	1.231	3.50	1.382
	9	AC	2.89	.928	1.78	.833
	21	Total	2.57	1.121	2.76	1.446
<b>1996</b>	18	TC	1.72	.752	3.22	1.166
	7	AC	4.00	1.000	1.43	.787
	25	Total	2.36	1.319	2.72	1.339
<b>1997</b>	13	TC	1.92	.641	2.92	1.256
	6	AC	2.33	.816	2.33	1.506
	19	Total	2.05	.705	2.74	1.327
<b>1998</b>	17	TC	2.06	.659	3.65	1.272
	5	AC	3.00	.000	3.00	.707
	22	Total	2.27	.703	3.50	1.185
<b>1999</b>	19	TC	2.42	.692	3.00	1.374
	6	AC	3.33	.816	2.00	.894
	25	Total	2.64	.810	2.76	1.332
<b>2000</b>	21	TC	1.90	.831	4.05	1.746
	17	AC	3.06	.659	1.65	.786
	38	Total	2.42	.948	2.97	1.838
<b>2001</b>	20	TC	2.40	.821	3.40	1.875
	6	AC	3.33	.816	2.33	.816
	26	Total	2.62	.898	3.15	1.736
<b>2002</b>	19	TC	2.11	.737	3.84	1.344
	6	AC	3.00	1.549	2.33	.816
	25	Total	2.32	1.030	3.48	1.388
<b>2003</b>	19	TC	2.21	.713	3.05	1.840
	9	AC	2.67	1.000	2.22	.972
	28	Total	2.36	.826	2.79	1.641
<b>Total</b>	166	TC	2.10	.806	3.45	1.516
	79	AC	3.10	.942	2.01	.954
	245	Total	2.42	.971	2.99	1.516

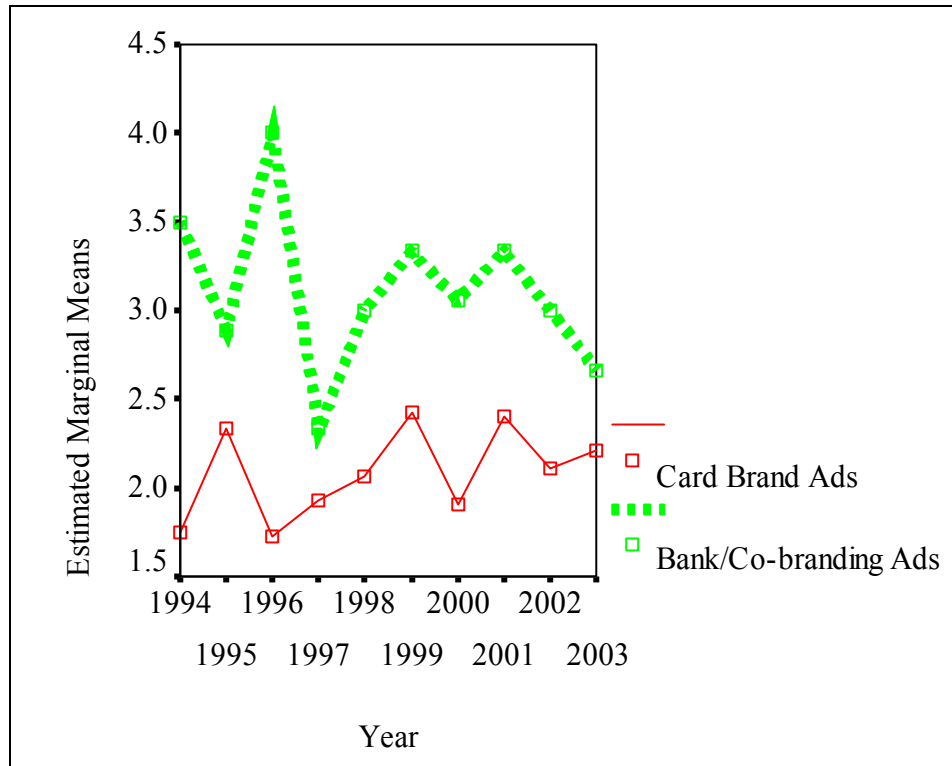
Note. INFO = Informational Appeals Content; TRANS = Transformational Appeals Content; TC = Top 5 Card Ads (Card Brand Ads); AC = Associated Card Ads (Bank/Co-branded Card Ads); SD = Standard Deviation.

**Figure 1. Four Distinctive Products in the FCB Grid**

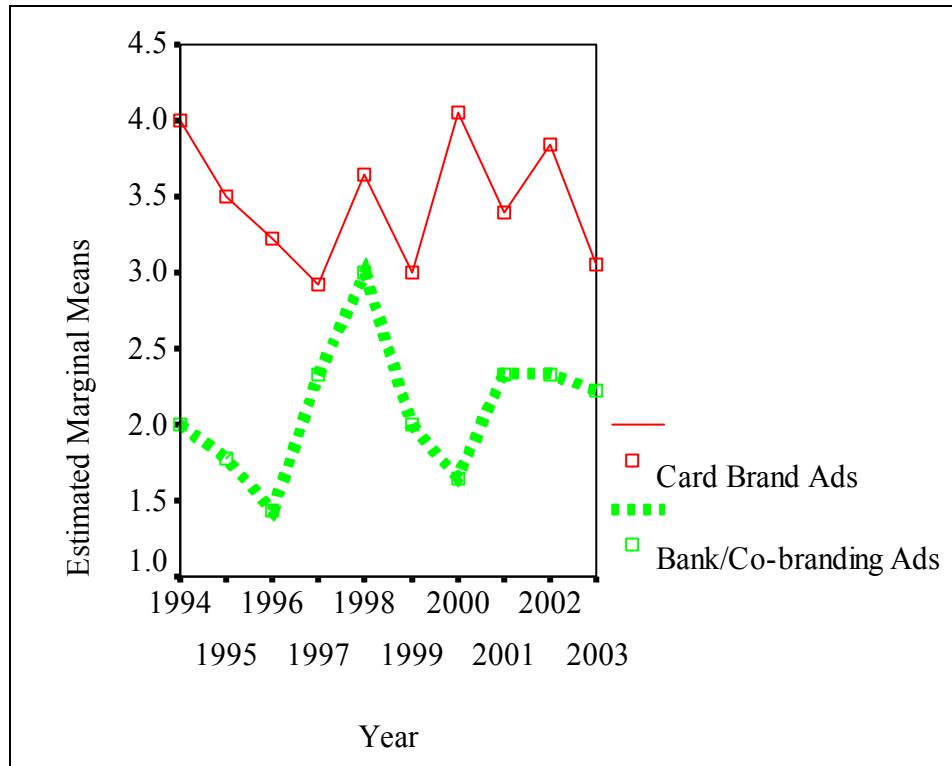


Source. Ratchford, Brian T. (1987). New Insights about the FCB Grid. Journal of Advertising Research. (August/September).

**Figure 2. Comparison of Means in the Informational Content (Card Brand Ads vs. Bank/Co-branded Card Ads)**



**Figure 3. Comparison of Means in the Transformational Content (Card Brand Ads vs. Bank/Co-branded Card Ads)**



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### Credit Card Magazine Ad Code Booklet

AD ID #: The number of advertisement

Date: The date in coding

Coder: Your name

1. Magazine: Place a check mark of the magazine
2. Magazine Type: Place a check mark of magazine type
3. Year: Place a check mark of the year which an ad was exposed in magazine.
4. Month: Place a check mark of the month which an ad was exposed in magazine.
5. Brand: Check the name of the brand that is shown.
6. Pages of Ad: Place a check of the ad page that is advertised.
7. Visual/Verbal Balance: The relationship between the quantity and size of words used in comparison to quantity and size of the visuals in the ads. (no words/less than 1/4 words, 1/4 words 3/4 visuals etc.)
8. Human model: Place a check mark in this column if human models are shown in the ad.
9. Number of models: Place a check mark or fill in the number of human models who appeared in the ad.
10. Gender of the model: Fill in the number of models' gender who appeared in the ad.
11. Human model's vocation: Place a check mark in this column what human model's vocation. If you fill in a column of "others," specify the vocation of people shown the ad.
12. Annual fee: Place a check mark in this column if annual fee was mentioned in the ad.
13. Other fees: Place a check mark in this column if other fees were mentioned in the ad. For example, a credit card may charge several kind of fees such as application fee, late payment fee, ATM access fee, balance transfer fee, cash advance fee, or closed-account fee.
14. Interest rate: Place a check mark in this column if interest rate were mentioned in the ad. (Interest rate is the amount charged per year on a credit card. The rate varies according to the type of credit card.
15. APR (Annual Percentage Rate): Place a check mark in this column if APR (Annual Percentage Rate) is mentioned in the ad.
16. Penalty rate: Place a check mark in this column if a penalty rate in case of late payment was mentioned in the ad.
17. Superiority or Popularity: Place a check mark in this column if superiority or popularity of a product is mentioned in the ad.
18. Compared with other competing brands: Place a check mark in this column if an ad uses the comparative method with a competitor.
19. Cash back, Reward, Saving or Bonus: Place a check mark in this column if an ad shows the benefits of cash back or other kinds of rewards or savings by using credit card. (For example, "Earn an annual cash rebate of up to 1 %")
20. Grace Period: Place a check mark in this column if grace period was mentioned in the ad.
21. Type of credit card: Place a check mark in this column if credit card types, including issuers' brand name, were shown in the ad.
22. Type of payment: Place a check mark in this column if type of payment was mentioned in the ad. (Credit card issuers provide card users with several types of the payment such as down payment or minimum payment.)

23. The way for application: Place a check mark in this column if an ad let consumers know of way to apply for a card.
24. The way for getting information: Place a check mark in this column if the way to get credit card information was mentioned. (For example, credit card ads show information about way to get card information through representing web address or telephone number.
25. Convenience: Place a check mark in this column if an ad shows the convenient features. (For example, "MasterCard is accepted most everywhere," "Discover card is the only major credit card accepted at all 'Sam's Club' locations nationwide")
26. Special offers in limited-time: Place a check mark in this column if a credit card issuer provides card users with special offers like discounts or gifts on buying specific products or service. (For example, "Visit your local JCPenney between November 15<sup>th</sup> and December 31<sup>st</sup>, and make a purchase of \$75 or more on your MasterCard you'll receive a fabulous LHM tote bag free by mail.")
27. Appearance of credit card: Place a check mark in this column if an actual credit card was shown in the ad.
28. Special shape or design: Place a check mark in this column if a credit card has the special shape or design. (For example, photo-credit card, or specially shaped or designed card)
29. Guaranteed approval qualifications: Please a check mark in this column if a credit card exposes the condition of approval qualification for being issued. (For example, necessity of co-signer or card for business men or women)
30. Safety features: Place a check mark in this column if an ad shows safety features in case of missing a card and others. (For example, "When you make a purchase with your CitiCard, it may be protected from theft or damage for 90 days.")
31. Results of research gathered by an independent research firm: Place a check mark in this column if an ad represents the data of research gathered by an independent research firm in order to prove the subjectively recognizable advantage.
32. Data gathered by a company to compare product with a competitor: Place a check mark in this column if an ad uses data to compare with a competitor.
33. Tips or warnings in using card: Place a check mark in this column if an ad gives tips or warnings in using credit cards. ("Spend responsibly: Some CitiCards come with a monthly categorized statement so you can see what categories you spend your money on," "Be sure to take advantage of rewards program. Consolidating large purchases and even monthly bills onto credit cards is a nice way to get extra bonus from things you pay for anyway.", or "Remember, carrying a heavy debt load does not count as exercise.")
34. Self-expression: Ad encourages developing freedom in expression of one's individuality. (For example, "made it for me," "distinctive")
35. Elation: Ad tries to provide consumers with proud and joyful situation. (For example, "an elated winner," "happy smile," "spent happy days with CitiCard")
36. Relaxation: suggests methods to solve or reduce problems or errors. (For example, "freedom from responsibility," "make me feel relaxed")
37. Amusement: Ad makes consumers have a feeling of delight at being entertained. (For example, "a feeling of extreme pleasure or satisfaction")
38. Adventure: Ad gives the impression that buying the product will change your life, fill it with action and adventure. The ad tried to unsettle the viewer.
39. Love/Seduction: Ad gives a positive emotion of regard and affection. "his love for his work," "children need your love")

40. Hedonism: Ad induces motivation based on ideas of right and wrong as a matter of ethical principle.
41. Humor: The ad is written as a comedy, parody or satire. Not only is humor an element of the commercial, but also the ad is written to be funny.
42. Sex Appeal: Ad appeals to the lure of sex. Most often method is using the opposite sex to sell the product.
43. Variety Seeking: Maintenance of a preferred level of psychological arousal and stimulation (For example, “unique card,” “innovative card”)
44. Achievement: Ad makes viewers satisfy basic desire to demonstrate success. (For example, “credit card for high status,” “prestigious card”)
45. Fear: Scare audience away from the product or behavior or toward it, could also dramatize a problem then offer solution, and appeal to the person’s desire to avoid a feared outcome.
46. Beauty: Ad makes viewers satisfy desire to have attractive things in environment. (For example, “enjoyable to look at my card”)
47. Affiliation and Belongingness: Ad makes viewers satisfy the need to be accepted by others. (For example, “likely to be used by my friends,”)
48. Admiration: Ad makes viewers to admire some people such as celebrity by showing them.
49. Memories: Ad tries to persuade consumers by showing established users’ experience. (For example, “I am 69. I have used VISA since 19.”)
50. Overall Informational Content: Please choose a number on a rating scale how dominant informational content is in the ad.
51. The Most Dominant Informational Content: Please choose an informational content that is most emphasized from among 12 to 33.
52. Overall Transformational Content: Please choose a number on a rating scale how dominant transformational content is in the ad.
53. The Most Dominant Transformational Content: Please choose a transformational content that is emphasized from among 34 to 49.

### Credit Card Magazine Ads Content Analysis – Code Sheet

AD ID #: \_\_\_\_\_

Date: \_\_\_\_\_

Coder: (1) \_\_\_\_\_ (2) \_\_\_\_\_

1. Magazine: (1) Money (2) Reader's Digest (3) Ladies' Home Journal (4) Redbook  
(5) GQ (6) Glamour (7) Ebony
2. Magazine Type: (1) Business/Financial (2) General Editorial  
(3) Home & Gardening (4) Family-Oriented (5) Male-Oriented  
(6) Female-Oriented (7) African-American
3. Year: (1) 1994 (2) 1995 (3) 1996 (4) 1997 (5) 1998 (6) 1999 (7) 2000 (8) 2001  
(9) 2002 (10) 2003
4. Month: (1) January (2) February (3) March (4) April (5) May (6) June (7) July  
(8) August (9) September (10) October (11) November (12) December
5. Brand: (1) Visa (2) Master (3) American Express (4) Discover (5) Diner's Club  
(6) CitiBank (7) Other Financial Company Cards (8) Air Travel Card  
(9) Automobile & Gasoline Card (10) Clothing/Specialty Card  
(11) Other Cards
6. Pages of Ad:  
(1) Part of one page (2) One page (3) One and part of another page  
(4) Two pages (5) Three or more pages (Specify) \_\_\_\_\_
7. Visual/Verbal Balance:  
(1) No words or just product, & headline (2) Less than 1/3 words but more than above  
(3) 1/3 words – 2/3 words (4) more than 2/3 words
8. Human models in the ad? (1) Present (2) Not Present
9. The number of models in the ad? (1) 1 (2) 2 (3) 3 (4) 4  
(5) More (Specify) \_\_\_\_\_
10. What are their genders? Male (# ) / Female (# )
11. Human model's vocation?  
(1) Entertainer (2) Athlete (3) Financial Specialist (4) No Vocation  
(5) Other or unsure (Please Specify) \_\_\_\_\_

#### Price-Value

12. Annual fee? (1) Yes (2) No
13. Other fees? (e.g., application fee, late payment fee, ATM access fee, balance transfer fee, cash advance fee, or closed-account fee) (1) Yes (2) No
14. Interest rate? (1) Yes (2) No
15. APR (Annual Percentage Rate)? (1) Yes (2) No
16. Are there penalty rate? (e.g., higher APR after one or two late payments) (1) Yes (2) No

#### Quality

17. General claims of superiority or popularity? (1) Yes (2) No
18. Compared with other competing brands? (1) Yes (2) No

#### Performance

19. Cash back, Reward, Saving, Bonus, or Discount on goods and services based on card usage?  
(1) Yes (2) No
20. Grace Period? (1) Yes (2) No

**Components or Contents**

21. Type of credit card? (e.g., gold or platinum, store, charge, and student card)  
(1) Yes (2) No
22. Type of payment? (e.g., down payment, minimum payment, or period of payment)  
(1) Yes (2) No

**Availability**

23. The way to apply? (e.g., telephone, mail or Internet) (1) Yes (2) No
24. The way to obtain information on consumer issues? (e.g., phone number or web address)  
(1) Yes (2) No
25. Convenience? (e.g., acceptance from stores or ATM) (1) Yes (2) No

**Special Offers**

26. Special offers in limited-time? (e.g., gift) (1) Yes (2) No

**Packaging or Shape**

27. Is the credit card shown in the ad? (1) Yes (2) No
28. Is there special shape or design in the product? (e.g., key holder card or photo-credit card)  
(1) Yes (2) No

**Guarantees and Warranties**

29. Guaranteed approval qualifications? (e.g., clear statement of qualification)  
(1) Yes (2) No

**Safety**

30. Safety features? (e.g., fraud protection) (1) Yes (2) No

**Independent Research**

31. Are results of research gathered by an independent research firm presented?  
(1) Yes (2) No

**Company Research**

32. Are data gathered by a company to compare product with a competitor's presented?  
(1) Yes (2) No

**New Ideas**

33. Are there tips or warnings in using credit cards? (1) Yes (2) No

Please choose a number on a rating scale how the following item is dominant in the ad. The number can range from (1) "not exist at all" to (3) "strongly dominant."

**Sensory Gratification**

34. Self-expression? (1) not exist at all (2) moderately dominant (3) strongly dominant
35. Elation? (1) not exist at all (2) moderately dominant (3) strongly dominant Intellectual

**Stimulation**

36. Relaxation? (1) not exist at all (2) moderately dominant (3) strongly dominant
37. Amusement? (1) not exist at all (2) moderately dominant (3) strongly dominant
38. Adventure? (1) not exist at all (2) moderately dominant (3) strongly dominant
39. Love/Seduction? (1) not exist at all (2) moderately dominant (3) strongly dominant
40. Hedonism? (1) not exist at all (2) moderately dominant (3) strongly dominant
41. Humor? (1) not exist at all (2) moderately dominant (3) strongly dominant
42. Sex Appeal? (1) not exist at all (2) moderately dominant (3) strongly dominant
43. Variety Seeking? (1) not exist at all (2) moderately dominant (3) strongly dominant
44. Achievement? (1) not exist at all (2) moderately dominant (3) strongly dominant

45. Fear? (1) not exist at all (2) moderately dominant (3) strongly dominant  
 46. Beauty? (1) not exist at all (2) moderately dominant (3) strongly dominant

**Social Approval**

47. Affiliation and Belongingness? (e.g., in family, with friends, peers' influence, or interrelation with other people)  
 (1) not exist at all (2) moderately dominant (3) strongly dominant  
 48. Admiration? (e.g., celebrity)  
 (1) not exist at all (2) moderately dominant (3) strongly dominant  
 49. Memories? (1) not exist at all (2) moderately dominant (3) strongly dominant

Please choose a number on a rating scale how the following item is dominant in the ad. The number can range from (1) "not exist at all" to (5) "strongly dominant."

**Overall Content**

50. Is the informational content dominant in this ad? (1) (2) (3) (4) (5)  
 51. What is the most dominant informational content in this ad from among the item of 12 to 33?  
 Please specify one.  
 52. Is the transformational content dominant in this ad? (1) (2) (3) (4) (5)  
 53. What is the most dominant transformational content in this ad from among the item of 34 to 49? Please specify one.

four disposable waterproof cameras: \$60

Niagara Falls "Maid of the Mist" boat tour: \$40



hearing them say "awesome" and, for once, agreeing: priceless

© 2003 MasterCard International Incorporated

cash advances. ATM locators. replacement of lost or stolen cards. 24/7 with MasterCard Global Service.™ call 1-800-mastercard. there are some things money can't buy. for everything else there's MasterCard.®



**Example of the Advertisement for Card Brand**

Cash back is great.  
More cash back  
is even better.

The Citi® Dividend Platinum Select®  
Card gives you more cash back  
than Discover®.

- Accepted at 7 times more locations
- Get cash back automatically.
- No annual fee



**0%**  
APR  
on Balance Transfers  
until July 1, 2004.\*

Choose the Citi® Dividend Platinum Select® Card and you'll get a full 1% cash back everywhere you shop.\*\* Discover gives you a fraction of that – as little as .25%\*\*\* Plus, it's easier to earn cash with the Citi Dividend Platinum Select Card, because it's accepted at 28 million locations worldwide – Discover is only accepted at 4 million places in the U.S. And you won't have to call to get your cash back, either. You'll receive a check automatically once you reach \$100. Apply now and you can save on interest with a 0% APR on balance transfers until July 1, 2004, as long as you do not default under any Card Agreement. We'll even waive the balance transfer fee with this offer. So call 1-800-670-2854 today and get something even better than cash back. More cash back.

Limited-time offer: reply by 5/15/03  
Call 1.800.670.2854

**citi**  
Live richly.

\*After the promotional period, your standard APR for purchases will be applied to all remaining balance transfer amounts. (As of January 1, 2003, the standard variable APR for purchases is 10.24%; the standard variable APR for cash advances is 19.99%.) However, if you default under any Card Agreement, we may immediately increase the rate on all balances (including any promotional balances) to a variable default rate of 24.24%. The minimum finance charge is \$0.50. The transaction fee for cash advances is 3.0% of the amount of each cash advance, but not less than \$5. The transaction fee for balance transfers is 3.0% of the amount of each balance transfer, but not less than \$5 or more than \$50. However, we will waive the balance transfer transaction fees on balances you transfer in response to this offer. The membership fee is \$0.

\*\*You may accumulate a maximum of \$300 Dividend Dollars in any calendar year payable in \$100 checks. Dividend Dollars will not accumulate on returned purchases, cash advances, Convenience Checks, transferred balances, fees or finance charges. We reserve the right to cancel or otherwise change the terms applicable to Dividend Dollars program at any time with 90 days' prior written notice.

\*\*\*Discover cash back based on annual purchases as follows: .25% on the first \$1500 in purchases, .50% on the second \$1500 in purchases, and 1% on purchases in excess of \$3000. You may have the opportunity to exchange your award for double the amount for selected products and services. According to information available on the Discover Card website as of January 1, 2003.

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A member of citigroup

Example of the Advertisement for Bank/Co-branded Card – 1

**THEY BOTH COME WITH AN ESCAPE CLAUSE  
WHERE YOU ESCAPE TO IS UP TO YOU.**

**Whether you use the Gold Delta SkyMiles® Credit Card from American Express® or the Gold Delta SkyMiles® Business Credit Card, or both, you can get back on vacation.** Because you can earn 10,000 Bonus Miles with your first purchase. Plus, get Always Double Miles® at gas stations, home improvement stores and the U.S. Postal Service not to mention on wireless phone bills, Delta purchases and more. With two Cards and so many ways to earn SkyMiles®, better start planning your escape route.

**Apply now and get an instant decision. Just call 1 800-SKYMILES.**

*Your next vacation is closer than you think.*

10,000 bonus SkyMiles will be awarded upon first purchase unless you are upgraded from a classic Delta SkyMiles Credit Card or a Delta SkyMiles Business Credit Card. 5,000 SkyMiles will be awarded. Always Double Miles offer applies at qualifying stand-alone supermarkets, drugstores, gas stations, home improvement and hardware stores, U.S. Postal Service and on Delta purchases. In each year of Cardmembership, points are limited to \$100,000 for Gold Delta SkyMiles Credit Cardmembers and Gold Delta SkyMiles Business Credit Cardmembers, unlimited for Platinum Delta SkyMiles Credit Cardmembers or Platinum Delta SkyMiles Business Credit Cardmembers, not including bonuses. Points will be posted to your Delta SkyMiles account 8 to 12 weeks after the end of each month. All standard Delta SkyMiles program terms and conditions apply. ©2003 American Express Company.

**Example of the Advertisement for Bank/Co-branded Card - 2**