



# An Impact of Advertisements on Purchase Decision of Youth with Reference to Consumer Goods

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## ABSTRACT

**Objective:** Advertising is the key for building, creating and sustaining brands. Advertisements play a major role in persuading, informing and reminding both potential and existing customers towards making a purchase decision. It plays a vital role in shaping dreams and aspirations and helps customer take conscious product and brand decisions. **Methodology:** Advertisements with endorsements create easy remembrance for the customers for the advertised brand or product as the customers associate the brand with the celebrity and can easily register the brand. Measuring the influence of Advertisement in Consumer Brand Preference is very essential for every marketer. **Results:** If advertisement does not create any positive change in consumers brand preference, all the resources such as money, time and efforts spent on advertisement will go in vain. Advertising also helps in creating Top of the Mind Awareness of a brand and aims at facilitating brand recall. **Conclusion:** The present study focuses on the assessment of the impact of advertisement on purchase of youth with reference to consumer goods.

## 1. Introduction

Marketers spend a large sum of money on advertising and face a major challenge in influencing the purchase decision of consumers favorably towards their product or service. The final goal is to influence the purchase decision of consumers as most marketers realize that purchase decision is the end result of a long process of consumer decision making (Marcoux et al., 1997). Consumer buying process is the complex process and includes the problem recognition, information search, evaluation of alternatives, purchase decision and post purchase evaluation (O'cass and Frost, 2002). Advertisers need to know the specific need that consumers are striving to satisfy and how these needs translate into purchase criteria, how consumers collect information from various sources and how this information is used to select from among competing brands and a purchase decision is taken (Furnham, A. et al., 2008). The subject of the effect of advertising on the consumer demand is complex (Vermeir and Verbeke, 2008). It is believed that economic and social factors effect on consumer demand. Along with these factors advertising pushes the consumer demand. Advertising is a potent communication tool which plays a very important role in consumer decision making (Hota and McGuigan, 2005). Advertising is meant to convey a message to the prospective customer or the audience. Advertising acts as an advisor and the message is the factor of conversion meant to bring about the person towards the product and its purchase (Young et al., 2010). Advertising is the communication link between the seller and the buyer or the consumer. It does not simply provide information about products and services but is an active attempt at influencing people to action. In other words, advertising does not end with the flow of information from the seller to the buyer; it goes further to influence and persuades people to action (O'Cass, 2000).

### 1.1 Review of Literature

According to Buzzell and Wiersema:

- a) Additional advertising normally increases sales but, at some point, the rate of return declines.

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- b) Sales response to advertising may build over time, but it is not durable, and a consistent investment is important.
- c) There are minimum levels of ad expenditure below which advertising expenditure has no effect on sales.
- d) There will be some sales even if the marketer does not advertise.
- e) Culture and competition impose saturation limits and beyond this no amount of advertising can increase sales.

Research indicates that in consumer goods marketing, increase in market share is more closely related to increase in marketing budget than reduction in prices.

Advertising objectives are totally separate from marketing objectives and the focus is on communication objectives that contribute to accomplishing the marketing objectives. It is logical to determine the impact of ad expenditures on the accomplishment of the communication objectives such as awareness, interest, attitude change etc. which may serve as the basis of the advertising program as these factors may lead to sales.

Chebat et al. (2001) quoted in their article that Consumers change their attitude all the more when the message relates to their own personal experience, which in turn depends on their own prior knowledge. They further reported that low involved consumers may reach information processing levels as deep as highly involved consumers. Also, they found a striking contrast between the effects of open vs closed conclusion messages on attitudes under open conclusion conditions. Depth of information processing, some involvement in dimensions, and prior knowledge enhances the attitude towards brand and the intention to buy.

Obermiller and Sawyer (2010) mentioned in their research that a positive ad picture, relative to a negative one, resulted in more and earlier search for the advertised brand. Perhaps most important, ad picture likeability led to significantly increased choice of that brand. Consumers, influenced by affective ad elements, would be biased to search the advertised brand information relatively early and then stop short of examining information on all other brands, which would increase choice if the advertised brand.

According to Banerjee and Bandopadhyay (2003), in the absence of the small brand advertising, larger brand shares encourage firms to allocate higher expenditure on advertising to enhance the perceived brand value of their brand, which in turn shore up the average prices in the industry from which both firms benefit.

Romaniuk & Sharp quoted in their research article that individual uses cue in different buying situation for recalling the brand ad and greater chance of brand to be retrieved of any buyer, when different attributes are attached to the brand, which creates brand association.

According to Sorina-Raula et al. (2012) Consumers run a certain risk in making a decision based on present information because this imperfect information does not enable them to predict exactly which product will procure the maximum satisfaction sought nor which brand really has the qualities desired. Thus, buyers are generally more responsive to 900 different brand advertisements while they are seeking information on these brands. This is why they become a choice target for the advertiser, provided the advertiser can identify and locate them.

### **1.2 Objectives**

- 1) To analyse the influence of advertising on purchase decision of youth.
- 2) To study the role of advertising in buying process.

### **1.3 Scope and Limitation**

The research study was conducted to assess an impact of advertisements on purchasing decision of youth. The study was conducted only for consumer goods. The data was collected from the youth especially college students. The study was conducted in Kolhapur city of Maharashtra state. The sample of 435 respondents was selected on random basis to collect the data.

### **1.4 Hypothesis**

- 1) Customers make purchases after watching television advertisement as they believe more on television advertisement.
- 2) There is a significant relationship between the exposure to the media and recall of advertisement at the time of purchase.
- 3) As advertisement provides the information to the customers, it helps to take better decisions.

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## **2. Materials and methods**

For the study both primary and secondary data are used. Primary data are collected through the questionnaire from the respondents. The questionnaire was prepared keeping in line with the objectives of the study. Five Point Likert scale was used to assess the response of the respondents. The ratings are given as follows:

- 1- Strongly Agree
- 2- Agree
- 3- Neutral
- 4- Disagree
- 5- Strongly Disagree

Data collected was analyzed by using percentage method and coefficient of correlation is calculated. Secondary data was collected from the books, journals and internet. The study was conducted with the sample size of 435 respondents. The respondents are the youth between the 18 to 22 age group. The random sampling method is used. The respondents are selected from the various colleges located in Kolhapur city randomly.

### 3. Discussion and results

#### 3.1 Analysis and Interpretation of the Data

Analysis of the primary data is done by using the percentage method and Pearson Coefficient of Correlation. Hypotheses are tested by using Chi Square test. Table 1 shows the use of particular media for getting the information about the various brands.

**Table 1. Sources of information**

Source of Information	Frequency
News paper	178 (40.9%)
Magazine	51 (11.7%)
Television	111 (25.5%)
Radio	90 (20.7%)
Hoardings	5 (1.1%)
Total	435(100%)

40% customers get the information about different consumer products from Newspaper, 25.5% from television. 20.7 % from radio, and 11.7% from magazine. Table 2 shows that the customer's believability on a particular media.

**Table 2. Believability on a particular media**

Media	Frequency
Newspaper	160 (36.8%)
Magazine	16 (3.7%)
Television	211 (48.5%)
Radio	41 (9.4%)
Hoardings	7 (1.6%)
Total	435 (100%)

48.5%, 36.8% respondents believe on the television and newspaper advertisement. Very few i.e. 9.4% and 3.7% respondents quoted that they believe on radio and magazine advertisement. Table 3 shows the analysis of the different statements regarding the advertisements of the various products they watch.

**Table 3. Analysis of the Statements**

Sr. no.	Statements / Responses	Strongly Agree (%)	Agree (%)	Can't Say (%)	Disagree (%)	Strongly Disagree (%)
1	Exposure to a particular media for long period.	15.2	43.9	26.4	12.6	1.8
2	Purchases are made after watching the advertisements.	14.7	49	20.2	15.7	0.7
3	Advertisements remind to purchase the goods.	14.7	52.2	15.2	14.9	3.0
4	Advertisements help to take better decisions.	17.9	48.3	19.8	10.8	3.2
5	At the time of purchasing advertisements are recalled.	10.6	49.9	17.7	17.9	3.9
6	Advertisements provide all the information needed.	12.4	32.4	20.0	27.4	7.8
7	Advertisements play a role to improve	17.5	47.1	15.6	15.6	4.1

	standard of living.					
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- 43.9% and 15.2% respondents agree that they are exposed to a particular media for a longer period.
- 49% and 14.7% respondents agree that they purchase the products after watching advertisements.
- 52.2% and 14.7% respondents quoted that advertisements remind them to purchase the products.
- 48.3% and 17.9% respondents mentioned that advertisements help them to take better decision.
- 49.9% and 10.6% respondents agree that previously seen advertisements are recalled while purchasing the products.
- 32.4% and 12.4% respondents quoted that advertisements provide all the needed information required by them.
- 47.1% and 17.5% respondents agree that advertisement help to improve standard of living.

Table 7.4 shows the correlation between Believability on TV advertisement & purchase decisions taken after watching Advertisement.

**Table 4. Correlation between Believability on TV ad & purchase after watching ads**

Believability on a particular media	You make your purchases after watching the advertisements					
	Strongly agree	Agree	Cannot say	Disagree	Strongly disagree	Total
Newspaper	64	96	0	0	0	160
Magazine	0	16	0	0	0	16
Television	0	101	88	22	0	211
Radio	0	0	0	41	0	41
Hoardings	0	0	0	4	3	7
Total	64	213	88	67	3	435

Pearson coefficient of correlation is 0.77. This shows that there is a positive correlation between Believability on TV advertisement & purchase decisions taken after watching Advertisement. The alternative hypothesis H1 is stated as customers make purchases after watching television advertisement as they believe more on television advertisement. Chi square test-  $\chi^2 = 6.518$  At 5% level of significance the critical value is  $\chi^2_{0.05} (16) = 26.296$ ,  $\chi^2 < 26.296$  Therefore the alternative hypothesis H1, customers make purchases after watching television advertisement as they believe more on television advertisement is accepted. Table 5 shows the correlation between the exposure to the media and recall of the advertisement at the time of purchasing the product.

**Table 5. Correlation Between the exposure to the media and recall of advertisement at the time of purchase**

You are exposed to a particular media for long period	Advertisements remind you to purchase the goods					
	Strongly Agree	Agree	Cannot Say	Disagree	Strongly disagree	Total
Strongly agree	64	2	0	0	0	66
Agree	0	191	0	0	0	191
Cannot say	0	34	66	15	0	115
Disagree	0	0	0	50	5	55
Strongly disagree	0	0	0	0	8	8
Total	64	227	66	65	13	435

Pearson coefficient of correlation is 0.932. This shows that there is a positive correlation between the exposure to the media and recall of advertisement at the time of purchase. The alternative hypothesis H1 is stated as there is a significant relationship between the exposure to the media and recall of advertisement at the time of purchase. Chi square test-  $\chi^2 = 1.062$  At 5% level of significance the critical value is  $\chi^2_{0.05} (16) = 26.296$ ,  $\chi^2 < 26.296$  Therefore the alternative hypothesis H1, there is a significant relationship between the exposure to the media and recall of advertisement at the time of purchase is accepted. Table 6 shows the Coefficient of Correlation between advertisements provides the information to the customers & advertisements helps to take better decisions.

**Table 6 Coefficient of Correlation between advertisements provides the information to the customers & advertisements helps to take better decisions**

Advertisements help you to take better decisions	Advertisements provide you all the information needed					
	Strongly agree	Agree	Cannot say	Disagree	Strongly disagree	Total
Strongly Agree	54	24	0	0	0	78
Agree	0	117	87	6	0	210
Cannot say	0	0	0	86	0	86
Disagree	0	0	0	27	20	47
Strongly disagree	0	0	0	0	14	14
Total	54	141	87	119	34	435

Pearson coefficient of correlation is 0.90. This shows that there is a positive correlation between advertisements provides the information to the customers & advertisements helps to take better decisions. The alternative hypothesis H1 is stated that as advertisement provides the information to the customers, it helps to take better decisions. Chi square test-  $\chi^2 = 9.300$  At 5% level of significance the critical value is  $\chi^2_{0.05} (16) = 26.296$ ,  $\chi^2 < 26.296$  Therefore the alternative hypothesis H1, as advertisement provides the information to the customers, it helps to take better decisions is accepted.

#### 4. Conclusion

From the study it can be concluded that the youth get the information about the different products mainly from television and newspaper advertisement. As the both of these are visual media, people believe more on these media. Majority of the youth make purchases after watching television advertisement as they believe more on television advertisement. Advertisements remind them to purchase the products. There is a significant relationship between the exposure to the media and recall of advertisement at the time of purchase. As advertisement provides the information to the customers, it helps to take better decisions and also helps to improve standard of living. Thus, from the research study it can be concluded that advertisement influence on the purchase decision of youth for consumer goods. Therefore, marketers need to design their advertisements and select such Medias by taking into consideration the buying behavior of youth and their interestse.

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