Effects of Advertising Self-disclosure, Message Appeal and Regulatory Orientation: A Field Experiment on Private Retirement Schemes in Malaysia

RAJASAKRAN, Thanaseelen

A thesis submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy

Principal Supervisor: Professor Kineta Hung

Hong Kong Baptist University

August, 2015
DECLARATION

I hereby declare that this thesis represents my own work which has been completed after registration for the degree of PhD at Hong Kong Baptist University, and has not been previously included in a thesis, dissertation submitted to this or another institution for a degree, diploma or other qualification.

Signature: Thanaseelen
Date: August, 2015
Abstract

This dissertation examines the impact of advertising self-disclosures (present versus absent) and advertising message appeals (hard sell versus soft sell) which is moderated by innate personal traits within the context of financial services advertising. In particular this study investigates the impact of self-regulatory focus (i.e. innate personal traits) on self-disclosures and advertising message appeal with regards to cognitive (knowledge), affective (attribute evaluation) and conative (buying intention) responses of retail investors. The industry concerns private retirement schemes (PRS). The theoretical framework is based on Higgins (2012) regulatory focus theory on chronic personal disposition inherent in an individual (i.e. prevention/promotion), and how this disposition might mitigate with self-disclosures and message appeal contained in advertisements in terms knowledge, attribute evaluation (i.e. attitude) and buying intention. ANOVA results from a between subjects experiment indicated that the individual regulatory orientation interacts with the effects of advertising self-disclosures and message appeals. Specifically, when exposed to hard sell advertisements with self-disclosures (soft sell advertisements with self-disclosures) perceived knowledge, attribute evaluation and buying intention towards the PRS is favorable to prevention oriented investors (promotion oriented investors). In addition the effect is greater on prevention subjects in comparison to promotion subjects. This study proposes theoretical, managerial, public policy implications and future research directions.
ACKNOWLEDGEMENTS

When I first started my PhD sojourn, I was full of trepidations. Coming from an industry practice background after almost 28 years and being separated from my beloved family, I was full of uncertainties coming to study as a fulltime student in Hong Kong. But somehow, God has been kind to me and has guided each and every step that I had undertaken – from start till the finish. He has been within me, guiding me silently the ups and downs that I had faced. That journey has now come to fruition, and without the love, grace and blessings from him, I would not have completed this amazing journey.

Likewise, the people behind me and the people I came across during my study, and who had always supported me with kind words and encouragement I shall not forget. First and foremost is my dear wife, Ms. Sridevi Balakrishnan for all the amazing sacrifices that she had undertaken during my absence as a husband and father. Words alone cannot describe what she had to undergo as a wife and mother so that the family could function without my presence. To my dear mother, Madam Rukumanee who had hoped to have a doctor in the family, she can now proudly lay claim to that wish. I also hope I can be an inspiration to my family, especially my dear daughter Shivaneel, and dear nephews Mithran and Arvind to perhaps follow in my footsteps with God’s grace. To my dear cousin, Mr. Suresh Sekaran whom could always be counted on for a few words of wisdom and encouragement, I am deeply appreciative.
I would also like to share my gratitude to both my supervisors, Professor Kineta Hung and Professor Kara Chan for all their guidance and thought provoking discussions. And my hear felt appreciation goes to Dr. Andy KC Wong, currently the Assistant Dean (Undergraduate Studies) at Chinese University Hong Kong who first helped me in getting a co-authored paper to be published in an ISI ranked journal.

Indeed good colleagues are those who inspire you to do better. In this case, my sincere gratitude and thanks go to Associate Professor Dr. Santhidran Sinnappan and Associate Professor Dr. Chandran Govindaraju. To Ms. Eve Cheung, the ever ready administrator of our post graduate program, I also thank you for all the assistance extended to me during my course of study.

To get a PhD when one has become half a century old is indeed a grace by God. I hope to share this new knowledge and help mankind in whatever way possible to make this a better world.

Lastly, although my memory fails me, to all my family, friends and colleagues who have helped me in one way or another through their prayers, motivation and kind thoughts during my study period, I thank you all for the kind and indispensable support.

Thank you God! Thank you all!
TABLE OF CONTENTS

Declaration ...................................................................................................................i
Abstract ......................................................................................................................ii
Acknowledgements ....................................................................................................iii
List of Figures ..........................................................................................................viii
List of Tables ............................................................................................................viii
Chapter One: Introduction .........................................................................................1
  1.1 Private Retirement Schemes (PRS) .................................................................1
  1.2 Advertising Self-disclosures ..........................................................................4
  1.3 Advertising Message Appeals ................................................................. ......5
  1.4 Regulatory Focus and Regulatory Fit ..............................................................6
  1.5 Advertising Self-disclosure and Appeal and Regulatory Focus
      Relationship ........................................................................................................8
  1.6 Research Problem .........................................................................................10
  1.7 Rationale for Study ......................................................................................15
  1.8 Dissertation Organization ...........................................................................20
Chapter Two: Literature Review .............................................................................21
  2.1 Private Retirement Schemes .........................................................................21
  2.2 Advertising Self-disclosures .........................................................................23
  2.3 Advertising Message Appeal .........................................................................26
  2.4 Regulatory Focus Theory and Regulatory Fit .................................................29
  2.5 Advertising Response Outcome .....................................................................33
  2.6 Cognitive Measure .......................................................................................33
      2.6.1 Knowledge Perception ...........................................................................34
  2.7 Affective Measure .........................................................................................35
      2.7.1 Attribute Evaluation towards Advertisement ...........................................36
  2.8 Conative Measure ........................................................................................36
      2.8.1 Buying Intention ....................................................................................37
  2.9 Operational Definition – Advertising Message Appeal ....................................39
  2.10 Operational Definition – Advertising Self-disclosures ..................................40
Chapter Three: Research Theoretical Framework .................................................41
  3.1 Policy Directions in the Malaysian Capital Market ...........................................41
  3.2 Financial Services Self-disclosures and Information Processing ...............43
Appendices ........................................................................................................191
Curriculum Vitae ...............................................................................................199