Chapter – I

Design of the Study
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1.1 INTRODUCTION

Advertising is a business of words! “A good advertisement is one which sells the product without drawing attention to itself” (David Ogilvy).

“Advertising is a paid form of non-personal representation and promotion of ideas, products or services”. (Kotler, 2000).

Today’s competitive era has made advertising as an inseparable and inevitable ingredient of marketing activities. In fact a major part of an organization’s budget is exploited towards advertising and promotional expenditure. Advertising is defined as a set of communications or activities which deliver information to the public by capturing the target consumers’ attention (Ducoffe, 1996). The purpose of advertisements is to communicate the product or service information to the target consumers in a cost effective way. Advertisements can be of Informative nature, Persuasive nature, a Reminder or of Reinforcing nature. Thus the ultimate goal of advertising is to carry the message to the mass in general and prospective buyers in particular.

Advertising function aims to create a desire in the viewers mind and persuade them to consume the product or services. Modern advertisements have the ability to inform, guide, educate and protect the buyers to enable them to buy intelligently. (Shelekar.S.A, and Krishnamoorthy.R. 2010). Thus, advertising plays
its own role as an indispensable tool for sales promotion and lays a strong foundation for consumer attitude.

Advertising is the potential tool to persuade the consumers to consume a product/service and exercises a greater influence on their purchase decisions. Advertising familiarizes a product / message among the viewers and influences them to become prospective consumers. The importance of advertising is growing day by day. Every advertising strategy that uses media as one of its tools, has the ability to persuade the viewers to buy the product. The process of advertising has undergone a sea change in the market. The rapid rise of social media has contributed much to marketing. An advertisement is expected to create an affirmative perception in the consumer's mind. The contents, physical attributes, music, slogan and script of advertisements have the ability to create a positive or negative perception towards advertisement. Advertisements act as a medium of spreading information to the prospective buyers.

It can be in the form of using verbal, nonverbal, linguistic actions to convey the required and relevant information to the prospective buyer. It is viewed as a social activity through which the society gets informed about the flow of products into the market. Advertisement substantially fortifies the consumers' knowledge regarding the products and services floated in the market. It is inevitable for any organization to adopt suitable strategies and media of advertising to get on the road of success. In the national and international sphere the scope of advertisements has widened and has grown in manifold in the last decade. Quality and creative advertisements are the key in creating a positive perception among the consumers.
Advertisements create an affirmative perception in the consumer’s mind and ensure that they get inclined towards the product. Thus, advertisements and perceptions play a crucial role in the arena of marketing. Both are interrelated and share a significant relationship among them. In an era of knowledgeable consumers, marketers become increasingly clever in choosing the appropriate advertisement strategy to create affirmative buying behavior.

1.2 PERCEPTION

Perception can be defined as the way people view the world. It is the process of gathering information through the senses and drawing conclusions. Perception is the act of perceiving by an individual through seeing, hearing, smelling or touching (Keller, 1993). Perceptions are the base for attitudes. Consumer perception consists of peoples attitudes, beliefs and values towards a certain product. Reacting in a favorable or an unfavorable way towards advertising is viewed as an attitude towards advertising (Meckenzie and Lutz 1989). In the field of marketing, advertising plays a major role. Response to advertising is predominantly dominated by the viewers’ perception. Understanding the consumer’s attitudes has always been the ultimate goal and a major challenge for the marketers. Many studies agree perception of consumers conglomerate both consumer preferences and their attitudes. (Kahle and Homer 1985, Puckett, petty, Cacioppo and Fisher 1983, Unnava and Strathman 1991). Since the authors verified both reliability and content based validity, the researcher exploited this idea to check the consumer perception.
1.3 ATTITUDES

Consumers’ attitude includes behavior, feeling, and perception. Behavior is the actions or reactions of an individual in response to external or internal stimuli (Keller, 1993). Feeling is an emotional state of an individual, such as joy, excitement, and displeasure (Mehta, 2000). Consumer’s attitude towards advertising reflects their cognitive ability based on which the consumers make judgments. Attitudes tend to dominate the consumers’ choice of preferred media for viewing or for listening the advertisements. The attitude toward the advertisement is defined as the predisposition to respond (react) in a favorable or unfavorable manner to a particular advertisement and has two different components: an affective component reflecting the emotions evoked by the advertisement and a cognitive component reflecting how well made and useful the message and the information in it is considered to be (Shimp, 1981).

1.4 PREFERENCES

Preference, simply put, is whether or not a consumer likes the advertising. The main function of the advertisement is to attract people. The consumer’s preference keeps on changing from time to time. Today’s educated consumer group expects the advertisements to be attractive and also to offer the required information. It means that Advertisers should observe their consumers to know what kind of likeability advertising they prefer (Smith et al, 2006). Preference describe advertisements based on consumers experiences and knowledge. Consumers’ will prefer an advertisement because it entertains, but also if it gives them relevant news, or if they can empathize with it. However, consumers will not prefer an
advertisement if it confuses, alienates or bores them. In contrast, advertisers should provide interesting, clear and precise information about the products (Tony & David 1994). The preference towards advertisements tends to influence the viewer’s attitude on advertisements.

1.5 MEDIA ADVERTISING

Ever since media became mass media, organizations have naturally adopted this mode of communication to allow a hefty number of people know about their products. It allows groundbreaking ideas and concepts to be shared with others. With the passage of time the sophistication of advertising techniques and practices has become unconventional, enticing and shaping and even crafting consumerism and needs, or turning superfluities into necessities.

In the recent years, the predominance of mass media has been indisputable. All over the world, consumers have access to the mass media through their smartphones, television sets and computers. In such a media-driven world, it is no surprise that mass media has come to play a sizable role in the influencing the attitudes and mindsets of consumers. To a huge extent, mass media possess the power to influence consumers, at the present time as seen through growing consumerism.

In spite of the intense efforts of the manufacturers and advertisers with effective and increased usage of personal selling, media advertising has its own role to play in the marketing ambit. Media advertising, if carefully and consciously executed can offer distinct advantages to the marketers. The power of media advertising in influencing the attitudes and preferences of the consumers is
noteworthy. Ever since media became mass media, companies have increasingly used this means of communications to let a large number of people know about their products. It becomes almost difficult for consumers to fight back the appeal of the new products that are ardently promoted by various manufacturers and advertisers. Any company’s worldwide success in appealing to the consumers is due to its tactful advertising aimed at the audience through the use of relevant and contemporary themes and ideas. Such advertising shadows the link between necessity and indulgence, accelerating the consumers into buying everything that the media sells them. Hence, strategic advertising through mass media has very much influenced present day consumers as seen through their desire for acquisitiveness and over consumption of goods. It allows innovative ideas and concepts to be shared with others. As the years have progressed, the sophistication of advertising methods and techniques has advanced. Enticing and shaping and even creating consumerism and needs or turning luxuries into necessities has become the rule of the day. Given the dependency, media companies can have on advertising, advertisers have often made hay while the sun shone.

1.5.1 Media

Media communication refers to channels through which news, entertainment, education, data or promotional messages are disseminated. The media includes every broadcasting and narrow casting medium such as newspapers, magazines, TV, radio, billboards, and internet. Advertisements are carried and brought to individuals by the media (Sissors and Baron, 2002). This study has covered three media viz., Radio, TV and Internet Advertisements
1.5.2 Radio Advertising

Radio advertising is one of the least expensive medium of advertising. This has made localized market coverage easy and possible. The emergence of private radio channels which offer information along with entertainment has revised the listening habits of people. FM stations are accessible at any place due to the availability of smart phones. Radio advertisements have wider appeal than other modes of advertisements as spoken words have stronger impact than written words.

1.5.3 Television Advertising

The effectiveness of an advertisement depends upon what it conveys as well as how it conveys the intended information. Advertising through television is highly acknowledged and can serve as an effective medium for advertising. Low cost exposure is the unique advantage of TV advertisements (Kotler et al, 2009). The Television advertisements are capable of visually demonstrating the product features, attributes and usage along with creative story line, music and eye catching visual sequences. Advertisements for television need to be designed in such a way that they do not create irritability and advertisement avoidance behavior among the target audience. Conscious choice and design of TV advertisements can serve as an effective marketing tool. Television advertisements are considered to be most effective, as a feeling of face to face contact is provided.

1.5.4 Internet Advertising

Online Advertising is a broad term used to describe the paid advertising that publishers put on their websites. Unlike some traditional advertising, online
advertising can deliver visitors immediately through a simple click and provides measurable results. Online advertising is a marketing strategy that involves the use of the Internet as a medium to obtain website traffic, target and deliver marketing messages to the right customers. Online advertising is geared toward defining markets through unique and useful applications. It is also the quickest promotion of product information without geographical boundary limits. Since the early 1990s, there has been an exponential increase in the growth of online advertising, which has evolved into a standard for small and large organizations.

1.6 SIGNIFICANCE OF THE STUDY

The need to exist in the current competitive business scenario, drives the manufacturer / marketer to lean on advertising. Advertising is an effective communication tool to woo consumers. Viewer’s perception towards advertising possesses significant influence on the purchase decision. Consumer’s perception towards advertising tends to change from time to time. Liberalization of Indian economy has made it a competitive environment for both native and foreign products. The changes in the lifestyle of Indian consumers, their technological awareness and sophisticated preferences have brought heavy competition in the Indian marketing scenario. In order to survive in the global competitive market, the manufacturer and marketers strive to attract the consumers towards their product and transform them into dynamic purchasing consumers. This transformation can be achieved only by advertising through powerful and magnetic media like Radio, TV and Internet. Hence this study assumes significance in this respect. Today’s consumers are flooded with numerous advertisements from various sources.
Repeated exposure to advertisements is expected to impact the consumers significantly.

The main significance of the study is to relate consumer attitude and preference. This relationship exactly reveals the consumer perceptions’ towards advertisement.

1.7 STATEMENT OF THE PROBLEM

The rapid progression of technology has filled the market to be filled with a wide variety of products or services for the consumers to choose from. The viewers and Listeners are largely divided under multiple media choices to get access to advertisements. The attitude and preferences of consumers constantly change and it is of utmost importance for the traders and advertising agencies to choose appropriate elements of advertisement and the right media through which the advertisement can be broadcasted / telecasted. The present study attempts to assess the attitude of consumers towards the constituents of advertisement and its impact on the media preferences.

1.8 OBJECTIVES OF THE STUDY

- To study the profile of consumers watching Radio, TV and Internet Advertisement
- To analyze the attitude of the consumer towards Advertisement.
- To analyze the consumer preference on Advertisement.
- To examine the influence of demographic variables of consumers on their attitude and preference.
• To measure the impact of advertisement on consumer preferences and attitudes.
• To construct an empirical model of consumers’ perception towards advertisement

1.9 HYPOTHESES OF THE STUDY

**Ho:1** The Media Advertisement does not influence the consumer attitude

**Ho:2** The Media Advertisement does not influence the consumer preference

**Ho:3** There is no influence of demographic variables on consumer attitude

**Ho:4** There is no influence of demographic variables on consumer preference

**Ho:5** There is no significant relationship between consumer preference and attitude

1.10 METHODOLOGY

The study is conducted using both analytical and descriptive type of methodology. The study primarily depends on primary and secondary data.

1.11 STUDY AREA

The Survey was conducted among the consumers located in Chennai city. Chennai hosts the major rational consumers making the study realistic and meaningful. The city consists of consumers of all strata and purchasing power. The perception of Chennai has changed and remains the destination of choice as an apt place for launching new products.
1.12 **SAMPLING SIZE AND DESIGN**

The primary data has been collected through survey method. The Survey was conducted using well formulated Questionnaire. Simple Random Sampling is applied for generating data. Samples for the purpose of the study are selected systematically. Totally 900 Questionnaires were distributed and 615 were collected. Out of this 114 were rejected due to flaws and 501 were accepted for the study.

1.13 **DISTRIBUTION OF SAMPLE**

The distribution of sample collected from the population is clearly presented in the following table:

<table>
<thead>
<tr>
<th>Zones in Chennai</th>
<th>Wards in Chennai</th>
<th>Questionnaire Distributed</th>
<th>Questionnaire Received</th>
<th>Questionnaire Rejected</th>
<th>Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Thiruvotriyur</td>
<td>14</td>
<td>70</td>
<td>50</td>
<td>5</td>
<td>45</td>
</tr>
<tr>
<td>2. Manali</td>
<td>07</td>
<td>40</td>
<td>20</td>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>3. Madhavaram</td>
<td>12</td>
<td>50</td>
<td>30</td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td>4. Tondiarpet</td>
<td>15</td>
<td>70</td>
<td>40</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>5. Royapuram</td>
<td>15</td>
<td>70</td>
<td>60</td>
<td>5</td>
<td>55</td>
</tr>
<tr>
<td>6. Thiru. Vika. Nagar</td>
<td>15</td>
<td>70</td>
<td>50</td>
<td>6</td>
<td>44</td>
</tr>
<tr>
<td>7. Ambattur</td>
<td>15</td>
<td>70</td>
<td>50</td>
<td>5</td>
<td>45</td>
</tr>
<tr>
<td>8. Anna Nagar</td>
<td>15</td>
<td>70</td>
<td>52</td>
<td>7</td>
<td>45</td>
</tr>
<tr>
<td>9. Teynampet</td>
<td>18</td>
<td>70</td>
<td>48</td>
<td>7</td>
<td>41</td>
</tr>
<tr>
<td>10. Kodambakkam</td>
<td>16</td>
<td>70</td>
<td>35</td>
<td>9</td>
<td>26</td>
</tr>
<tr>
<td>11. Valasaravakkam</td>
<td>15</td>
<td>50</td>
<td>45</td>
<td>5</td>
<td>40</td>
</tr>
<tr>
<td>12. Alandur</td>
<td>12</td>
<td>50</td>
<td>40</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>13. Adayar</td>
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<td>50</td>
<td>45</td>
<td>5</td>
<td>40</td>
</tr>
<tr>
<td>14. Perungudi</td>
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<td>30</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>15. Sozhingaballur</td>
<td>09</td>
<td>50</td>
<td>30</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td>TOTAL</td>
<td>900</td>
<td>615</td>
<td>114</td>
<td>501</td>
<td></td>
</tr>
</tbody>
</table>
1.14 SAMPLE DISTRIBUTION JUSTIFICATION

Since the Chennai city comprises 15 zones, it is important to classify them on the basis of wards which are the indicators of consumer density. The above table clearly mentioned the number of wards in each zone. The sample collection and distribution is proportionately done on the basis of number of wards in each zone.

1.15 QUESTIONNAIRE DESIGN

The primary data was collected through questionnaire survey. The respondents are asked to give their opinion relating to their preference and attitude towards choice of advertising media. The first part of the Questionnaire comprised of Demographic factors with optional questions. The second part included statements relating to respondents’ opinion on preference on media advertisement with varied scales. The Third part consisted of statements about consumer preference on advertisement characteristics. The fourth part of the Questionnaire consisted of statements about consumer attitude on advertisement characteristics.

1.16 SCALING TECHNIQUE IN THE QUESTIONNAIRE

The questionnaire comprises both optional type and Statements in Likert’s 5 point scale. The responses of these sections are obtained from consumers of Chennai city in the 5 point scale, which ranges as follows:

5 – Strongly agree 4 – Agree 3 – Neutral 2 – Disagree 1 – Strongly Disagree
1.17 SECONDARY DATA

The Secondary data was collected from Journals, Magazines, Publications, Reports, Books, Dailies, Periodicals, Articles, Research Papers, Websites, Company Publications, Manuals and Booklets.

1.18 PILOT STUDY

A preliminary investigation was done by the researcher to check the reliability and validity of the research instrument. At the initial level the researcher collected the responses from 100 consumers in a random sampling method. At the initial level the demographic details of consumers and their awareness level on advertisement through radio, tv and internet form the normal distribution with less than 5% error. Therefore the researcher was advised to consider all these optional type questions for the main study without any modification. In the second stage the researcher verified the reliability of the statements in Likert’s 5 point scale. The application Cronbach alpha on statements of preference and attitude revealed the values 0.844 and 0.867. These values are above the required value 0.75. Therefore, the researcher, went ahead for the main study without any modifications.

1.19 STATISTICAL TOOLS USED

- The factor analysis by principal component method was used to identify factors of consumer preferences and attitude towards advertisement.

- K-mean cluster analysis was used to classify consumer perception towards advertisement,
- The Linear multiple regression analysis was applied to measure the influence of consumer preferences on attitude towards advertisement.

- ’t’ test is exploited to measure the perceptual differences among the consumer.

- Non – Parametric chi square analysis of association is applied to find the nature of the association between clusters and the demographic variables.

- One-way analysis of variance to bear on the problem of measuring the influence of independent factors.

- Simple percentage analysis to describe the primary data of the study.

1.20 LIMITATIONS OF THE STUDY

- The study is limited to Chennai city only.

- The study period is restricted to four years only 2011 -2015.

- The findings are based on the opinion of the respondents.

- The study is restricted to advertisements in radio, TV and internet only and does not cover other medium of advertising.

- Time and cost were among major constraints.

- The findings are drawn from the perception of the respondents, which are subject to change. Hence the findings cannot be generalized.
1.21 CHAPTER ARRANGEMENT

- **Chapter I** – Introduction and the background of the study, states the significance and need for the study and summarizes the research methodology adopted for the present study.

- **Chapter II** – Presents the review of related literature.

- **Chapter III** - The conceptual framework and profile of media advertisement.

- **Chapter IV** – Factors of consumer perceptions – an analysis.

- **Chapter V** – Relationship between consumer attitude and preference towards advertisement.

- **Chapter VI** - Summary of findings, suggestions and conclusion - sums up the findings of the study, offers suggestions, indicates scope for further research, and arrives at the conclusion of the study.