

IMPACT OF ADVERTISEMENTS ON CONSUMER DECISION MAKING PROCESS

K. Rama Mohan Rao*

U.V. Adinarayana Rao**

*Department of Commerce and Management Studies, Andhra University, Visakhapatnam

** Associate Professor, GITAM University, Visakhapatnam

Abstract

Advertising is a psychological game. The advertisers make appeals to the target audience to make them respond positively to their marketing offers. The trends all over the world are indicating that the use of advertisements as a communicating tool is increased year by year through different media channels. The consumers are exposed to a wide variety of advertisements of various companies and through different media. It is necessary to know whether the advertisements are really impacting the consumers in their behavior and purchase decision process and what kind of opinions the consumers are having against the quality and impact of advertisement?. This paper is based on an empirical study and makes an attempt to answer the issues identified.

Key words:

Consumption habits, Life style, Quality decision making, Sex exploitation, Consumer emotions.

1. Introduction

Companies use advertising to establish a basic awareness of the product or service in the mind of the potential customer and to build up knowledge about it (Morden, 1991). The use of advertising to influence the consumers is increasing year by year. Marketers believe that advertising creates or augments the perceived degree of differentiation among brands. This will increase brand “loyalty” which, in turn, will reduce demand elasticities, increase markups of price over marginal cost, increase barriers to entry and reduce consumer welfare (Bain, 1956; Comanor and Wilson, 1979).The specialty of advertising is that it is capable of generating the need for a product which otherwise may not be felt by the consumers.

Research studies indicated that the consumers’ attitudes toward advertisements and their attitudes toward brands may shape their purchase intentions (De Pelsmacker and Van Den Bergh, 1996; Mackenzie et al., 1986; Mitchell and Olson, 1981; Percy and Rossiter, 1992; Shimp, 1981). Further it is indicated that the attitude towards advertisement has been provided a significant influence on advertising effectiveness, brand attitudes and purchase intentions (Mitchell and Olson, 1981; Shimp,

1981; Lutz et al, 1983; Lutz, 1985; MacKenzie et al, 1986; MacKenzie and Lutz, 1989). It is shown that if advertisements are easy to process, the effects of consumers' associations depend on their favourableness: positive associations have a positive effect and negative associations have a negative effect on brand attitude (Sandra Praxmarer and Heribert Gierl, 2009). The levels of extraversion and openness directly affect responses to advertisements as measured with attitude towards the advertisement (Iain et al., 2010).

The opinion on how to create impact on consumers' purchase behavior through advertisements is not universally the same. For example, Holbrook (1987) argues that advertising must reflect consumer values because otherwise consumers will not accept the counter-cultural values presented. Pollay (1986, 1987) disagrees, arguing that advertising cannot reflect values of society's culture as a whole. He says that advertising instead reflects only specific values or lifestyles within the broader value structure. It indicates from the review of literature that there are positive as well as negative influences on consumers from advertisements.

2. Research Problem

Companies are focusing more on advertising in recent years to communicate the target market effectively. The fast changing competition scenario in almost all the business domains is forcing the companies to strengthen their marketing operations to establish and continue with the customer connectivity. Advertisements thus assumed greater significance particularly in consumer goods and services marketing. The marketers are leaving no stone unturned to have communication contact with customers and to influence their purchase behavior and purchase decision process. The issues like, how advertisements impact the behavior of consumers and their purchase decision process? What are the perceptions of the consumers on quality of the advertisements from individual and societal perspective?, are need to be examined by the marketers in formulating advertising strategy. An attempt is made in this paper to find answers to these issues with the support of empirical data and information.

3. Objectives

The basic objective of the study is to measure the impact of advertisements on consumer behavior and various stages in the purchase decision process of the consumers. Besides, the study also aims to collect opinion of the customers on quality of advertisements, use of sex in advertisements, influence of advertisements on society and on the criticisms of advertisements.

4. 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 five point scale. The values are calculated by assigning weights (1 – 5). The scores are measured as percentage to MPS (maximum possible score). The following are the findings of the study.

5. Findings

A. Impact on Consumer Behavior

The impact of advertisements on consumer behavior in relation to more consumption of goods and services, consumption habits, life style and quality in decision making has been studied and the data were presented in Table 1.

Table 1: Impact of advertisements on consumer behavior

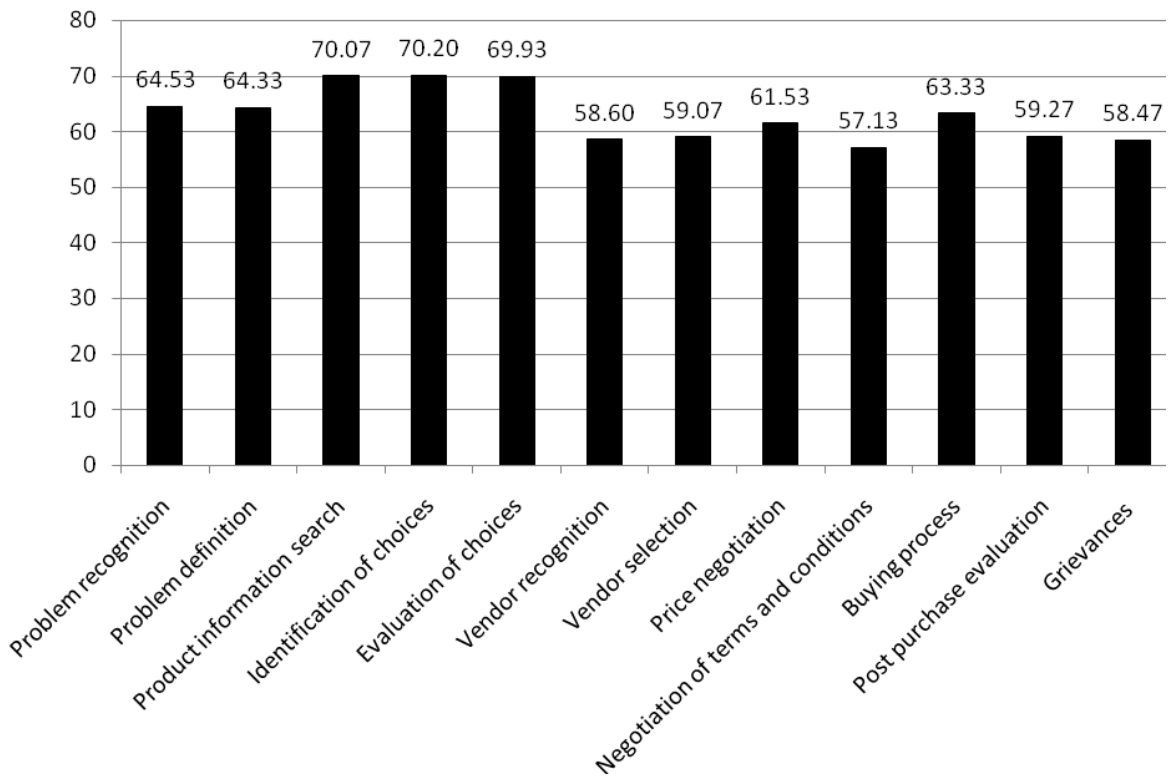
Particulars	Total Score	% to MPS	Weighted Mean	Chi-square Values		
				Age	Gender	Occupation
Consumption of goods and services	2048	68.27	3.41	51.59	23.59	50.80
Consumption habits	2028	67.60	3.38	51.32	18.10	40.50
Life style	2088	69.60	3.48	114.60	12.60	65.62
Quality decision making	2082	69.40	3.47	132.80	14.20	86.16

Source: Primary data

The study revealed that the influence of advertisements is significant in all the behavioral dimensions as the score obtained on each of the factors is more than 67% to MPS. The highest impact was on life style followed by quality in decision making and more consumption of goods and services. The respondents in the age group of 37 years and below had high impact of advertisements on their life style. For the 18-27 years of age group the second major influence was on more consumption of goods and services followed by quality in decision making. The respondents of 28-37 years of age group revealed that besides influence on life style the advertisements influenced mostly in making quality purchase decisions and in consuming more goods and services. The respondents of 38-47 years of age group revealed that the most significant influence of advertisements is quality decision making followed by change in consumer habits and change in life style. Consumption habits are mostly influenced by advertisements in the case of respondents belonging to 48-57 years of age group. The two other areas influenced mostly include life style and consumption of goods and services for this group. The respondents who are of more than 57 years of age revealed that they are influenced most to consume more goods and services followed by change in life style and changing habits. It reveals from the analysis that there are variations in impact of advertisements on consumer behavior with respect to different age groups. In the case of males the impact of advertisements was more in consumption of goods and services while in the case of females the impact was more on their life style. The occupation wise analysis of the data reveals that the impact of advertisements was most on consumption habits in case of businessman, quality in decision making in case of employees, life style in the case of housewives and students.

B. Impact at various stages of purchase decision making

Consumers pass through different stages in their purchase decision process. The issues involved in the process include (i) Problem recognition (ii) Problem definition (iii) Product information search (iv) Identification of choices (v) Evaluation of choices (vi) Vendor recognition (vii) Vendor selection (viii) Price negotiation (ix) Negotiation of terms and conditions (x) Buying process (xi) Post purchase evaluation and (xii) Grievances. The data shown in Table 2 indicate that the impact of advertisements in each and every area in purchase and post purchase process is significant. The data as percentage to MPS was presented in Figure 1.



Source: Primary data

Figure 1: Role of advertisements at various stages of your purchase decision process

The scores obtained for each variable represent more than 50 percent to MPS. The lowest impact is on negotiation of terms and conditions (57.13 % to MPS) while highest impact is on identification of choices (70.20 % to MPS). The mean values of problem recognition, problem definition, product information search, identification of choices, evaluation of choices, price negotiation and buying process are >3 while the mean values of vendor recognition, vendor selection, negotiation of terms and conditions, post purchase evaluation and grievances are <3. The study further reveals that there is a wide variation of the impact of advertisements on various identified factors across different age groups, gender and occupation. There is commonality between gender as far as product information search and negotiation of terms and conditions are concerned. It can be inferred from the above that there is a strong impact of advertisements on problem recognition, problem definition, product information search, identification of choices, evaluation of choices, price negotiation and buying process. The impact of

advertisements on factors such as vendor recognition, vendor selection, negotiation of terms and conditions, post purchase evaluation and grievances is not that significant.

Table 2: Role of advertisements at various stages of purchase decision process

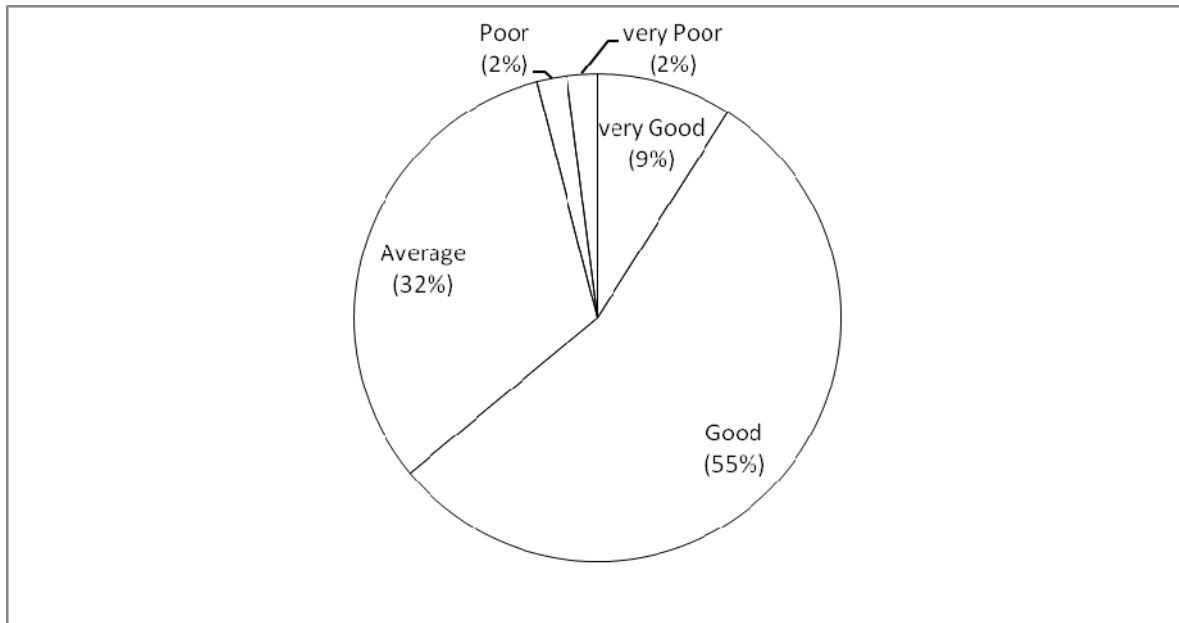
Particulars	Total Score	% to MPS	Weighted Mean	Chi-Square Values		
				Age	Gender	Occupation
Problem recognition	1936	64.53	3.23	53.80	27.70	34.36
Problem definition	1930	64.33	3.22	57.59	22.60	34.89
Product information search	2102	70.07	3.50	30.37	5.67	37.74
Identification of choices	2106	70.20	3.51	70.47	13.10	47.89
Evaluation of choices	2098	69.93	3.50	99.41	27.90	80.27
Vendor recognition	1758	58.60	2.93	82.17	12.20	105.32
Vendor selection	1772	59.07	2.95	61.61	18.61	87.77
Price negotiation	1846	61.53	3.08	37.89	16.20	33.91
Negotiation of terms and conditions	1714	57.13	2.86	44.35	5.57	53.39
Buying process	1900	63.33	3.17	50.89	12.89	64.00
Post purchase evaluation	1778	59.27	2.96	60.98	22.40	33.93
Grievances	1754	58.47	2.92	43.07	19.70	58.55

Source: Primary data

C. Opinion on Quality of Advertisements

The study revealed that the majority of the respondents representing 55 percent of the total are of the opinion that the quality of advertisements is good (Figure 2). Nine percent of the respondents rated the

quality of advertisements as very good. Thirty two percent of the respondents rated the quality as average while four percent of the respondents rated the quality as poor or very poor. Thus the consumers are satisfied with the quality of the advertisements.



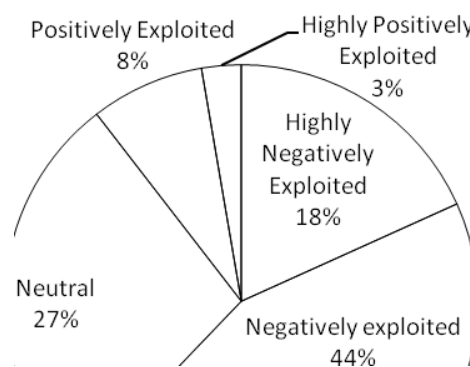
Source: Primary data

Figure 2: Opinion on the quality of advertisements

D. Opinion on use of fair sex in advertisements

Advertisers' reliance upon the use of sexual imagery and text to attract consumer's attention is increasingly common in today's saturated media culture (LaTour and Henthorne, 1994; Reichert, 2007; Reichert and Carpenter, 2004; Severn et al., 1990; Streitmatter, 2004). It is also a fact that the audience is more attracted to those advertisements that feature women in some role. Today's advertisers are portraying women in different roles, according to the products and services being advertised (Vikas, 2010). The demand of women in advertising is increasing day by day. Goffman (1978) in his work examining images of women in magazine advertisements, concluded that women are weakened by their advertising portrayals in five areas: relative size (women are shown smaller or lower than men), feminine touch (women are constantly touching themselves), functional ranking (lower status occupations than men), subordination (women are lying down at inappropriate times), and licensed withdrawal (women are never quite part of the scene). According to Ivas (2000) women were used in six

different categories in advertisements. The first category was female used as a prop, canvas, or silhouette for displaying a product. The second category was female as a prop representing non-fashion items in unrealistic settings. The third was female realistically wearing or using the fashion product. The fourth was female unrealistically wearing or using fashion product. The fifth was female form used to promote cosmetic products. The sixth category reflected females as props for other females promoting apparel or accessories. Against this backdrop an attempt is made to know the opinion of the respondents on the use of women in advertisements.



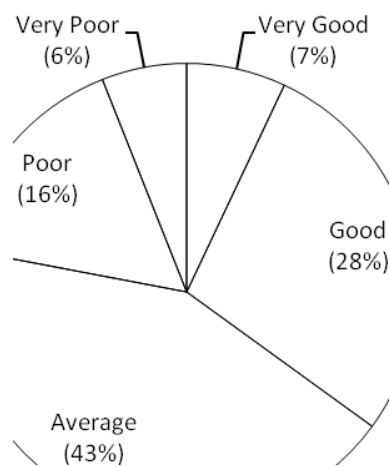
Source: Primary data

Figure 3: Opinion on the use of fair sex in advertisements

The majority of the respondents revealed that women are negatively exploited in advertisements (Figure 3). Out of the total, 18 per cent of the respondents revealed that the women are highly negatively exploited while 44 per cent revealed that women are negatively exploited in advertisements. Only 11 per cent of the respondents are of the opinion that the women are either positively exploited or highly positively exploited.

E. Opinion on the quality of translation and voice dubbing in advertisements to suit regional languages

It is found in Indian advertisements many companies are using the same ad copy to different regions and languages by way of translating into regional languages and voice dubbing. There are criticisms against the word choices and the quality of voice dubbing. The study found that only 35 percent rated quality of translation and voice dubbing in advertisement is either good or very good (Figure 4). About 43 percent of the respondents rated the quality as average while 22 percent rated it either poor or very poor.



Source: Primary data

Figure 4: Opinion on the quality of translation and voice dubbing in advertisements to suit regional languages

The grievances of the respondents on the six criticisms against the advertisements are ascertain and presented in Table 3. The criticisms are (i) Advertisements promotes unnecessary consumption (ii) Advertisements are an unnecessary cost on consumers (iii) Advertisements are mislead (iv) Advertisements trigger consumer emotions (v) Fair sex exploitation is high in advertisements and (vi) Indian culture is affected by advertisements.

Table 3: Opinions on criticisms on advertisements

Particulars	Total Score	% to MPS	Weighted Mean	Chi-Square Values		
				Age	Gender	Occupation
Advertisements promotes unnecessary consumption	2184	72.80	3.64	57.86	19.70	61.27
Advertisements gives an unnecessary cost on consumers	2130	71.00	3.55	39.45	22.30	63.47
Advertisements are misled	2018	67.27	3.36	87.95	9.50	50.46
Advertisements trigger consumer emotions	2160	72.00	3.60	57.74	9.21	22.61
Sex exploitation is high in advertisements	2116	70.53	3.53	40.80	14.80	33.73
Indian culture is affected by advertisements	2170	72.33	3.62	67.84	0.86	64.74

Source: Primary data

The study revealed that the majority of the respondents agreed to all the six criticisms (Table 3). The criticism ‘advertisements promotes unnecessary consumption’ got the highest score (72.80 % to MPS) followed by ‘Indian culture is affected by advertisements’ (72.33 % to MPS) and ‘advertisements trigger consumer emotions’ (72.00 % to MPS). The mean values varied between 3.36 and 3.64. The chi-square values indicate the opinions are varied among different age groups and different occupational segments. As far as gender is concerned the opinions are consistent against three criticisms such as ‘advertisements are misled’, ‘advertisements trigger consumer emotions’ and ‘Indian culture is affected by advertisements’ and the opinions are varied on the other three criticisms such as ‘advertisements promotes unnecessary consumption’, ‘advertisements are an unnecessary cost on consumers’ and ‘fair sex exploitation is high in advertisements’.

6. Conclusions

Companies use advertisements to inform, persuade or remind the consumers about the products offered by them. They expect the consumers to respond positively to the stimulation given through the advertisements. Thus the measurement of impact of advertisements is of vital significance to the companies. The study revealed that the impact of advertisements on consumer behavior as well as the purchase decision process is significant. The consumers are satisfied with the quality of advertisements also. The consumers expressed their serious concern on exploitation of women in advertisements. The majority of the respondents voiced against the misuse of advertisements in influencing the consumers and the negative impact of advertisements on consumers and society. The marketers need to realize the positive as well as negative impact of advertisements on individuals and society. If the negative impacts are either eliminated or minimized, there is no doubt that advertisements become the most powerful communication to achieve marketing goals of any company.

7. References:

Bain, Joe 1956. *Barriers to new competition: their character and consequences in manufacturing industries*, Harvard University Press, Cambridge.

Comanor, W.S. and T.A. Wilson 1979, “*The Effects of Advertising on competition*”,
Journal of Economic Literature, 17 (June), pp. 453-476.

De Pelsmacker, P. and Van Den Bergh, J. 1996, “*The communication effects of provocation in print advertising*”, International Journal of Advertising, Vol. 15 No. 30, pp. 203-21.

Goffman, E. 1978, *Gender Advertisements*, Harvard University Press, Cambridge, MA.

Holbrook, M.B. 1987, “*Mirror, mirror, on the wall, what’s unfair in the reflections on advertising?*”
Journal of Marketing, Vol. 51, July, pp. 93-103.

Iain R. Black, George C. Organ, Peta Morton, 2010 “*The effect of personality on response to sexual appeals*”, European Journal of Marketing, Vol. 44 Iss: 9/10, pp.1453 – 1477.

- Ivas, L. 2000, "*Female – a prop: using the female body as a sales tool in advertising*", paper presented at the International Textile and Apparel Association Annual Meeting, New York, NY, 2002,
- Lutz, R. MacKenzie, S. and Belch, G. 1983, "*Attitude toward the ad as a mediator of advertising effectiveness: determinants and consequences*" in Bagozzi, R. Tybout, A. (Eds), *Advances in consumer research*, Vol. 10, Association for consumer research, Ann Arbor, MI, pp. 532 – 9.
- Lutz, R. 1985, "*Affective and cognitive antecedents of attitude towards the ad: a conceptual framework*", in Alwitt, L. Mitchell, A. (Eds), *Psychological processes and advertising effects*, Erlbaum, Mahwah, NJ, pp. 45 – 63.
- LaTour, M.S. and Henthorne, T.L. 1994, "*Ethical judgments of sexual appeals in print advertising*" *Journal of Advertising*, Vol. 23 No. 3, pp. 81-90.
- Morden A.R. 1991. *Elements of Marketing*, London: D.P. Publication Ltd.
- MacKenzie, S.B., Lutz, R. and Belch, G.E. 1986, "*The role of attitude toward the ad as a mediator of advertising effectiveness: a test of competing explanations*", *Journal of Marketing Research*, Vol. 23 No. 2, pp. 130-43.
- MacKenzie, S. and Lutz, R. 1989, "*An empirical examination of the structural antecedence of attitude-toward-the-ad in an advertising pretesting context*", *Journal of marketing*, Vol. 53, April, pp. 48 – 65.
- Mitchell, A.A. and Olson, J.C. 1981, "*Are product attribute beliefs the only mediator of advertising effects on brand attitude?*", *Journal of Marketing Research*, Vol. 18 No. 8, pp. 318-32.
- Percy, L. and Rossiter, J.R. 1992, "*Advertising stimulus effects: a review*", *Journal of Current Issues & Research in Advertising*, Vol. 14 No. 1, pp. 75-90.
- Pollay, R.W. 1986, "*The distorted mirror: reflections on the unintended consequences of advertising*",

Journal of Marketing, Vol. 50 No. 2, pp. 18-36.

Pollay, R.W. 1987, "*On the value of reflections on the values in the distorted mirror*", Journal of Marketing, Vol. 51 No. 3, pp. 104-9.

Reichert, T. 2007, "*Does sex in advertising work? A review of scholarly research informed by professional opinion*", Advertising & Society Review, available at: <http://muse.jhu.edu/journals/asr/v008/8.2reichert.html>, accessed October 30, 2007.

Reichert, T. and Carpenter, C. 2004, "*An update on sex in magazine advertising: 1983 to 2003*", Journalism & Mass Communication Quarterly, Vol. 81 No. 4, pp. 823-37.

Shimp, T.A. 1981, "*Attitude toward the ad as a mediator of consumer brand choice*", Journal of Advertising, Vol. 10 No. 2, pp. 9-15.

Sandra Praxmarer, Heribert Gierl, 2009 "*The effects of positive and negative ad-evoked associations on brand attitude*", Asia Pacific Journal of Marketing and Logistics, Vol. 21 Iss: 4, pp.507 – 520.

Severn, J., Belch, G.E. and Belch, M.A. 1990, "*The effects of sexual and non-sexual advertising appeals and information level on cognitive processing and communication effectiveness*", Journal of Advertising, Vol. 19 No. 1, pp. 14-22.

Streitmatter, R. 2004, *Sex Sells!: the Media's Journey from Repression to Obsession*, Westview Press, Cambridge, MA.

Vikas Shrotriya, *Advertisements and Women*, April 2010, Advertising Express, pp.25.