

INFLUENCE OF ADVERTISEMENTS ON CONSUMER BEHAVIOR - AN EMPIRICAL STUDY

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Abstract *Advertising is the key promotional tool in Integrated Marketing Communication. The influence of advertising on consumer behavior can not be over emphasized. However, the strong criticisms regarding overuse and misuse of advertising rising doubt on the exploitation of the potential effectiveness of this powerful tool. Companies need to learn the right ways to use advertisements for the promotion of their products and services. For the purpose, it is necessary to understand and estimate the influence of advertising on the behavior of the target market. This paper is based on an empirical study which presents an analytical view of; i) the consumers' interest, sources and occasions of visualizing advertisements, ii) Category of advertisements observed and perception of specific benefits from advertisements, iii) Influence of execution styles, brand ambassadors and media and iv) Influence of advertisements on purchase of different product categories.*

Keywords *Execution styles, brand ambassador, advertising media.*

INTRODUCTION

Advertising fulfills a number of tasks like awareness, communicating product attributes and benefits, reminding the consumers, generate repeat purchases and contributing for the development of consumer base. Every company tries to occupy customer mind space and this has increased the scope of advertising (Ravindra et al., 2010). Although personal selling, sales promotion, publicity, and public relations are important elements of promotional activities within the marketing mix but advertising is the most visible and noticeable component (Coulter et al., 2001). The question is not the choice of using advertising rather how effectively advertising campaign is designed and executed. Advertising campaigns were successful in increasing product awareness when the product market was highly competitive, the product being advertised had unique characteristics and was for the consumer market, advertising messages were creative, media selection was appropriate, and financial resources were adequate (Korgaonkar et al., 1984). Extant literature has suggested that consumers in general have positive attitudes toward advertising and feel that direct to consumer advertising is a valuable source of information regarding various products and services (Perri and Nelson, 1987; Perri and Dickson, 1988; Everett, 1991; Williams and Hensel, 1995; Shavitt et al., 1998; Paul et al., 2002).

Marketers are continually searching for ways to make their products and services appear more attractive to consumers. However, consideration from the company's perspective of the positive aspects of such strategies must be balanced with

that of consumers' perceptions, given that these contribute to complicating their purchasing experience (Estelami, 2003a). It was found that advertising for existing products achieved deeper penetration than advertising for new products (Toshie et al., 2000). Advertisements should also be in accordance with professional business practice and have a feeling of social responsibility, so that the public's faith in advertising is not affected negatively (Civildepartementet, 1994). Advertisement has strong linkage with entertainment also and the proliferation of media has blurred the distinguishing lines between advertisements and entertainment (Moore, 2004).

Advertising affects long-term memory and then long-term memory affects sales. In other words, advertising indirectly affects consumer behavior with brand equity as the bridge (Tim Ambler, 2011). Advertisements which are unbelievable or over-dramatized can irritate consumers, and their claims frequently are not accepted (Obermiller et al., 2005).

Advertisements could easily become misleading in nature and possibly generate false beliefs about the products or services advertised if they are not responsible (Simona, 2006). As reported by Lee and Han (2002), consumers may react unfavourably to complex price information compared to simple, unidimensional prices; such information could be more detrimental when faced with perceived marketers' irresponsible, misleading pricing practices. Estelami (1997) in examining multi-dimensional pricing, encourages marketing managers to apply communication practices fairly, especially in consideration of negative consumer

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reactions in the event of being misled. Estelami (2003a) discourages the excessive use of multi-dimensional pricing, due to consumers' tendency to consider these communication practices misleading in general and consequently form negative attributions regarding the seller.

Luo and Donthu (2005) identified advertising media and spending inefficiencies in generating sales, and concluded that top 100 marketers' advertising spending in print, broadcast, and outdoor media are not efficient and could bring in 20 percent more sales. Past studies reveal a fairly strong relationship between advertising investments and sales. Twedt and Knitter (1964) observed some relationships between larger investments in print media and profits. Sturgess and Young (1981) identified the direct relationship between sales and advertising expenditures as more relevant to a company's performance variables than any other test of communication effectiveness of advertising. Schultz and Wittink (1976) stated that 'although some studies have reported a positive influence of primary advertising on primary demand, no conclusive empirical evidence has been brought to bear on the major premise'. Marketers should focus on outcomes, not outputs, and the true value of advertising itself is in marketing results (Schultz, 1997).

RESEARCH PROBLEM

In this competitive world, companies are more and more depending on advertising to communicate effectively to target markets and influence the prospective buyers in favour of their products and services. Consumers, on the other hand, are excessively exposed to advertisements in different media and as a result becoming more selective in perception of advertisements. The other media of communication such as direct marketing, personal selling, public relations and events and experiences also play a vital role in influencing consumer behavior. The consumers are more empowered in recent years particularly through information access and developments in communication technology. The question like how are advertisements now influencing consumers? need to be answered by the companies before finalizing the marketing communication strategy. This study aims to find out the influence of advertisements in drawing attention, creating benefit perception, selection of products and so on.

OBJECTIVE

The study examines (i) the consumers' interest, sources and occasions of visualizing advertisements, (ii) category of advertisements observed and perception of specific benefits from advertisements, (iii) influence of execution styles, brand ambassadors and media on consumer behavior and (iv) influence of ads on purchase of different product categories.

METHODOLOGY

The study is based on primary data sources. An opinion survey was conducted in three major cities of Andhra Pradesh such as Hyderabad, Vijayawada and Visakhapatnam. A sample of 600 consumers was selected by using stratified sampling technique. The sample is divided equally among the three cities, between males and females and among different age groups. The mean age of the sample was found to be 42.5 years. The opinions are collected using ranking scale. The values are calculated by assigning weights to 1 – 5 ranks. The scores are measured as % to MPS (maximum possible score). The following are the findings of the study.

The Consumers' Interest, Sources and Occasions of Visualizing Advertisements

The objective of an advertisement is to attract the attention of the target audience and to communicate and persuade them to buy products / services. Reaching the audience is the fundamental goal of an advertising campaign. In order to reach them effectively it is necessary to find answers to the following three questions. 1) Whether people like to see advertisements? 2) What are the sources of visualizing advertisements; and 3) When people see advertisements? The study revealed that about 89 percent of the respondents like to see advertisements in different media. The television is the most used media by the respondents to see advertisements. This factor got the highest score of 2839 representing 94.63 % to maximum possible score (MPS). The second major source is newspapers. This factor got the second highest score of 2472 representing 82.40 % to MPS. The other occasion wherein the respondents see advertisements include 'when they come across attractive hoardings and posters' (score 47.33 % to MPS), 'when they listen to FM Radio' (42.53 % percent to MPS). Magazines / Journals, however, occupy fifth place as a source for viewing advertisements

(Table 1). The results of the chi-square test revealed that the major sources are similar across the age groups, gender and occupation of the respondents.

Table 1 Sources of visualizing advertisements

Sources	Score	% to MPS
Television	2839	94.63
Newspaper	2472	82.40
Magazines / Journals	912	30.40
FM Radio	1276	42.53
Hoardings and Posters	1420	47.33
Pamphlets	81	02.70

Source: Primary data

The majority of the respondents view advertisements when they have to purchase products / services (score 72.20 % to MPS). The second occasion was when family members refer any advertisement (score 70.50 % to MPS). The third occasion rated by the respondents was when they need to purchase costly products / services (Table 2).

Table 2 When do you see advertisements?

Occasions	Score	% to MPS
When I have to purchase products / services	2181	72.70
When I need to purchase costly products / services	1934	64.47
When I do not know the products / services availability to an identified need	1138	37.93
When family members refer any advertisement	2115	70.50
When I am exposed to media for some other purpose	909	30.30
When I do shopping	723	24.10

Source: Primary data

Category of Advertisements Observed And Perception of Specific Benefits From Advertisements

The consumers are exposed to a wide variety of advertisements related to various product categories. The consumers may not be showing similar interest in all the categories. The consumer interests may be influenced by various behavioral dimensions. It was found in the study that the advertisements of home appliances were observed by the majority of the respondents critically (score 39.73 % to MPS) (Table 3). Electronics are the second major category in which the respondents observed advertisements critically and the third place goes to jewellery advertisements. The advertisements related to hotels and transport rated very poorly by the respondents in this respect. The study found that there are wide variations in preferences of advertisements of various product categories, among different age groups, gender wise and occupation wise.

Table 3 Category of advertisements the respondents observe critically

Product categories	Score	% to MPS
Grocery	488	16.27
Electricals	500	16.67
Electronics	1174	39.13
Clothing	976	32.53
Home Appliances	1192	39.73
Furniture	422	14.07
Jewellery	984	32.80

Banking	582	19.40
Insurance	632	21.07
Hospitals	326	10.87
Education	578	19.27
Transport	186	06.20
Tourism	356	11.87
Hotels	166	05.53
Fitness and Beauty	438	14.60

Source: Primary data

Companies advertise their products and services to achieve their marketing goals. Consumers on the other hand observe and study advertisements with an expectation of certain benefits. The benefits listed by the respondents include recognition of new needs, identification of choices, evaluation of choices, knowledge of sources of availability, advance planning of purchasing, knowledge of prices and knowledge of product features and benefits. The study revealed (Table 4) that identification of choices (score 56.60 % to MPS) is the major benefit derived by the respondents from advertisements followed by knowledge of sources of availability (score 45.40 % to MPS) and the knowledge of prices (score 44.33 % to MPS). The major benefits derived by the respondents from advertisements varied among different age groups, gender wise and occupation wise.

Table 4 Specific advantages identified in advertisements

Specific benefits	Score	% to MPS
Recognition of new needs	1176	39.20
Identification of choices	1698	56.60
Evaluation of choices	1176	39.20
Knowledge of Sources of Availability	1362	45.40
Advanced Planning of Purchase	944	31.47
Knowledge of Price	1330	44.33
Knowledge of Product Features and benefits	1314	43.80

Source: Primary data

Influence of execution styles, brand ambassadors and media

Advertising is a creative activity. The advertisers try to communicate to the target audience differently and with a new approach to attract the attention, arouse desire, create interest and to stimulate action tendencies in the audience. Though the execution styles are different and specific to product, situation, time and other factors, they fall broadly under a different heads of execution styles. The popularly followed styles of execution of advertisements include celebrity advertisements, testimonial advertisements, slice of life advertisements, musical advertisements, technical ad-

vertisements, cartoon advertisements, personification advertisements, comedy advertisements and life style advertisements. The study revealed that celebrity advertisements are the mostly influencing advertisements. This execution style got the highest score of 1588 which represents 52.92 % to MPS (Table 5). Musical advertisements occupied second position with a score of 1348 representing 44.93 % to MPS. Slice of life advertisements occupied the third position. Cartoon advertisements and personification advertisements got relatively the lower ratings. The study also reveals that there is variation between age groups, gender wise and occupation wise as far as the influence of execution styles of advertisements is concerned.

Table 5 Influence of different execution styles

Execution styles	Score	% to MPS
Celebrity advertisements	1756	58.53
Testimonial advertisements	698	23.27
Slice if life advertisements	1098	36.60
Musical advertisements	1348	44.93
Technical advertisements	1050	35.00
Cartoon advertisements	634	21.13
Personification advertisements	634	21.13
Comedy advertisements	912	30.40
Life Style advertisements	870	29.00

Source: Primary data

Advertisers use different media to reach the consumers. The popular media include newspapers, magazines / journals, television, posters, hoardings, pamphlets, radios, cinema, personal channels and internet. The study revealed that television is the most influencing advertising media followed by newspapers and hoardings. The respondents' rating for television was 80 % to MPS while the rating of newspapers was 66.2 % to MPS (Table 6). Hoardings got a score of only 35.53 % to MPS. Pamphlets got the lowest rating followed by personal channels and internet. Thus it reveals that television and newspapers are outplaying the other media in influencing the consumers. The internet still is not a powerful media to reach the consumers. The age wise analysis on influence of advertising media reveals a marked difference between the respondents of below 37 years of age and above 37 years of age. The top three media for the former age group were television, newspaper and magazines / journals. The top two influencing media are the same for the 38 plus age group also. Hoardings are the third most influencing media for this age group. Television and newspaper are the commonly rated media for both males and females. The occupation wise analysis also reveals that the television and newspaper are the first two credible media. It can be inferred from the data that there is no significant difference among different age groups, gender and occupation of the respondents in respect of influence of media.

Table 6 Influence of advertising media

Media	Score	% to MPS
Newspapers	1986	66.20
Magazines/Journals	864	28.80
TV	2432	81.07
Posters	586	19.53
Hoardings	1066	35.53
Pamphlets	256	8.533
Radio	688	22.93
Cinema	420	14.00
Personal channels	324	10.80
Internet	378	12.60

Source: Primary data

Influence of advertisements on purchase of different product categories.

Consumers are exposed to the large number of advertisements day in and day out through different media. Marketers of different goods and services attempt to influence consumers, through advertisements, their purchase behavior. The findings of the study drive to the conclusion that consumers are more influenced by advertisements in the case of electronics, home appliances and clothing. The influence of advertisements is significant in case of all other goods and services, listed in Table 7. The rating of the respondents on this issue varied between 64.8 % to MPS and 75.93 % to MPS. The study reveals that the influence of the advertisements vary among different age groups, occupation wise, but it was found that there is no significant difference between males and females as far as influence of advertisements on purchase behavior of various products and services except in the case of jewellery (Standard Deviation 90.5) and fitness and beauty (standard Deviation 94.8).

Table 7 Influence of advertisements on purchase of different product categories

Product category	Score	% to MPS
Grocery	98	03.27
Electricals	106	03.53
Electronics	2188	72.93
Clothing	1765	58.83
Home Appliances	1838	61.27
Furniture	488	16.27
Jewellery	1237	41.23
Banking	88	02.93
Insurance	123	04.10

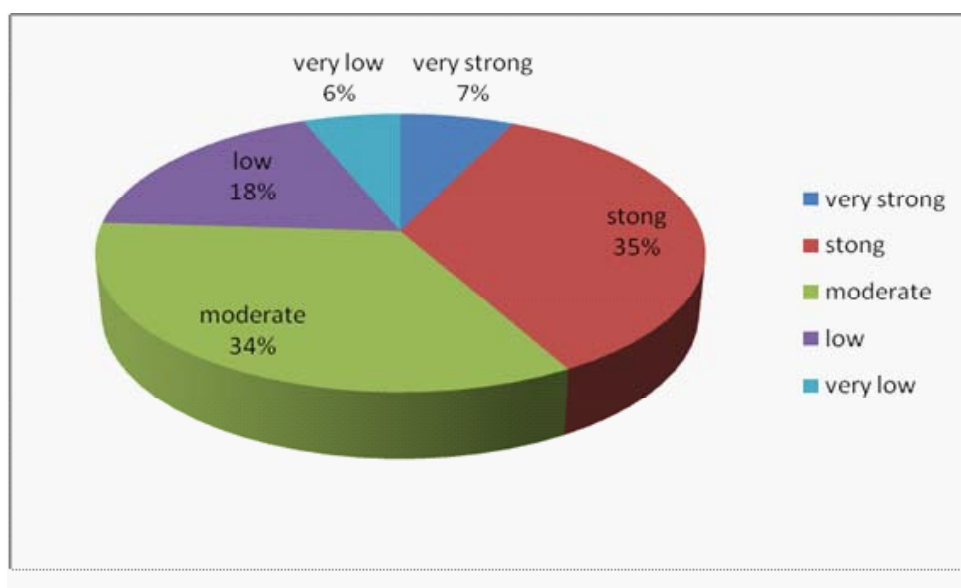
Hospitals	22	00.73
Education	299	09.97
Transport	54	01.80
Tourism	185	06.17
Hotels	55	01.83
Fitness and Beauty	454	15.13

Source: Primary data

The use of brand ambassadors is a common practice of most advertisers particularly in the consumer goods and services

segment. The influence of the brand ambassadors on the behavior of consumers has been studied. It was found in the study (Figure 1) that the influence of the brand ambassadors was very strong to seven percent of the respondents and strong to 35 percent of the respondents. Thirty four percent of the respondents revealed that the influence of brand ambassador on their purchase behavior was moderate while 18 percent revealed that the influence was low and 6 percent stated that the influence was very low. Thus it can be inferred that the brand ambassadors play a major role in influencing the consumer behavior.

FIGURE 1 Influence of brand ambassador



Source: Primary data

CONCLUSION

Advertisers need to know periodically the influence of advertising on consumer behavior to identify the gaps in exploiting this powerful promotional tool. The findings of the study reveals that the majority of the consumers like to view advertisements. It is a very positive factor for advertisers. The study found television and newspapers as the most powerful media to reach the target audience. Advertisements related to home appliances, electronics and jewellery are viewed by the consumers critically. The advantages perceived by the consumers from advertisements include identification of choices, evaluation of choices and knowledge of features and benefits. Celebrity advertisements and musical ads are preferred by the consumers. Brand ambassadors are influencing the consumers significantly.

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