Consumer behaviour are the acts of individuals directly involved in obtaining and using economic goods and services, including their decision that precede and determine these acts.

*Engel, Blackwell, and Miniard.*
II THEORETICAL FRAMEWORK (REVIEW OF LITERATURE)

II.I. Growth of advertising industry:

The Grolier Encyclopaedia of knowledge defines advertising industry as a triad consisting of advertisers, the advertising agencies and the media who create and place most national and many retail ads. The evolution of the Indian advertising industry is much akin to a three legged stool. The first stage was prior to partition when J.Walter Thomson (JWT), Lintas and Ogilvy and Mather setup branch operations in India; bringing in an underlying ethos of best practices and durable structures. Interestingly, JWT set up shop as far back as 1929. The next stage came after partition lasting till the 1980's. Sorah Mistry, Chairman and CEO of McCann Erickson describes this period as one of consolidation. This period saw the advertising industry attracting brilliant minds and talent (Bamzai, 2000).

Advertisers: Advertisers are private or public sector organizations that use mass media to accomplish an organizational objective. It is the decision to invest resources in purchasing time or space in such mass media that basically distinguishes advertisers from non-advertisers (Batra et al., 1998).

The government is the largest advertiser in the country. This predominant share of the government in advertising is due mainly to the fact that the government is the single largest investor in the country. In India, in the hands of the government, advertising has become a powerful instrument of social and economic growth (Peterkin, 1992).

The industry today consists of 150 large, medium, and small sized advertising agencies. Besides, it consists of the media, where a major upheaval has been witnessed since 1985, but more particularly after 1991. This is particularly due to the electronic media (Saxena, 1998).
The capitalized billings of 131 agencies (who participated in the 5th Agency survey by A & M) in 1993-94 grew to Rs. 2,220.1 crores from Rs. 1,620.5 crores in 1992-93 registering a growth of 37.4 percent (Saxena, 1998). The gross income for top 101 agencies for the year 1998-99 was Rs. 9146.20 million as compared to Rs. 7750.47 million during 1997-98.

Of the agencies for which A & M has two years successive information, 78 agencies have raised staff, while 33 cut staff. Overall, the Indian advertising industry has increased its head count from 7,850 to 7,933, an increase of one percent.

The 10th Agency Report, A & M (1999) stated that the Indian advertising industry grew by 17.9 per cent in 1998-99, much lower than the peak of 49.5 per cent achieved in 1994-95, the decline since then has been steady and the growth rate has settled, finally, at just under 18 percent. This is clearly depicted in fig. 1.

The major forces sweeping the world of business today are also at work in India. The forces of transformation are many: (global competition, mergers and acquisitions, deregulation etc.). The excess installed capacity in most industries has shifted the bottleneck globally from one of production to one of market success (Seshadri, 1999).

Indian advertising is a $2 billion industry, but it is peanuts compared to the far more developed equivalent in the US which is worth $200 billion. As per Ammirati Puris Lintas - Business India collated figures, the ad industry closed out 31st March, 1998, with Rs. 6,824 crore and this ramped up to Rs. 8,437 crore (un-audited billings) by 31 March, 1999 (Bamzai, 2000).

The results of the A & M survey conducted by IMRB in 1999, found that the most admired FMCG Company was Hindustan Lever Ltd. Titan was the most admired durable company. The top five FMCG and durable companies are shown in table 1.
Fig. 1  Annual Advertising Growth, (All figures in percent)

Source: 10th agency report (A & M, 1999).
Table 1. India's five most admired marketing companies

Most admired FMCG companies

<table>
<thead>
<tr>
<th>RANK 99</th>
<th>RANK 98</th>
<th>COMPANIES</th>
<th>SCORE 99</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>HINDUSTAN LEVER LTD</td>
<td>8.43</td>
</tr>
<tr>
<td>2</td>
<td>7</td>
<td>COCA-COLA</td>
<td>7.98</td>
</tr>
<tr>
<td>3</td>
<td>8</td>
<td>CADBURY</td>
<td>7.77</td>
</tr>
<tr>
<td>4</td>
<td>3</td>
<td>PEPSI FOODS</td>
<td>7.50</td>
</tr>
<tr>
<td>5</td>
<td>9</td>
<td>COLGATE PALMOLIVE</td>
<td>7.48</td>
</tr>
</tbody>
</table>

FMCG: FAST MOVING CONSUMER GOODS

Most admired durable companies

<table>
<thead>
<tr>
<th>RANK 99</th>
<th>RANK 98</th>
<th>COMPANIES</th>
<th>SCORE 99</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>TITAN</td>
<td>7.96</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>BPL</td>
<td>7.76</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>MARUTI</td>
<td>7.55</td>
</tr>
<tr>
<td>4</td>
<td>-</td>
<td>INTEL</td>
<td>7.47</td>
</tr>
<tr>
<td>5</td>
<td>11</td>
<td>LG ELECTRONICS</td>
<td>7.39</td>
</tr>
</tbody>
</table>

Aided by increased spending by MNCs (Multi National Corporations), ad billings in 1998-99 jumped by 23 per cent over last year (upto 31 March, 1999). The turn around in the industry's fortunes began in January, 1999 when MNCs once again began to splurge realising that a fragmented policy is here to stay in India (Business India, 1999).

Since 1980, advertising in India has demonstrated phenomenal growth—growth in size, quality, range of services, in the total expenditure in advertising per year. In 1950 advertising expenditure was hardly Rs. 5 crores. By 1988 it rose upto Rs. 900 crores. It may be around Rs. 2000 crores by 2000 A.D. (Sherlekar, 1997).
Indian advertising has a long way to go. Per capita ad spending as in 1999 is still a pathetic $1.7. The only way left for India is leapfrogging straight into the space age (Kapur, 1999). The per capita ad spend in dollars in India vis a vis U.S.A. and the world is shown in fig. 2:

**Fig. 2. Per capita ad spend in dollars (1999)**

The future of Indian advertising points to a scenario of further growth and keener competition. The economic liberalisation has given a boost to investment and boost in several sectors. It will also involve an economic experiment of considerable complexity, risk and innovation. As a developmental process of this dimension will naturally step up the tempo of marketing and advertising in the industry. In fact, it is bound to usher in real high power marketing and advertising in India (Ramaswamy and Namakumari, 1997). The growth was in fact in consequence with the growth that was taking place in industry, business and commerce. As the business was growing in every sector there was an ever increasing need to communicate with the consumers. The big growth in the advertising business was the direct result of this growing need for communicating with the consumers (Varma and Agarwal, 1993). Finding consumers will become the key job in this context. Every product has to fetch a customer, every unit of production has to be sold and every manufacturer will necessarily become a marketer and communicator (Ramaswamy and Namakumari, 1997)

India's big spenders need advertising more than ever before, as competition heat up. The ten big advertising brands and spenders are

Table 2. India's ten top brands and spenders

<table>
<thead>
<tr>
<th>India's ten top brands (1999)</th>
<th>India's ten big spenders</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRAND</td>
<td>Ad AGENCY</td>
</tr>
<tr>
<td>COLGATE</td>
<td>REDIFFUSION DY &amp; R</td>
</tr>
<tr>
<td>AMUL</td>
<td>FCB ULKA</td>
</tr>
<tr>
<td>DETTOL</td>
<td>MCCANN-ERICKSON</td>
</tr>
<tr>
<td>BRITANNIA</td>
<td>TRIKAYA GRAY LINTAS</td>
</tr>
<tr>
<td>LIFEBUOY</td>
<td>LINTAS</td>
</tr>
<tr>
<td>ARIEL</td>
<td>CLB, SAATCHI &amp; SAATCHI</td>
</tr>
<tr>
<td>HORLICKS</td>
<td>HTA,TRIKAYA GRAY</td>
</tr>
<tr>
<td>LUX</td>
<td>HTA</td>
</tr>
<tr>
<td>BATA</td>
<td>HTA</td>
</tr>
<tr>
<td>VICKS</td>
<td>AMBIENCE CLB</td>
</tr>
</tbody>
</table>

As Khanna says "Advertising and communication flourishes when the consumer has a choice, there is a proliferation of media, competition which is manifesting itself in an increase not just in discretionary incomes, but purchasing power. This was the third and the most decisive stage for Indian advertising (Bamzai, 2000).

While this process of communication will be accomplished through several means, advertising will be the most potent tool in this effort, because of the simple fact that it is advertising that provides all the facilities and means that are required for reaching the large mass of consumers in India. It means that Indian advertising will make fresh demands on it, in
terms of new knowledge, techniques and skills (Ramaswamy and Namakumari, 1997).

The new millennium is poised to intensify competition as never before. The digital age is well and truly here. International advertising is advertising that targets people in other countries. Advertising using globalization (also known as standardization or global marketing) develop a single strategy and implement it in multiple countries. In contrast, advertising using localization (sometimes known as adaptation or local marketing) develop a unique ad or a unique variation as a generic ad for each country. The bulk of international advertising is sponsored by MNCs with business operation in more than one country (Bovee et al., 1995).

The US advertising industry prospered throughout the 1980's (Peterkin, 1992). The six giants of modern advertising were Albert Lasker, Stanley Resor, Raymond Rubicam, Leo Bennett, and Bill Bernbach were all Americans. D. Ogilvy (1985), predicts that the quality and efficiency of advertising overseas will continue to improve at an accelerating rate.

**Advertising agencies:** Grolier Encyclopaedia of Knowledge defines advertising agencies as those who serve their clients with a variety of experts. The account executive acts as liason between advertiser - client and agency, meeting with the client to determine objectives and budgets. The agency’s copywriters and art directors take their assignment from the account executive, who brings their work back to the client for approval or modification. When decision on content are completed, often after research studies to determine consumer response, the production department prepares the finished advertisements, with the aid of typographics, engraves, printers, and radio or television commercial production companies. The media department, in the mean time, has prepared a comprehensive media plan that will involve the purchase of space in a newspaper or magazine or time on radio or television.

P. Khaitan (1999) opines that the basic purpose of any business or corporate entity is to get and then keep the customers. Advertising is a
very important tool in this objective. In the last five years there has been a proliferation of branches that increased the customers available choice. It made enormous successes of the ad agency business. Advertising must concentrate on building brands and more important, to remember that companies must be seen not just as manufacturers of products and services but as good corporate citizens.

The growth of Indian ad agencies is not confined to a mere expansion in numbers. In 1939, there were only 14 advertising agencies accredited to the Indian Newspaper Society (INS) (Varma and Agarawal, 1993), By 1986 there were 383 advertising agencies as against just 100 advertising agencies around 1970. In the Indian market, there were more than 11,000 branded products extensively advertised in all language papers. Press advertisement accounted for about 50 percent and TV/radio accounted for 18 percent of the total advertising costs (Sherlekar, 1997). There has been a good growth in the status and capabilities of individual agencies and the profession as a whole.

As more and more agencies entered the scene to get a share of the increasing advertising business, competition among agencies was also stiffening. WPP's (a London based conglomerate), two big network, O & M and HTA are the oldest agencies. These are the two of the three global agencies that have been operating in India since before "Quit India" was coined. With revenues of $3.1 billion in 1998, WPP now has an enormous 28.2% of the total Indian ad pie, up from almost nothing a couple of years ago (10th Agency Report, A & M, 1999). The war reached amusing heights in 1988, when two top-ranking agencies of the country, Lintas and HTA, kicked up a row over who stood first in terms of billings (Varma and Agarwal, 1993). By 1986 - 87 billings of HTA were up to Rs. 52 crore and in 1992, mirroring the slight growth in the economy, the figure was a much healthier Rs.200 crore (Saxena, 1998).
Fig. No. 3  Share of the big five agencies in the total ad pie

1994-95

The rest  61%
Top five  39%

Total Gross Income :
Rs. 9,146.2 million

1998-99

The rest  49%
Top Five  51%

Total Gross Income :
Rs. 5,248.9 million

The share of the five big agencies in the total ad pie (see figure 3) shows that it has increased from 39 percent in 1994-95 to 51 percent in 1998-99. The 10th Agency Report, A & M (1999) stated that the top five accounted for over half the total income (and thus, presumably, billings) of the Indian advertising industry. Table 3 shows the top ten agencies ranking by gross income.

**Table 3. Top ten agencies in India**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Agencies</th>
<th>Gross income (Rs. million)</th>
<th>Growth over last year (%)</th>
<th>Head quarters / City</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hindusthan Thompson Associates Ltd.</td>
<td>1523.85</td>
<td>15.10</td>
<td>Mumbai</td>
</tr>
<tr>
<td>2</td>
<td>Lintas India Ltd.</td>
<td>1057.00</td>
<td>12.69</td>
<td>Mumbai</td>
</tr>
<tr>
<td>3</td>
<td>Ogilvy &amp; Mather Ltd.</td>
<td>772.35</td>
<td>32.33</td>
<td>Mumbai</td>
</tr>
<tr>
<td>4</td>
<td>Mudra Communications Ltd.</td>
<td>717.99</td>
<td>12.91</td>
<td>Ahmedabad</td>
</tr>
<tr>
<td>5</td>
<td>FCB Ulka Advertising</td>
<td>584.20</td>
<td>11.85</td>
<td>Mumbai</td>
</tr>
<tr>
<td>6</td>
<td>Rediffusion DY&amp;R Ltd.</td>
<td>451.34</td>
<td>34.12</td>
<td>Mumbai</td>
</tr>
<tr>
<td>7</td>
<td>R.K.Swamy/ BBDO Advertising Ltd.</td>
<td>347.22</td>
<td>16.58</td>
<td>Chennai</td>
</tr>
<tr>
<td>8</td>
<td>McCann-Erickson (India Ltd.)</td>
<td>334.71</td>
<td>28.04</td>
<td>New Delhi</td>
</tr>
<tr>
<td>9</td>
<td>Contract Advertising India Ltd.</td>
<td>266.55</td>
<td>2.13</td>
<td>Mumbai</td>
</tr>
<tr>
<td>10</td>
<td>Maa Communications Bozell Ltd.</td>
<td>250.08</td>
<td>11.52</td>
<td>Bangalore</td>
</tr>
</tbody>
</table>

The big news is that WPP owned O & M has displaced Mudra. The top five agencies have remained the same as last year, but there is one new entrant in the top 10, Maa Bozell (at No. 10). Figure 4 shows the big four agencies gross income (in rupees million). HTA, part of the network of J. Walter Thompson (JWT) of the London based WPP Group, remains India's top agency, in income terms (provided for calendar year, 1998) with a growth less than the average rate, but significant enough to keep an
unbridgable gap from the No 2 Lintas. The gap between them is Rs. 466 million, Rs. 33 million more than last year. But Lintas has also broken the Rs. 1,000 million gross income barrier. There are big gaps after Mudra, the No 4. FCB Ulka's 1998-1999 income is about Rs. 134 million less than Mudra's.

From mass advertising to micro advertising, targeting homogeneous groups will unarguably be the future. Advertising companies, most professionals agree, will turn into communication. Companies are targeting a slew of new initiatives like below the line spending, sales promotion, direct selling, event management, public relation and very aggressive rural marketing strategies, working in conjunction with the tapping of semi urban markets. In this new environment, agencies will have to bring forth strategic planning skills to combat media fragmentation (Bamzai, 2000).

Media expansion: Mass media will receive unprecedented boost from telecommunication revolution that will sweep the country in the coming years and will see the emergence of "multi media" which are more interactive than the conventional mass media and with potential for simultaneous exchange of voice, text and data. Equally important, multimedia will speed up globalisation process beyond imagination. Also, the next major break through to advertising would come from multimedia opportunities (Rao, 2000).

Marketers are always looking for that edge which would differentiate them from the competition, while still keeping a common goal in mind-entrap the customer. Be it television, tele-marketing, game shows, radio promotion or even a lucky draw, its all done with the ultimate objective of wooing the customer into a life long relationship (Povaiah, 2000).

In the United States, mass media advertising has long been the cornerstone of most brand-building efforts. But that norm is threatening to become obsolete. Fragmentation and rising costs are already inhibiting marketing through traditional mass media like television (Joachimsthaler and Aaker, 1997).
Fig. 4 The Big Four's Gross Incomes (In Rs. Million)

The global media industry is undergoing rapid transformation with the growing trend towards control and monopolisation by a handful of transnational corporations (TNCs), which view media as any other business with the liberalization and globalisation of the Indian economy since 1991, pressure has been exerted by media TNCs to open up media to foreign participation (Herman and McChesney, 1997).

Within Mass media, the current pre-occupation with television would continue in the coming decade. Proliferation of TV channels, satellites and cable would trigger a communication revolution of far reaching implications culminating in proliferation of multi-media. Multimedia sees no barriers of boundaries, distances, mode or volume or nature of communication (Rao, 2000).

Over the years, there has been a substantial expansion in the media. All the major media- the press, radio, TV and cinema have expanded sizeably and are being used extensively by advertisers for reaching their target customers (Ramaswamy and Namakumari, 1997). Television came into India in a big way. It was in fact a landmark in the history of Indian media.

Starch INRA Hoopers Inc. (1999) in cooperation with the international advertising association collated the advertising expenditure in mass media in some Asian / Pacific countries (Table 4). India's total advertising expenditure in mass media in US dollars is 896 millions and is placed in the fifth position. The share of printed media in total advertising expenditure in 67 percent followed by 20 percent on television in India.
<table>
<thead>
<tr>
<th>NAME OF COUNTRY</th>
<th>TOTAL MASS MEDIA US # MILLION</th>
<th>PRINT %</th>
<th>TV%</th>
<th>RADIO %</th>
<th>CINEMA %</th>
<th>OUT DOOR TRANSIT %</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUSTRALIA</td>
<td>3848</td>
<td>48</td>
<td>35</td>
<td>9</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>CHINA PEOPLE'S REPUBLIC</td>
<td>297</td>
<td>54</td>
<td>40</td>
<td>6</td>
<td>*</td>
<td>NA</td>
</tr>
<tr>
<td>HONG KONG</td>
<td>861</td>
<td>42</td>
<td>50</td>
<td>4</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>INDIA</td>
<td>896</td>
<td>67</td>
<td>20</td>
<td>3</td>
<td>*</td>
<td>10</td>
</tr>
<tr>
<td>INDONESIA</td>
<td>287</td>
<td>60</td>
<td>9</td>
<td>19</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>JAPAN</td>
<td>34,747</td>
<td>35</td>
<td>32</td>
<td>5</td>
<td>NA</td>
<td>13</td>
</tr>
<tr>
<td>MALAYSIA</td>
<td>317</td>
<td>49</td>
<td>41</td>
<td>2</td>
<td>*</td>
<td>8</td>
</tr>
<tr>
<td>NEW ZEALAND</td>
<td>575</td>
<td>49</td>
<td>36</td>
<td>15</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>SINGAPORE</td>
<td>313</td>
<td>65</td>
<td>30</td>
<td>2</td>
<td>*</td>
<td>3</td>
</tr>
<tr>
<td>SOUTH KOREA</td>
<td>2,826</td>
<td>48</td>
<td>30</td>
<td>5</td>
<td>NA</td>
<td>17</td>
</tr>
<tr>
<td>SRI LANKA</td>
<td>21</td>
<td>61</td>
<td>18</td>
<td>12</td>
<td>*</td>
<td>9</td>
</tr>
<tr>
<td>TAIWAN</td>
<td>1,294</td>
<td>55</td>
<td>35</td>
<td>7</td>
<td>*</td>
<td>3</td>
</tr>
</tbody>
</table>

**Print advertising**: The New Encyclopaedia Britannica, (1994) defines print advertising as the oldest, powerful and the most popular medium is the newspaper, which offers advertisers large circulation, a readership located close to the advertisers place of business, and the opportunity to alter their advertisement on a frequent and regular basis.

Print advertising is one of the most important marketing communication tools. It informs target customers about brands and stores that might satisfy their wants and needs. It conveys the characteristics of the advertisers, firms and products. It communicates an image that the customer might attain as a result of buying, giving or using the advertised merchandise.
Print advertising can be improved by designing each ad to identify, focus, simplify, organise and sell. A newspaper page can hold more information than can a smaller magazine page (Anderson and Rubin, 1986). Reading newspaper has become the most common habit of literate people. Newspapers are the most flexible media of advertising. It provides a wide coverage of local and national markets (Sahu and Rout, 1997). The consumers use of print media is for the most part selective. A reader can browse through a newspaper or a magazine, glancing an editorial material and advertising, skipping that which is of little interest, and concentrating on what is deemed important (Reynolds and Wells, 1977).

D. Ogilvy (1985) in his book on advertising predicted, "there will be a renaissance in print advertising". The messages delivered by print media have a certain degree of permanence. They stay around for a while. Printed advertisements make comparisons relatively easy. If any important decision is to be made - especially an important decision that is made over an extended period of time - the consumer can collect advertisements from different magazines or different newspapers and make comparisons among them. The relative permanence of printed advertisement makes them candidates for repeat and "pass-along readership". Long after the original reader has seen the advertisement for the first time, subsequent readers may see it, or the original reader may see it again (Reynolds and Wells, 1977). Fig. 5 shows exhibits of some advertisements in printed media.
Fig. 5 Exhibits of some advertisements in printed media
A couple of years ago, the International Federation of Newspaper Publishers (FNP) reported a decline in circulation of newspapers in 23 of the 40 countries it surveyed. While circulation fell in Britain by 16.4%, it rose by 28.5% in India. In that survey, in fact, India was ranked fourth in high newspaper circulation after Japan, US and Germany (Rao, 2000).

The two surveys (IRS and NRS) between them aroused a lot of discussion and initiative for undertaking the advertising and marketing fraternities (Saxena, 1998). The first readership survey was taken by a leading marketing research organization of India, the Operations Research Group. The first nationwide survey, termed the National Readership Survey (NRS), was carried out in 1971 and covered both urban and rural areas. However, it was possible to undertake the next survey only in 1978 (Mohan, 1998).

National Readership Survey (NRS), is conducted every two years. It is the work of the National Readership Studies Council (NRSC), which is constituted of three bodies - The Advertising Agencies Association of India (AAAI), The Audit Bureau of Circulation (ABC) and the Indian Newspaper Society (INS).

The actual fieldwork for the survey was conducted by A.C.Nielson, Indian Market Research Bureau (IMRB) and Taylor Nelson Sofres Mode, jointly. The highlight of the 10th Agency report was that it featured rural trends for the first time. Round I of National Readership Survey (NRS), 1999, (held between April and mid July, 1999) was based on sample size of 1,10,000 urban and 60,000 rural respondents.

The survey reported that just 8.3 percent of rural Indian readers go through English newspapers. The highest readership segment is the retired and non-working population, followed by students. Top three readership of some newspapers and magazines regionwise is shown in Table. 5.
The findings of the National Readership Survey 1999 are:

**General English Newspapers**: Among the general english newspapers at the national levels, there is no match for the Times of India (TOI). Its readership is 20.95 lakh higher than its nearest rival The Hindu, which has a total readership of 23.28 lakh. Round I (April - July) of the National Readership Survey (NRS), indicates that TOI is more urban. Only 4.25 percent of its readers are from the rural areas. In contrast, 11.3 percent of the The Hindu’s readers are in the rural areas (11.3%).

**General English Magazines**: The greatest readership for general magazines comes from urban areas. For all the magazines except Time, a large chunk. (27-30 %) of the readership lies in the age group of 25-34 years. Times largest readership come from the 45 years plus age group. In overall readership, India Today tops the pack with 55.8 lakh readers.
Hindi Dailies: According to the National Readership Survey (NRS), 99, India's top Hindi newspapers have a combined readership of 516 lakhs. Of this 314 lakh (61%) readers are from urban India, and 202 lakh (39%) from rural. Among the Hindi dailies, Dainik Jagran has the highest readership of 92.33 lakh (18% of Hindi newspaper readers). It's readers are rather uniformly divided between urban and rural India.

General Hindi magazines: In this category, the National Readership Survey (NRS), has listed just three magazines. Saras Sahil is the clear leader with the largest readership of 80.67 lakhs. This magazine has the distinction of having more of its readers (68%) from rural areas. Grihashoba is at number 2 with 67.35 lakh readers. Among its readers, 25 percent are from the rural areas. Its readership in the urban areas has grown to 50.21 lakhs.

Oriya Newspapers: National Readership Survey (NRS), 1999 features only two Oriya dailies (see fig. 6). Both have a combined readership of 21.85 lakh. These have 58 percent readers from the rural areas, and 42 percent from urban areas. "Sambad" has 11.90 lakh readers, of which 61 percent are from the rural areas and 39 percent from urban. "Dharitri" has 9.95 lakh readers, with 53 percent readers from the rural areas and 47 percent from the urban areas.

Sambad has a high 27 percent readership from the age group of 25 - 34 years and 30 percent readers of Dharitri are from this age group. Sambad gets 21 percent of its readership from the 20 - 24 years age group and Dharitri has 21 percent from the 35 - 44 years age group.

Students, retired persons and housewives form 26 percent of Sambad's reader. Dharitri gets the maximum readership (28%) from retired persons and housewives group while students account for 24 percent.
Fig. 6 Readership of top two Oriya dailies.

Urban

Rural

532

463

Dharitri

729

462

Sambad

All figures are in thousands (1999).

The annual report of the Registrar of India (RNI) of the Ministry of Information and Broadcasting, 1998, states that some 120 million newspaper copies are sold daily in India. On an average, there are five readers of a single copy of a newspaper and the same number of newspapers score over the television sets (Dua, 1999). Newspapers are published in different local and national languages.

As newspaper are published regularly, one can advertise daily if he wants to. They can be divided into morning or evening editions, Sunday newspapers, bi-weekly etc. (Sahu and Rout, 1997). Print ads must appear in the right place to attract target customers (Anderson and Rubin, 1986).

The total number of newspapers as on December 31, 1992 were 35,096 which included 3,139 miscellaneous publications. The number of daily newspapers increased from 3229 in 1991 to 3502 in 1992. The majority of Indian newspapers were periodicals whose numbers increased from 26,728 in 1991 to 28,184 in 1992 (Saxena, 1998). The salient points of the Registrar of Newspaper Circulation for India (RNI) 43rd report press
in India 1999 are the - "newspaper circulation rises 20 percent". In 1998, the circulation was 12,68,49,500 copies as compared to 10,57,08,191 copies in 1997. The print media registered an annual growth of 5.09 percent. The total number of newspapers as in 1998 was 43,828 (Dua, 1999). These publications go to readers literally ad packed (Ramaswamy and Namakumari, 1997).

With the increasing literacy and growth in the professional classes, specialised magazines for different market segments are now being published. Magazines like Business India, Business World, Business Today, India Today, Society, Savvy, Femina, Readers Digest and the like are now read in the middle and higher income families. All this heralds a more complex task for the media (Saxena, 1998).

Re diff.com one of the biggest spenders on advertising with over Rs. 10 crore budgets says that so far TV has not played any role in its advertising, saying it prefers outdoors and print. "Compared to television, print is cheaper, holds more matter and can inform more", says a spokes person of Rediff.Com (Bassi, 2000).

Outdoor advertising:

The outdoor media vehicles have simpler art and less copy than newspapers or magazines because they must attract people who are moving. In the past, manufacturers were more likely than retailers to advertise in magazines and outdoor media because these were more long term (Anderson and Rubin, 1986)

Outdoor advertising is of relative importance in the Asia and Pacific regions (Mooij, 1994). In India, "outdoors" as a medium, has been put to innovative use by the advertisers and agencies. As far as media wise share of advertising business is concerned, the outdoor has the third place, next only to the press and TV (Varma and Agarwal, 1993).

The importance of outdoor advertising has been increasing during recent years. It is perhaps the oldest form of advertising. The main purpose
of outdoor advertising is to draw the attention of the public towards the product or service and to supplement other media (Thakur, 1999). The outdoor advertising has also changed dramatically in India. Although still relatively behind countries like USA, UK and Japan. This media is also drawing the attention of industries (Saxena, 1998).

The outdoor media is constituted by several vehicles. In India the most commonly used outdoor media vehicles are: hoardings, posters, neonsigns and other illuminations, transit advertising, fairs and exhibitions, traditional dance, drama, puppet shows, loud speakers, balloon and sky writings. Figure 7 shows some exhibits of advertisements in outdoor media.

Of all these outdoor media transit advertising as a single component, accounts for about 35 percent of the outdoor advertising revenue. It comprises advertising through rail and road transport and forms a very effective medium capable of reaching the remotest villages of India. (Varma and Agarwal, 1993). Travelling displays are painted on metallic sheet called car cards. These car cards are usually affixed inside buses, trains, trams, taxis etc. Thus this media of advertising has got repetition value and is considered as mass media (Sahu and Rout, 1997).

Portland Site Valuation (PSV) system takes into account direction of travel, traffic lanes, visibility, location of traffic signals, obstruction (buildings and so on), trees, illumination (different for winter and summer), street lights while displaying outdoor advertising. A microscopic examination of the roads characteristics is followed by car and pedestrian scores (Bhusan, 1998). Because outdoor advertisement are fixed at some specific places, people are able to see them again and again and therefore their impact is better (Sahu and Rout, 1997).
Fig. 7 Exhibits of some advertisements in outdoor media

- *GE OF HI-TECH*

- *Thin Arrowroot*

- *The round the clock snack*
  - *Britannia*
  - *Thin Arrowroot*

- *United Bank of India*
  - *Honda*
  - *Shriram Honda Dua Motors*
Thakur (1999) states- "the number of exhibitions and trade fairs being held has gone up manifold. Today there are exhibitions on just about anything - handlooms, textiles, hospitality, hospital and medical equipment and even on photography" (below the line activities). The reason has to do with the opening up of the information technology sector. Another reason has to do with liberalisation and the consequent changes in market dynamics. According to industry estimates 10 percent of the total Rs. 3,000 crores advertising money is being allocated for below the line activities (Thakur, 1999). One of the latest forms of advertising is three dimension hoarding used by firms like Lloyd group (Saxena, 1998).

Advertisers in India spend some 9-10 percent of their overall ad spend on outdoor advertising. England spends 5.2 per cent on it, while the American figure is just 1.8 per cent. India is better only by France, which averages about 12 - 13 per cent (Bhushan, 1998).

In 1980, the advertising expenditure through outdoor was around Rs. 16 crore. It shot up further to Rs. 33 crore in 1986 and in 1987 around Rs. 45 crore. The expenditure through radio was Rs. 28 crore and through cinemas was Rs. 12 crore in 1986 (Varma and Agarwal, 1993).

The domestic ad spend in 1998 on outdoor was in excess of Rs. 650 crore. Portland is currently operating only in Mumbai, but hopes to have regional branches soon.

The London based WPP group member, Portland Outdoor Advertising Ltd., has set up a 60:40 arrangement with HTA. For the 22 years old outdoor media planning says Dennis Sullivan, Chairman and CEO, Portland, "outdoor advertising is not primitive here - just somewhat dis-organized in terms of being confusing and fragmented". Sullivan quotes "The outdoor market has been a Cinderella medium, now its time to go to the ball" (Bhushan, 1998).
Radio: In India, Radio advertising began only when All India Radio (AIR) broadcasted commercial advertising on 1st November, 1967. Unlike newspaper and magazines, which are available for reference and in which the art and copy can be read in any order, broadcast messages are received in the order sent. Unless listeners record a programme, they cannot rerun it later in order to listen to the commercials again. However, the ear takes in information 22 percent faster than the eye, and auditory stimuli are retained four or five times as long as visual ones.

Radio spots are generally created in three lengths - 15 seconds, 30 seconds and one minute. Important words for radio commercials are - sale, save and now (Anderson and Rubin, 1986). Radio reaches to almost 95 percent of Indians. In 1994 the All India Radio introduced the FM channel in the major cities like Bombay and Delhi. This medium has gained popularity as it was reflected by the decision taker in 1995 to make this channel 24 hour channel in major cities like Bombay and Delhi (Saxena, 1998).

Radio will never acquire its pre-TV eminence on the Indian scene as a most relied mass medium, nor will it ever acquire the glamour and glitter of visual electronic media. But it will not lose its premier position as a source of information. In fact, it will continue to be the most used “reminder medium” of advertisers. Also, radio which has been static may see certain dramatic change in the way it is being presently used in the wake of VLSI technology and is bound to become part of “work place” in India.

In the name of “leap frogging,” the more economical, convenient and decentralised media like the radio was neglected. Radio is seeing major expansion in listenership with FM and is set to grow further and faster in the coming years, and in fact, will go through a conceptual change with AIR network adopting FM and going digital in a big way - when AIR ends up having FM network covering most districts in the country by 2005, there is hope for radio becoming an “infotainment” medium and retaining its
lead in reach, even relevance and reliability, especially for rural India. That is when "narrow casting" comes to full play in broadcasting with emergence of localised broadcasting and also networks outside the AIR System (Rao, 2000).

Thanks to Jaipal Reddy, the Prasar Bharati Act was brought out of deep freeze after seven years. Passed by the Parliament in 1990, the act was implemented from the Doordarshan day (Sept. 15, 1997). The Prasar Bharati board was constituted and started functioning.

But Prasar Bharati did not have a smooth sailing. Then, some pronouncement of Promod Mahajan, the Information and Broadcasting Minister, in the last government, gave clear indication of his intentions to wind up Prasar Bharati altogether. He completely disregarded his party's (BJP's) old pledge to make AIR and DD fully autonomous. Fortunately, he did not get same ministry in the new BJP government.

The new minister, Arun Jaitley announced soon enough that Prasar Bharati should have a "professional character, a strong marketing department and people who can package and present programmes in the best possible manner". He also appointed a committee, consisting of Shunu Sen, K.Narayan Murthy and Kiran Karnik to review the restructuring of Prasar Bharati (Saksena, 2000).

Nowadays, several broadcasting stations all over the world are selling time for the purpose of commercial advertising. Advertisers introduce the product and talk about it. Radio advertising can be made either through spot announcements or through sponsored programmes.

In spot advertisement, short advertisements are made with duration of few words. The cost of advertising of spot announcements are usually less. Sponsored programmes require longer time and therefore their
costs are usually high. The most common example is Binaca Geet Mala of Srilanka Broadcasting Corporation (Sahu and Rout, 1997).

**Television:** Slowly but surely, the rapid studies being taken by electronic media in India are somehow getting structured on American pattern in these fields (Dua, 2000). The introduction of television advertising, fifty years ago in America was a disruptive event, and marketing theory and practice are still responding, evolving their understanding of how its effects should be measured (Deighton, 1996).

Television, of course, changed the role of radio, as TV became the major source of in home entertainment in the 1950’s. The addition of colour transmission furthered the growth of television as an advertising medium (Wright *et al.*, 1986).

The development in this media have virtually been beyond the imagination of any individual who have been keenly interested in marketing in India. While TV started as a state owned medium in 1959, it was only in the mid eighties that television emerged as a substantive medium in India. By the first half of the nineties, it had become a mega medium in the country (Ramaswamy and Namakumari, 1997). By 1985 the scenario had changed dramatically and by October, 1992 the Doordarshan network (State owned television) included 22 programme - producing centres and 533 transmitters (Saxena, 1998). At present Doordarshan has 1000 transmitters, nearly 50 programme generating centres and 20 different channels operating throughout the length and breadth of the country (Saksena, 2000).

Television has already become the darling of everyone in the “family”. The NRS 1999 revealed that the media exposure is highest 80 percent for television. This can be clearly seen from the relative media exposure (table 6). Television will become the cheapest source for entertainment as well as for news and information (Rao, 2000).
Table 6. Both sides ------- of the story

Relative media exposure in %

<table>
<thead>
<tr>
<th></th>
<th>NRS 95</th>
<th>NRS 97</th>
<th>NRS 99</th>
</tr>
</thead>
<tbody>
<tr>
<td>T.V.</td>
<td>76</td>
<td>78</td>
<td>80</td>
</tr>
<tr>
<td>PRESS</td>
<td>57</td>
<td>59</td>
<td>62</td>
</tr>
<tr>
<td>CINEMA</td>
<td>42</td>
<td>38</td>
<td>35</td>
</tr>
<tr>
<td>RADIO</td>
<td>42</td>
<td>29</td>
<td>26</td>
</tr>
</tbody>
</table>

URBAN ALL ADULTS

---

The physical coverage of TV reach was 82.5 percent (1998) of the total population in the country. It was estimated that in 1994 there were about 33 million TV sets of which 2/3rd were in the urban areas. The National Readership Survey IV and V had estimated that 77 percent of the urban population and 30 percent of the rural population had access to TV (Saxena, 1998). At present it has covered nearly 87 percent of area, serving over 350 million home viewers (Saksena, 2000).

Bamzai (2000) stated that there is every indication that in the near future, TV viewership will touch practically the 100 percent mark in urban India. The total number of television sets per 1000 persons in India is at present 64. The number of households with television is estimated to touch 86 million by the end of 2000 from 70 million 1999.

According to a survey conducted by Marg INTAM for Mumbai based Hathway cable and Datacom an average viewer spends two hours and 55 minutes everyday in front of the television set. Out of this nearly an hour (32% of the time) is spent watching programme like hindi films, songs and dance sequences, religious discourses, and local city specific news on the cable channel, making this segment of viewers a prime target for advertising (Thakur and Viz, 1999,). The intensity of access per average working day in towns and villages are shown in Fig. 8 and 9.

S. Nagesh (1999) writes “with an average Indian spending over 150 minutes a day consuming some media form or other, 80 percent of which incidentally is TV, we will see a much closer connection between the media and the consumer. The number of TV households and the satellite TV households in some of the major cities in India are shown in table 7.
Fig. 8 Intensity of Access per Average Working Day in Towns 1998-99
(All figures are average time spent in minutes)

Population

Fig. 9 Intensity of Access per Average Working Day in Villages 1998-99
(All figures are average time spent in minutes)

Table 7. Status of cable and satellite tv in some major cities (1994).

<table>
<thead>
<tr>
<th>City</th>
<th>Cable operators</th>
<th>CTV</th>
<th>STV</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delhi</td>
<td>800</td>
<td>9,000</td>
<td>85,000</td>
<td>94,000</td>
<td>6.1</td>
</tr>
<tr>
<td>Mumbai</td>
<td>1,500</td>
<td>25,000</td>
<td>3,40,000</td>
<td>3,65,000</td>
<td>19.8</td>
</tr>
<tr>
<td>Chennai</td>
<td>600</td>
<td>21,500</td>
<td>16,000</td>
<td>37,000</td>
<td>5.5</td>
</tr>
<tr>
<td>Calcutta</td>
<td>300</td>
<td>5,000</td>
<td>40,000</td>
<td>45,000</td>
<td>2.7</td>
</tr>
<tr>
<td>Hyderabad</td>
<td>300</td>
<td>11,000</td>
<td>25,000</td>
<td>36,000</td>
<td>5.5</td>
</tr>
<tr>
<td>Bangalore</td>
<td>300</td>
<td>12,000</td>
<td>35,000</td>
<td>37,000</td>
<td>5.8</td>
</tr>
<tr>
<td>Lucknow</td>
<td>100</td>
<td>6,000</td>
<td>3,000</td>
<td>9,000</td>
<td>3.4</td>
</tr>
<tr>
<td>Nagpur</td>
<td>120</td>
<td>5,000</td>
<td>10,000</td>
<td>15,000</td>
<td>6.5</td>
</tr>
<tr>
<td>Jaipur</td>
<td>60</td>
<td>350</td>
<td>2,200</td>
<td>2,500</td>
<td>1.4</td>
</tr>
<tr>
<td>Bhubaneswar</td>
<td>25</td>
<td>500</td>
<td>1,300</td>
<td>1,800</td>
<td>2.9</td>
</tr>
</tbody>
</table>

Sandeep Bamzai (1999) contends that if one were to look at the top ten TV spends (refer fig. 10), then fast moving consumer goods are once again at the Vanguard, accounting for 83 percent of billings. FMCG majors prefer to use television to communicate their messages. The top 10 categories contributed Rs. 2,151 crore to the industry's billings which in percentage terms of the total TV spend was a staggering 46.41 percent in 1999.
The TV audience in India can be classified into four segments -a. Only DD, Viewers, b. DD,+3 or Channels Via Cable, c.DD,+Metro Channel, d. DD, + Metro + 7 or 8 satellite Channels via Cable.

Doordarshan (DD), the government controlled national TV broadcaster is among India’s strongest brands. Entering the Top Brands Survey in 1995 at No. 15, DD climbed to No 14 in 1996. Thereafter, it made it to no 9 in 1997 and 1998. In 1999, however, the brand slipped to No 10 (Singh, 2000). As the number of TV sets increased, the Indian viewers appetite for entertainment increased dramatically and Doordarshan was not able to fulfill this appetite (Saxena, 1998). With the explosion of channels and the proposed additional channels, DD has lost its monopoly over the electronic broadcasts (Chunnawala, 1995). Hindusthan Thompson Associates, (1999) collated the advertising spend on private satellite channels and doordarshan from 1991-98 (fig. 11). It shows that in 1999 the Ad spend on DD and DD Metro was Rs. 903 crores as against Rs. 1,197 crores Ad spend on private satellite channels.
In spite of the fact that advertisement revenues in the Indian market grew by 76 percent during 1996 - 1999 (till March), DD’s ad revenues reflected a woeful tale of negative growth. With diminishing advertising revenues and an escalating cost of maintaining its transmitters, Doordarshan will have to look at brand new ideas (Cherian, 2000).

Fig. 11. Doordarshan rules (All figures in rupees crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>Advertising spend on Private Satellite Channels</th>
<th>Advertising spend on Doordarshan (DD-1 and DD Metro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>411</td>
<td>346</td>
</tr>
<tr>
<td>1992</td>
<td>452.20</td>
<td>79.80</td>
</tr>
<tr>
<td>1993</td>
<td>558.75</td>
<td>186.25</td>
</tr>
<tr>
<td>1994</td>
<td>779.02</td>
<td>358.98</td>
</tr>
<tr>
<td>1995</td>
<td>987.35</td>
<td>531.65</td>
</tr>
<tr>
<td>1996</td>
<td>1,098</td>
<td>702</td>
</tr>
<tr>
<td>1997</td>
<td>1,197</td>
<td>903</td>
</tr>
<tr>
<td>1998</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Zee TV, which started in 1991, has overtaken Doordarshan for the first time. The National Readership Survey, 1999, shows that upper and middle income audiences nation wide prefer Zee TV and Sony to DD-2/Metro (Singh, 2000). Among the private channels Zee TV has the maximum reach in India. In 1991, STAR TV was launched which was lapped up by the elite upper class viewers in the major cities, particularly Bombay. The Star TV programmes reached the house of millions of viewers through local cable networking.
In quick succession one saw the growth and demise of home video viewing and by 1992, cable emerged as an uncontested king. But it soon came under the threat from satellite TV (Saxena, 1998). In the high income groups (Secs A/B+) where cable penetration is as high as 90 percent DD's viewing is negligible. This has resulted in lifestyle products both FMCGs and consumer durables - that drive television advertising, moving to cable and satellite channels. Claimedly, 1999 was the first year when DD collected less as advertising revenue than Zee TV (Singh, 2000).

Out of the over 22 million satellite television homes in the country, 90% have access to cable television. With an average of five members in every household, cable television reaches over 90 million people. A survey conducted by Mumbai based trade magazines satellite and cable TV, advertising on cable television earned revenues to the tune of Rs. 50 crore in the last financial year (Thakur and Viz, 1999).

It has been reported that many cable advertising companies rake in Rs. 50,000/- to Rs. 3,00,000/- per month, depending on their operation. The cable TV operators admit they get Rs. 20,000/- extra every month without any extra costs. Firms like Hindustan Lever, Pioma Industries, Parle Exports and Kwality Ice Creams have been some of the major users (Gandhi, 1994). It has been estimated that cable connection will reach up to Rs. 46 million household from 24 million by the end of the year 2000 (Cherian, 2000).

Oxygen media is a model new media company. In an elegant play on the chemical symbol for oxygen, it launched its cable network on February 2nd, 2000. Rather than broadcasting to the masses, it focusses on a particular part of the population (women). It is neither a television company, nor an internet company, but a content company that will distribute its product across both media (Dua, 2000).

The Indian government has introduced the broadcasting bill which envisages foreign participation (Herman and Mc Chesney, 1997). Satyam Infoway, Bharti BT Internet, Zee group, and Jain TV have proposed for
setting up international gateways which was cleared in the first week of January, 2000. The first ISP gateway is expected to become operational by April, 2000 (Review of the Indian Economy, 2000).

Cinema: Cinema, too is still being used extensively as an advertising medium (Ramaswamy and Namakumari, 1997). Many manufacturers are preferring film advertising because more and more people visit cinema houses. Films of different kinds serve as a medium of audio visual appeal. Film advertising may take several forms like ordinary slide production, short commercial films produced for specific purposes (Sahu and Rout, 1997).

Dr. N. Bhaskara Rao (2000) opines that the size of cinema-theater going public may go down but not the cinema-watching public. The cinema will continue to attract investments as of now. Thanks to terrestrial TV and cable TV, film production activity will not slide in importance at least for another decade. Revival of "cinema hall" is likely after a decade when the first generation of "TV-fed kids" end up becoming parents or even grandparents. More importantly, by then, certain reversal of the present trend of migration of cinema personalities and film formulas to television is likely.

Internet: The new baby, Internet, has been creating waves, especially in the past year or so (A & M, 1999). The Internet is fast becoming an important new channel for commerce in a range of business- much faster than anyone would have predicted two years ago. But determining how to take advantage of the opportunities this new channel is creating will not be easy for most executives, especially those in large, well established companies (Ghosh, 1998).

Internet advertising has now reached the point at which many companies are considering it as being a viable alternative to traditional media (Dreze and Zufryden, 1998). The number of web users in America had been estimated at 36 million in 1996 and is expected to grow to 170 million users by the year 2000.
There are vast implications of digital media on mass advertising for Indian markets. According to Forrester's estimate, quoted in The Economist, "the global internet commerce potential could go from about a quarter of a trillion dollars to over three trillion dollars in four years, from 1999-2003". What is the share of developing countries, particularly India, of this grand new medium of exchange? Some estimates for the year 2003 say that 50 percent of the volume will be US based, perhaps 10 percent will be emerging economies and 0.5 - 1 percent will be India based (Seshadri, 1999). All of these factors suggest that web based advertising will ultimately become a very important component of a company's media mix (Dreze and Zufryden, 1998).

India's e-Commerce initiative, which began on a reasonable note last year, is set to leap frog in the coming years. According to Nasscom Chief, Dewang Mehta, e-Commerce transactions in India will be in the region of Rs. 450 crore in fiscal year 1999 -2000. With the IT Bill likely to be implemented by April 2000, e-commerce transactions will climb up to Rs. 2,500 crore in 2000 - 2001, and further to Rs. 10,000 crore during 2001 - 2002 (Babani, 2000). Seshadri (1999) predicts that by end 2000, there will be over 5 million internet users in India.

According to NRS 1999, of the total internet users, 84 percent belong to section A & B. Of them 75 percent use it only for e-mail, and only 43 percent use it for net surfing, which is what makes it a potential competitor to print media. According to NRS 1999, internet access is quite high in the case of people between 20 and 44 years of age. In fact on an average, 25 - 34 years old spend 50.9 minutes on the net per week, while the 20-24 and 35 - 44 years old spend 47.3 and 41 minutes respectively. These figures are bound to go up with increasing connectivity and better infrastructure (see fig. 12 for access by place of work). The user base of Internet is 1.5 million (A &M, 1999).
Fig. 12 Browser Power (1998-99) all figures in percent

This media shapes and moulds the mind and thinking of people and sets economic, social and political agendas, it has been called the fourth estate - the fourth pillar of the state on par with the executive, the legislative and the judiciary (Herman and McChesney, 1997). It's a small wonder then, that the advent of the internet, the scores of promotion that were running in the off-line world would jump into cyberspace. The biggest advantage is that the net is an interactive medium.

Previously, a TV phone combination was the closest one could get to interacting with the customer. In August 1998, Alok Kejriwal set out in true cybapreneur, style set up contest 2 Win.Com (C2W) and taking the concept to the internet. Another few years, and the entire Indian middle class may be hooked to the net. It's the pace of development that is been the story of the internet: most of the action lies way in the future, and it is brands that are being established now. Kejriwal, team leader and CEO, contest 2 win.com expects some revenue to come in from banner advertising. Infact, Internet, Citibank and P & G have already started banner ads on contests 2 win.com. A large advantage that the net offers C2W is the ability to customize contests, and make it exciting by virtue of feedback; while simultaneously building top-of-mind recall for the brand (Povaiah, 2000).

Today, all the major sites and even news media sites are full of advertising. All major brands are present on the internet today. Moreover, TV channels, newspapers, magazines as well as radio are trying to provide enhanced experiences to internet users (A&M,1999).

Three years after emerging into the spotlight, the internet poses a difficult challenge for established business. The opportunities presented by the channel seem to be readily apparent by allowing for direct, ubiquitous links to anyone, anywhere, the internet lets companies build interactive relationship with customers as suppliers, and deliver new products and services at very low cost.
So much about internet commerce is uncertain and confusing that it is difficult for executives of most companies, new or old, to decide the best way to use the channels (Ghosh, 1998). Some consumers find it particularly annoying in certain media. Users of the internet, for example, are strong in their opposition to being exposed to advertising on-line, particularly that which is not specifically targeted to them (Berkman et al., 1996).

Technological breakthroughs will shake up the face of advertising in this millennium. The computer, along with the net, will change consumer communications beyond all recognition in the years to come. This is because it is now possible for the buyer to contact the seller and the seller to respond to the buyer (Patel, 2000).

**Emerging medias:**

a) **Telemarketing**: With changing technology and changing consumer acceptance, telemarketing is a rapidly growing and changing field. As a direct marketer, a telemarketer should appreciate the importance of a data base in keeping track of productive phone numbers and purging non-productive ones (Larsan, 1984).

Rao (2000) predicts that telemarketing and “visual shopping” will become popular by 2010 with dedicated shopping channels via local cable catching up. By 2020, 20 to 25 per cent of households would be receiving information on new products on their small screen at home. Even before that, the television screen will serve at the supermarket. In fact, couple of multiproduct companies would be broadcasting their range of products and the newer ones through (directly or indirectly) dedicated radio / television / cable network.

Controlled-dialogue, call guides can be used to increase productivity, and alternative guides to compare effectiveness. A telemarketer should look for aggressive, goal oriented, decisive, strong-willed and persistent people. Different products or purposes require different emphasis on these qualities. But in most cases, a phone representative must at least be able to tell when the customer has been
sold on a product or when the customer will not buy under any circumstances.

b) Digital magazines: With names like Trouble and Attitude, Word and Launch, the latest magazines are now on the newsstand but are available on the internet. Digazines are much cheaper to start up and operate than are print magazines (Kotler, 1999).

The digitalization of information has made it possible not only to store vast amounts of information but to retrieve it and transfer it with great ease (Prabhu, 1999). The digital revolution and power of multimedia technology are delivering results from consumer goods of major corporations in an automated fun to use interactive format that provides reliable and insightful opinions for tough marketing decisions (Stewart, 1999).

c) Fax on demand: It is used mostly by business marketers. This technology allows businesses to store information in a fax technology program. Customers who need information call a toll-free number, and the fax program automatically faxes the information to them within five minutes. Customers can access the information 24 hours a day, 7 days a week. The service can be set up for as little as $1,000 and business marketers feel that the cost savings in postage alone are worth the investment.

d) Infomercials: These are lengthy (30 to 60 minutes) television ads that often combine information with entertainment and product promotion.

e) Yellow pages: The yellow pages as we know today - a printed directory or local business names and phone numbers organised by type of product. With over 6,400 annual yellow pages directories in the U.S. it was the fastest growing medium in the 1980s in US. In 1991, yellow pages advertising revenues exceeded both radio and magazines (Kotler, 1999).

f) Interactive TV: Combined Computer, telephone and TV hookups have now made it possible for people to participate in a two-way communication with programs or information services via their television
sets. Whereas home shopping networks allow customers to call in their orders, interactive TV allows consumers to use a computer keyboard to communicate directly with sellers on their TV screen (Kotler, 1999). Direct response advertising in television is finding growing favour among fortune 500 companies (Mc Cabe, 1999).

The synergy achieved among the various instruments of information and communication - Computers, telephony, television, satellite, cable TV and internet has ushered in what is called the information revolution (Prabhu, 1999).

II. 2 Advertising decision making process:

Advertising decision making is a five step process consisting of (a) objectives setting, (b) budget decision, (c) message decision, (d) media decision, and (e) advertising effectiveness evaluation. The major decision in advertising management are clearly depicted in fig. 13.

Fig. 13. Major decision in advertising management

Setting objectives: The starting point in any planning exercise is one of setting the goals or objectives. In evolving an advertising plan, objectives have to be set as they help in measuring the performance of an advertising campaign. It is important for the strategist to know how the strategy fared and the only way to know it is how far did it go to achieve the objectives (Saxena, 1998).
Marketers should set specific goals for each promotion mix component, including advertising. They serve as focal points around which budgets may be formulated and also provide a means for evaluating performance (Gross and Peterson, 1987). Advertising goals depend on many factors including share of market, profit status, competition, and nature of the target audience (Wilkie, 1994).

An advertising objective is a specific communication task to be accomplished with a specific target audience, during a specified period of time (Aaker et al., 1998). To develop realistic goals, managers are forced to critically examine what they know and do not know about their intended customers, how well past advertising efforts performed so that needed corrections can be made, and what type of messages are needed (Gross and Peterson, 1987).

For this reason it is desirable in advertising to keep the consumer in mind. It must be remembered that advertising cost should be estimated not from the point of view of the volume of readers but from the point of view of the actual consumers (Mason and Ezell, 1993). Understanding the behaviour of customers to the best of one's ability is the goal of any successful business (Wells et al., 1995).

The points the advertiser should bear in mind about the consumer are (i) his buying motives (ii) factors affecting his buying motives such as age, sex, occupation, class, race or religion (iii) his buying habits and purchasing inclinations; (iv) who does the buying? In the case of the family; is it the husband or the wife? (v) his/her prejudices. Messages can be designed to stimulate immediate purchase or to attract attention, create awareness, or develop favourable impressions (Mason and Ezell, 1993). Advertising objective can be classified by primary purpose - whether the aim is to inform, persuade or remind (Kolter and Armstrong, 1999).

Advertising as a communication medium informs consumers about the presence of a product in the market. The knowledge so gained about the product works in two ways. First, it arouses latent needs and second, it
reinforces and strengthens aroused needs (Saxena, 1998). As predicted by D.Ogilvy (1985) in his book Ogilvy on Advertising - "Advertising will contain more information and less hot air". There will be a vast increase in the use of advertising by government for purposes of education, particularly health education. It will play a part in bringing the population explosion under control.

Advertising adds value to products by providing information to consumers. The value created by advertising may be called information utility. It tells the people what the product is, what it can be used for, where it is available, who else has it, and other such information. It also provides a means for sellers and buyers to inform one another about their wants and needs so that those needs can be met through mutually satisfying market exchanges (Nickels, 1982).

There are three major consensus focussed on the information that marketers provide to consumers, generally in the form of advertisements - the accuracy of the information provided, the cumulative impact on values and the adequacy of consumer information (Hawkins et al., 1995).

The goal of advertising is to persuade the consumer to do something, usually to purchase a product (Wells et al., 1995). Advertising is a powerful tool of persuasion in guiding consumer purchase decision (Deighton, 1986). Sometimes people need to be persuaded to do things that are good for them or for society. They must be persuaded to brush their teeth, for example. Advertising images add to the value of products by showing people how particular products will enhance their economic or social well-being (Nickels, 1982). Persuasive advertising is used to build selective demand for a brand by persuading consumers that it offers the best quality for their money (Kotler and Armstrong, 1999). If advertising is to attract and communicate to audiences in a way that produces the desired result, advertisers must first understand their consumers' way of thinking, with those factors that motivate them and with the environment in which they live (Wells et al., 1995).
Reminder advertising is used to keep consumers' thinking about a product (Kotler and Armstrong, 1999). It reminds the buyers that they may need the product in the near future (Aaker et al., 1998).

Other purposes of advertising may be to offset the effectiveness of a competitors' ad (defensive advertising), to reduce sales fluctuations, to point out new and varied uses of a product (Pioneer, competitive and comparative advertising) (Mason and Ezell, 1993). Another advertising objective may be to reach consumers who are inaccessible on account of topographical or transportation constraints for example in Ladakh or Nagaland or because they are not easily identifiable (Gandhi, 1997).

Advertising is too important a phenomenon in modern societies to be ignored by public policy. One needs only to look at the responses to the AIDS epidemic to accept the importance of targeted public interest, advertising aimed at awareness, approval and ultimately behavioural change in high risk segments of society (Seshadri, 1999). Munira Sen (1999), feels that advertising is a powerful weapon which should be used for socially relevant issues to a larger extent than it is done. Advertising also enhances the effectiveness of a sales person.

Advertising uses a variety of techniques and images to create a favourable impression with viewers. People buy products and accept ideas for a variety of reasons (rational and non-rational, economic and non-economic); advertising reflects their preferences by creating images for products that satisfy their different needs (Nickels, 1982).

Advertising may also aim to motivate people to contribute to say, the Prime Minister's Relief Fund, its concern may also be for ecological or rural development (Gandhi, 1997).

Colley lists 52 possible advertising objectives in his well known "Defining Advertising Goals for Measured Attitude Results". He outlines a method called DAGMAR (after the book's title) for turning advertising objectives into specific measurable goals (Kotler et al., 1996).
The DAGMAR model suggests that an individual buyer goes through different mental stages before accepting a brand. For example, individuals start by being aware of the brand. This in turn leads him or her to know more about the brand - its characteristics, appeals, associated images and feelings, its competitive position and the target market. The third step is the attitude which intervenes between comprehension and final action like trying the brand or visiting a retail outlet to buy or seeking more information.

The important assumption in the DAGMAR model are that advertising will have a benchmark to compare post advertising effect. Its critics feel that it is difficult to implement the model (e.g. difficulty in selecting the level in the hierarchy model). Besides there are problems of measurement and the noise in the communication system (Saxena, 1998).

Awareness - Trial - Reinforcement (ATR) Theory: This theory contends that advertising is a weak market force that is suggestive rather than strongly persuasive. ATR says that advertising can only exert influence at each stage of the process. The first purchase for frequently purchased consumer goods is viewed as a trial purchase. The R in the ATR theory stands for reassurance and retrial as well as reinforcement (Dalrymple and Parsons, 1995). Reinforcing a consumer’s purchase decision prevents or reduces dissonance (Mason and Ezell, 1993). The reinforcing role of products, advertising and cultural values is important, as is the role of mass advertising in breaking with oppressive “traditional” moves.

One must not assure that the role of advertising is always to stimulate demand. In some instances, advertising has been used to encourage consumers to decrease their level of consumption (Mason and Ezell, 1993). In the case of energy consumption, advertising efforts require to reduce demand and to reverse positive attitudes (Kotler, 1999). In other instances, the role of advertising may be to completely destroy demand (Mason and Ezell, 1993). In the recent past, advertising of substance abuse such as alcohol, drugs and cigarettes are designed to encourage people to quit smoking or to cease using drugs (Seshadri, 1999).
The budget process: Establishing the advertising budget is one of the more difficult tasks facing marketing managers (Guiltinan and Paul, 1991). "Even the most seasoned and sophisticated businessman never feels quite sure whether he has appropriated the right amount for advertising" (Dunn and Barban, 1982). Advertising appropriation is that part of company's communication budget which is to be spent or, say invested, on media men, and other ancillary services so as to impersonally communicate with the target consumers (Gandhi, 1997).

There are various techniques used for this task, (a) percent of sales approach, (b) affordability approach, (c) competitive parity approach and (d) objectives and tasks approach. The latter method is recommended because it requires building the budget around clearly defined goals and the tasks needed for their attainment (Blasko and Patti, 1984). Most firms have their own norms, but there seems to be some common guidelines that influences budget decision.

(a) Percent of sales approach: One of the most common methods in advertising budget exercise is percent of sales. Past sales or projected future sales is used as the base (Saxena, 1998). Sales are influenced by many factors, such as the product's features, price and availability, as well as competitor's actions (Kotler, 1999). It may be explained as

Advertising appropriation = Rupee sales x Percentage.

The limitations of this approach is that it does not believe that advertisement can influence sales. Infact, here sales or estimates of sales seems to influence advertisement expenditure (Saxena, 1998).

It is extremely difficult to predict the impact of a given level of advertising expenditure on sales for several reasons. The relationship between advertising and sales is not likely to be direct. Linear relationship, competitive actions or environmental factors may offset the effectiveness of advertising effort, and advertising effect are sometimes offset by change in price, selling effort, or other marketing problems. An
additional problem is that advertising effects tend to be cumulative (Guiltinan and Paul, 1991).

b) Affordability approach: Another approach to advertising budgeting is affordability. In this method the firm first allocates its financial resources to other unavoidable heads like manufacturing, research and development, trade discounts etc., and then whatever is left is allocated to advertising (Saxena, 1998). It envisages that advertising appropriation is possible only when the company has met all other prior claims (Gandhi, 1997).

c) Competitive parity approach: The competitive parity approach sets spending in line with that of major competitors. To some degree, it reflects a belief in collective industry wisdom. Information on competitive spending comes from sources such as Neilsen Ad Tracker (Dalrymple and Parsons, 1995). Neilsen suggests a share of spending considerably greater than the share of market objective in the first year. For example, to achieve 5 percent share of market would require spending 9 percent of the total advertising dollars in the category (Sandage et al., 1998). The logic is that collective wisdom is better than an individual firm's ideas or a brand manager's beliefs. The limitation of this approach is that there is no guarantee that everyone will operate at the optimum level of spending (Saxena, 1998).

d) Objective and tasks: This method requires the advertisers to define the advertising campaigns specific objectives, and then to estimate the costs of the activities needed to achieve these objectives (Schultz et al., 1984).

The specific factors to consider when setting the advertising budget are:

(i) Stages in the product life cycle: New products typically receive larger advertising budgets to build awareness and to gain consumer trial.

(ii) Market share and consumer base: High market share brands usually require less advertising expenditures as a percentage of
sales to maintain their share. To build share by increasing market size requires large advertising expenditures. Additionally, on a cost-impressive basis, it is less expensive to reach consumers of a widely used brand than to reach consumers of low share brand.

(iii) Competition and cluster: In a market with a large number of competitors and high advertising spending, a brand must advertise more heavily to be heard above the noise in the market.

(iv) Advertising frequency: The number of repetitions needed to put across the brand's message to consumers also determines the advertising budget (Evans and Berman, 1992).

(v) Product substitutability: Brands in a commodity class (Cigarettes, soft drinks) require heavy advertising to establish a differential image. Advertising is also important when a brand can offer unique physical benefits or features.

(vi) Market characteristics: A higher advertising budget may be set aside when the target market is interested in advertising information and do not mind being bombarded with ads. (Kotler, et al., 1996).

After determining the overall expenditure to be allocated to advertising by any of the above methods, a firm sets a detailed advertising budget. It must delineate the funds for each type of advertising (such as product and institutional messages) and each medium (such as newspapers and radio) (Kotler and Armstrong, 1999).

Several points should be considered in budgeting. What are the costs for different alternatives? (a 30 second national television spot versus a full page magazine ad). How many placements of an ad are necessary for it to be effective? (if 4 telecasts of a single television ad are needed to make an impact, the budget must provide for 4 placements). What does it cost to produce an ad? How have media prices risen in recent years? How should a company react during an industry
slump? (Evans and Berman, 1992). Because demand oriented advertising generates sales, firms should be very careful about reducing their budgets. A better campaign, not a lower budget, may be the answer if performance does not reach goals (Saxena, 1998).

In conclusion, research has shown a significant movement by medium sized and large companies towards more professional approaches to advertising budgeting.

**Message decision**: Once the target is identified, objectives are established, an advertising budget is set, management is ready to consider how to go about influencing the consumer to buy (Assael, 1995).

The way consumers respond to advertising messages is fraught with complexities. If analyzed as a simple process this response might be divided into (a) attention (b) perception (c) belief, (d) motivation and (e) purchase. But consumers do not progress through these steps like robots (Deighton, 1996).

A message strategy is a description of an advertising campaigns overall approach and specific requirements, called mandatories, which include addresses, logos, slogans, and so on (Arens and Bovee, 1994). An advertising message strategy has three components.

(a) **Theme**
(b) **Copy**
(c) **Format**

**a) Theme**: The theme is the overall information to be conveyed. They are essentially appeals the ads make to potential buyers (Gross and Peterson, 1987). There are four basic type of strategies. These are given below:

**Information**: Imagery / symbolism.

<table>
<thead>
<tr>
<th>Maintenance objective change</th>
<th>Information - oriented maintenance strategy</th>
<th>Image - oriented maintenance strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information - oriented change strategy</td>
<td>Image - oriented change strategy</td>
<td></td>
</tr>
</tbody>
</table>

60
An information-oriented maintenance strategy is designed to reinforce the positioning of a brand or a company by conveying information about it.

An image-oriented maintenance strategy reinforces the brands of company's positioning through imagery. Information-oriented change strategies are designed to revitalize brands by advertising new product features. An image-oriented change strategy is meant to revitalize a brand through imagery and symbolism (Assael, 1995).

(b) Copy: The central element of an advertising program is the advertising copy, the messages that the target audience is intended to see (as in magazines, newspapers, and television) or hear (as in radio and television) (Berkowitz et al., 1992). Each receiver will decode the advertising message in his or her own unique way. How that message is perceived and subsequently believed provides opportunities for the misinterpretations, deceptions, and frauds that continuously plague the advertising process (Deighton, 1996).

A copy is the guideline for what to say; considerations that affect the choice of words; and type of medium(s) that will carry the message (Arens and Bovee, 1994). It is an ads pictures, words, and symbols used to present the theme.

Copywriters thrive on the challenge and excitement of creating and writing the advertising messages - the encoding process. Encoding takes place at two levels - in the mind, as an idea and some medium (like paper).

The copywriters pyramid (see fig. 14) - uses a five step structure - attention, interest, credibility, desire and action. The purpose of copy writing is to persuade or remind people to take some action to satisfy a need or want. But first people need to be aware of the problem, or, if the problem is obvious, of a solution. To create awareness, the copy writer must first get people's attention (Arens and Bovee, 1994).
Attention: To be effective, copywriters must first get and then hold the audience's attention (Gross and Peterson, 1987). M. Pierce (1988) stated that the attention-getting device should create drama, power, impact, and intensity, and it must be appropriate - relate to the product, to the tone of the ad, and to the needs or interests of the intended audiences.

Fig. 14. Copywriters pyramid

An ad or commercial, is a stimulus. It must break through consumers physiological screens to create the kind of attention that leads to perception. Attention, therefore is the first objective of any ad and the fundamental building block in the copywriters' pyramid. Print ads often use the headline as the major attention getting device. Many other devices also help gain attention (in print media; dynamic visuals, unusual layout, vibrant colour, or dominant in size). In electronic media, special sound effects, music animation, or unusual visual techniques (Arens and Bovee, 1994).

Interest: Effective commercials stimulate interest in both the ad and the product. Some ads stimulate interest, but not in the product (Gross and Peterson, 1987). The copywriter must focus on leading prospects from...
one step to the next. Research shows that people read what interests them and ignore what doesn’t, so the writer must maintain prospects’ interest at all times (McCarthy and Perreault, 1990).

There are many effective ways to stimulate interest - a dramatic situation, a story cartoon, or charts and tables. In radio, copy writers use sound effects or catchy dialogue between two characters. Television frequently uses quick cut from one subject to another to maintain interest in the action - and the outcome of the commercial (Kotler, 1999).

**Credibility:** Customers today are skeptical and cynical. They want to know that a product or service claim is backed up by facts. Comparison ads can build credibility; but they must be relevant to customers’ needs. Advertisers and agencies must remember that many consumers have extensive product knowledge even in specialised areas (Arens and Bovee, 1994).

**Desire:** Ads should generate desire among the audience to try the product. Sometimes ads that favourably compare the company’s brand with those of the competitors can be very useful in building desire (Earl and Pride, 1984).

**Action:** Finally, the ultimate test of a message’s effectiveness is whether or not it effects the action desired. Sales can best be stimulated by offering a need related incentive for buying (Gross and Peterson, 1987). Creative copy and presentation can greatly increase an ad’s impact. All ads have a common purpose: to bring about the desired response from the audience.
Media decision: After choosing the message, the advertiser's next task is to choose media to carry it (Kotler, 1999). Advertising media is the vehicle used to carry the advertising message from the sender to the intended receiver (Sahu and Rout, 1997).

Media has a vital role in the process of advertising communication. Effective advertising is possible only if suitable media are available. The appropriateness of media used, vis-à-vis the target audience and their reach, are of critical importance (Mohan, 1998).

Since advertising is a means of mass communication, it requires mass media (Sahu and Rout, 1997). To some, the mass media represent powerful forces influencing and shaping our values, tastes, and quality of life. Others view mass media more as reflecting our culture than as shaping it. Still others maintain that the true relationship lies somewhere in between (Reynolds and Wells, 1997).

Dr. B. Rao (2000) stated: "mass media together with entertainment, advertising, and marketing get their momentum from economy, demographics, and lifestyles, on the one hand, and technological developments on the other. The convergence between entertainment, advertising, and marketing will sustain and shape mass media even more in the new millennium".

The individual advertising situation largely determines the complexity of media selection. A retailer in a major metropolitan area has the problem of choosing the media from among newspapers, radio, television, outdoor, transit, and direct mail. The problem of media selection is even more complex in the case of the national advertiser who sells to a broad national market (Sandage et al., 1999). Since rural markets are
more important to any advertiser, rural communication form an important part of advertising agencies task. And that's where a rural media like video on wheels play a major role (Saxena, 1998). In the United States, mass media has been the cornerstone of most brand building efforts (Joachimsthaler and Aaker, 1997).

In the media sector we have at present intense competition, e.g. TV/radio, newspaper / magazines each attempting an increasing market share. In the press segment we are witnessing regular media war. In the case of the press, competition is total. However, media owners are expected to adopt new customer-oriented approach to get rid of such unhealthy competition (Reynolds and Wells, 1997). Today, large media houses, like the Times of India Group, help advertisers to buy the optional media mix. Media marketing is going to be on the increase as the target audience gets fragmented over multiple media choice (Saxena, 1998).

In evolving a media plan, decisions have to be taken in respect of the following media factors - (a) media class, (b) media vehicles, (c) media option and (d) scheduling and timing.

(a) Media class: This refers to the type of media which is most appropriate to the product and ad copy (newspaper, TV, radio, billboards (Saxena, 1998). Each medium (TV, radio, newspaper, magazine) has its unique characteristics that may or may not be appropriate for the kind of message to be presented and for the kind of target segment to be reached (Gulltinan and Paul, 1991). A profile of major media class with their advantages and disadvantages is presented in table 8.
### Table 8. Profiles of Major Media Types

<table>
<thead>
<tr>
<th>Medium</th>
<th>Advantages</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspapers</td>
<td>Flexibility; timeliness; good local market coverage; broad acceptance; high believability</td>
<td>Short life; poor reproduction quality; small “pass-along” audience</td>
</tr>
<tr>
<td>Television</td>
<td>Combines sight, sound, and motion; appealing to the senses; high attention; high reach</td>
<td>High absolute cost; high clutter; fleeting exposure; less audience selectivity</td>
</tr>
<tr>
<td>Direct mail</td>
<td>Audience selectivity; flexibility; no ad competition within the same medium; personalization</td>
<td>Relatively high cost; “junk mail” image</td>
</tr>
<tr>
<td>Radio</td>
<td>Mass use; high geographic and demographic selectivity; low cost</td>
<td>Audio presentation only; lower attention than television; nonstandardized rate structures; fleeting exposure</td>
</tr>
<tr>
<td>Magazines</td>
<td>High geographic and demographic selectivity; credibility and prestige; high-quality reproduction; long life; good pass-along readership</td>
<td>Long ad purchase lead time; some waste circulation; no guarantee of position</td>
</tr>
<tr>
<td>Outdoor</td>
<td>Flexibility; high repeat exposure; low cost; low competition</td>
<td>Limited audience selectivity; creative limitations</td>
</tr>
<tr>
<td>Yellow pages</td>
<td>Excellent local coverage; high believability; wide reach; low cost</td>
<td>High competition; long ad purchase lead time; creative limitations</td>
</tr>
<tr>
<td>Newsletters</td>
<td>Very high selectivity; full control; interactive opportunities; relative low costs</td>
<td>Costs could run away</td>
</tr>
<tr>
<td>Brochures</td>
<td>Flexibility; full control; can dramatize messages</td>
<td>Overproduction could lead to run-away costs</td>
</tr>
<tr>
<td>Telephone</td>
<td>Many users; opportunity to give a personal touch</td>
<td>Relative high cost unless volunteers are used</td>
</tr>
<tr>
<td>Internet</td>
<td>High selectivity, interactive possibilities, relatively low cost</td>
<td>Relatively new media with a low number of users in some countries</td>
</tr>
</tbody>
</table>

The character of the media chosen should be compatible with the advertising message. If management wishes to create interest and excitement in a new product offering, for instance, television may be useful.
since its combination; of auditory and visual cues carries an impact among consumers. In contrast, if the objective is to convey detailed information about a product's specifications, such as for a new type of computer, then a print medium would probably be better since television is not suited to long detailed messages (Gross and Peterson, 1987).

(b) Media vehicles: The media planner now must choose the best media vehicles - specific media within each general media type (Kotler and Armstrong, 1999). A vehicle is a specific magazine, newspaper or radio or television programme (Guiltinan and Paul, 1991). They provide the immediate environment for the advertiser. For example, within the newspaper, "The Times of India" is a media vehicle; in television Zee TV's "Antakshari" is the vehicle (Saxena, 1998).

In selecting a specific set of vehicles, managers should understand each vehicle's ability to reach the target market segments. Rating services and special research provided by the vehicles or by advertising agencies provide information on the audiences size and demographic for each vehicle (Guiltinan and Paul, 1991).

(c) Media option: This refers to the size (full or half page), length (30 seconds or 60 seconds), colour or location (like front page, bottom right or prime time 9 pm) of the ad in the media vehicle.

(d) Scheduling and Timing: Once a media mix is selected, a time schedule must be established to specify when the ads will run (Assael, 1993). It refers to how media options are scheduled over a period of time. In choosing media, the advertiser faces a macro-scheduling problem and a micro-scheduling problem.

The macro-scheduling problem involves scheduling the advertising in relation to seasons and the business cycle. Suppose 70 percent of a product's sales occur between June and September, the firm can vary its advertising expenditures to follow the seasonal pattern, to oppose the seasonal pattern or to be constant throughout the year (Kotler,
The major goal is to schedule advertising when consumers are more apt to buy (Arens and Bovee, 1994).

The **micro-scheduling problem** calls for allocating advertising expenditures within a short period to obtain maximum impact (Kotler, 1999).

The strategic options are: (I) **flighting** - i.e., periods of total inactivity, (ii) **continuous** - i.e., even distribution of advertising during a time period, (iii) **pulsing** - a continuous base augmented by intermittent bursts of heavy advertising (Saxena, 1998).

Flighting alternates periods of advertising with periods of no advertising. This intermittent schedule makes sense for products and service that experience large fluctuations in demand throughout the year.

In a **continuous schedule**, advertising run steadily and varies little over the campaign period. It's the best way to build continuity (Arens and Bovee, 1994).

The third alternative, pulsing is spending most of the advertising budget in a few large bursts at various times. Pulsing is most relevant for new products to provide an initial burst and establish brand awareness (Assael, 1993). If it is a new brand in a highly competitive market, it may be very difficult to achieve success. Depending on the category, they have had to rely on public relations, sampling, demonstrations or even creating word of mouth publicity to become really successful (A & M 1999).

Pulsing is also used for seasonal products to advertise more heavily during peak periods. **Wearout** is a decrease in the effectiveness of advertising over time because of boredom of familiarity. As a result, advertisers will try to vary the message when they maintain continuous advertising (Assael, 1993).

Media planners make their choice among media categories by considering the following variables (i) target audience media habits (ii) product (iii) message (iv) cost (Kotler, 1999).
(I) Target audience media habits: The target audiences media consumption habits and the characteristics of both the product and the message are important factors to consider in making their decision (Gross and Peterson, 1987). Because the audience is narrowed down, this tends to be an economic way of reaching specific target segments with complex messages (Guiltnan and Paul, 1991).

Effective selection depends upon understanding targeted customer and their media use habits. Marketers conduct research to determine the media habits of their target consumers. Consumer research is a measure through which marketers match the profiles of targeted consumers to the media categories to which consumers are most likely to be exposed to and to which they are most likely to respond favourably (Berkman et al., 1996).

For instance, when using direct mail advertising, a firm usually relies on a mailing list containing the names of individuals with some common characteristics such as age (for example, senior citizens), occupation (student or doctor, for example), geographic area (such as suburban location) or product ownership (such as house owners) (Guiltnan and Paul, 1991).

(ii) Product: Advertising has also embraced a large number of diverse product groups - from soaps and detergents to computers. Today more than 10,000 branded products and services are being advertised in India, through different media. The range of heavily advertised product categories has also widened considerably. The number of brands advertised on the channel of Doordarshan, has more than trebled between 1991 and 1994. The 600 odd well circulated publications in English as well as various Indian languages go to the readers literally ad-packed (Ramaswany and Namakumari, 1997).

(iii) Message: Message distribution objectives define where, when and how often advertisements should appear. In other words, how much of the target audience should be exposed to the advertisement, where and how often? To answer these questions, a media planner must
understand such concepts as **reach**, **frequency**, **gross rating points** and **continuity** (Arens and Bovee, 1994).

The **reach** is the number of people exposed to one or more of the vehicles in the media schedule, the unduplicated audience. Cumulative audience is a more restrictive term commonly used to designate the reach of two or more issues of a given vehicle. Similarly, net coverage designates the reach of a combination of single issues of two or more vehicles (Aaker *et al.*, 1998). P. Kotler (1999) defines "reach" as the number of different persons or households exposed to a particular media schedule at least once during a specified time period. **Frequency** is the number of times an individual in the target group is exposed to the message.

Advertising exposure is measured by reach multiplied by frequency (Aaker *et al.*, 1998).

\[ E = R \times F \]

where, \( E \) is the total number of exposures, \( R \) is the reach, \( F \) is the frequency.

This measure is referred to as **Gross Rating Points** (GRP). If a given media schedule reaches 80 percent of the homes with an average exposure frequency of 3, the media schedule is said to have a GRP of 240 = (80 X 3). The weighted number of exposure (WE) is the reach impact, that is, \( WE = R \times F \times I \). Impact is the qualitative value of an exposure through a given media (Kotler, 1999).

There is a trade-off between reach and frequency. For a given advertising budget, great emphasis on reach means less emphasis on frequency and vice-versa. The balance between the two depends on the advertising objectives. Reach is important for nationally advertised products that cut across many segments (for example, products such as toothpaste, detergents and soft drinks). Frequency is also important when trying to influence a particular target group.
One problem with using advertising exposures to select media is that exposure does not reflect the impact of advertisement (Assael, 1993). Many advertisers believe a target audience needs a large number of exposures for the advertising to work (Kotler, 1999).

**Continuity** refers to the length of time an advertising message or campaign will run over a given period of time. A media planner for a new product might decide that after a heavy introduction period of, say, four weeks, campaign needs to maintain continuity for an additional sixteen weeks but on fewer stations (Arens and Bovee, 1994).

**(iv) Media cost :** The media planners must search for the most cost effective vehicles within each chosen media type. The planner has to rely on media measurement services that provides estimates of audience size, composition and media cost (Kotler, 1999). Media planner must compute the cost per one thousand persons reached by a vehicle. The media planner ranks each magazine by cost per one thousand (figure) and favours those magazines with the lowest cost per 1000 for reaching target consumers (Kotler and Armstrong, 1999). Cost per 1000 in printed media is calculated as follows:

\[
\text{Cost per 1000 (CPM)} = \frac{\text{Price of a single message} \text{ (space or time insertion)}}{\text{Circulation size (in thousands)}}
\]

(M is the Roman numeral for 1000)

Television and radio stations describe the audience using the term rating- the percentage of household in a market that are tuned to a particular TV show or radio station (Berkowitz et al., 1992). Their media cost is calculated as follows:

**T.V.**

\[
\text{Program rating} = \frac{\text{Households tuned to the programme}}{\text{Total television households in the market}}
\]
Household tuned to the programme
Share of the audience =  
Households using television
Cost of commercial time
Cost per rating point =  
Program rating

Radio:

Average quarter hour persons for a station
Average quarter hour share =  
Average quarter hour persons for all stations

Media cost have risen most rapidly (media inflation) in India. However, it has not affected media growth adversely. The overall impact of media inflation and fragmentation is cushioned by a rapidly increasing base of TV homes (Berkman et al., 1996).

Computers have been an important part of media planning since the early 1970's. They perform the tedious number of crushing needed to compute GRPs, CPMs, reach, frequency and so on. And they can save time and money. Media planners use three main types of computer programs. The linear programming model creates a complete media schedule that maximizes exposure within a given budget. The simulation model estimates the ability of the chosen media vehicles to expose target individuals to a message. Finally, formula models calculate reach, frequency, and other statistics for different media vehicles and rank the vehicles according to selected parameters: the best reach, the best frequency, and so on. Since the advent of micro computers in the early 1980's, software programmes for media planning have proliferated (Arens and Bovee, 1994).

Meenakshi Madhvani, Chief Executive Officer, Carat Media Services India Ltd, says, "By virtue of its definition a good media vehicle must deliver along the same parameters with one addition - environmental impact. The environment of the media vehicle does have an impact on the efficiency of communication. Carat uses IRS on a day to day basis to
understand the market and consumers. It gives us insights of media consumption across the country" (A & M, 1999).

Perhaps the new media scene will take more time to develop than the two or three years that the pundits have predicted. Perhaps it will not affect everyone. Some people may not want (or may not be able) to pay to access ad free media. It is not hard to imagine, however, that the media landscape as a whole will be very different in only a few years (Joachismathaler and Aaker, 1997). D'Mello (1999) points out a good media strategy is judged by the leverage that it generates for the marketing objectives of the brand.

Ideas about media impact and cost must be re-examined periodically. For a long time, television was dominant in the media mix. Then researchers began to notice television's reduced effectiveness which was due to increased commercial clutter (advertisers is beamed shorter and more numerous commercials at the audience), increased "Zipping and Zapping" of commercials.

(c) Format: The format is the layout specifications including specific colours to use, the length of a television or radio spot, the space for print, type, size, specific actors and so on (Gross and Peterson, 1987).

The format elements make a difference on an ads impact as well as on its cost. A small change in ad design can make a big difference on its effect. The illustration is the first thing the reader notices - it must be strong enough to draw attention (Saxena, 1998). Next, the headline must effectively entice the people to read the copy. Finally, the copy - the main block of text in the ad must be simple but strong and convincing. Moreover these three elements must effectively work together (Kotler and Armstrong, 1999).

Although message design is primarily the responsibility of the advertising agency or of other creative specialists, the advertising director or product managers can provide significant input to see that the message
design is appropriate for the marketing strategy and advertising objectives (Guiltinan and Paul, 1991).

Advertisers have learned that a skillful campaign with high repetition can not only make the unaware aware but also achieve an attitude shift. The complex psychological make up of each consumer makes it possible for some advertisers to manipulate some consumers predispositions and attitudes and to exploit their foibles and even their gullibility (Deighton, 1996).

Information regarding the demographic and life style characteristics of the target audience is useful in deciding what kinds of individuals might be portrayed in the advertisement. Product usage situations and usage problems can be used to establish a setting or content in which the advertising takes place. Factors limiting the willingness to buy can be considered by message designers, and the advertisement can be structured so that the existence or significance of these factors can be reduced (Guiltinan and Paul, 1991).

Certain basic question related to the product and the advertising strategy need to be asked and answered. How is the market segmented? How will the product be positioned? Who are the best prospects for the product? Is the target audience different from the target market? What is the consumer benefit? What is the product’s (or company’s) current image? And what is the products unique advertising?

At this point research data is important. Research helps the creative team identify the best prospects, the best mediums and the most suitable consumer appeals and product claims (Arens and Bovee, 1994).

Creative decisions include (i) identifying the product benefits (ii) developing advertising appeals (iii) evaluating the advertising appeals and setting a unique selling proposition, and (iv) executing the advertising message.

(i) Identifying product benefits: In advertising, the goal is to sell the benefits of the products not its attributes (Lamb et al., 1992). Advertising
which promises no benefits to the consumer does not sell, yet the majority of campaigns contain no promise. Starch reported that advertisements with headlines that promise a benefit are read by an average of four times more people than advertisements that don't (Ogilvy, 1985).

The description of a benefit should tell consumers what they will receive or achieve by using the product. A product should answer the consumer’s question, “what’s in it for me?” On the other hand, an attribute only describes a feature of the product (Lamb et al., 1992).

ii) Developing advertising appeals: An advertising appeal identifies a reason why a person should purchase a product or service. Advertising appeals should have three characteristics. First, they should be meaningful, pointing out benefits that make the product more desirable or interesting to consumers. Second, appeals must be believable—consumers must believe that the product or service will deliver the promised benefits. Appeals should be distinctive—they should tell how the product is better than the competing brands (Kotler and Armstrong, 1999).

Although the marketer can use many different types of appeals, common advertising appeals include fear appeals, sex appeals, and humorous appeals. Fear appeals suggest to the consumer that he or she can avoid some negative experience through the purchase and use of a product, or through a change in behavior. Sex appeal suggest to the audience that the product will increase the attractiveness of the user. Unfortunately, many commercials that use sex appeals are only successful in gaining the attention of the audience; they have little impact on how consumers think, feel or act. Humorous appeals imply either directly or more subtly that the product is more fun or exciting than competitors offerings (Berkowitz et al., 1992).

(iii) Evaluating advertising appeals: Evaluation normally involves market research to determine the best appeal among those development criteria for evaluation. It includes desirability, exclusiveness, and believability. The appeal must first make a positive impression on the
target market. It must also be unique, consumers must be able to distinguish the advertising message from competitors message. The dominant advertising appeal for the campaign will become what advertisers call its unique selling proposition (Lamb et al., 1992).

(iv) Executing the message: The execution style is the specific method of presenting the copy claim that is used to provide an environment for enhancing the copy (Guiltimean and Paul, 1991). Ads may be more effective when their message is congruent with their surroundings (Kotler, 1999). The advertisement, whether print or service, creates desire for it, and ultimately motivate a purchase (Lamb et al., 1992).

Advertising effectiveness evaluation: Management often spends substantial sums testing advertisements in order to determine their effectiveness (Mason and Ezell, 1993). Yet the fundamental research on advertising effectiveness is appallingly small. According to Forrester, “probably no more than 1/5 of 1 percent of total advertising expenditure is used to achieve an understanding of how to spend the other 99.8 percent” (Kotler, 1999). The essence of evaluation and control is to have a system in place for providing feedback on performance at all levels of the business unit. It is to determine why the unit of analysis did not meet performance expectation.

Advertising effectiveness evaluation may be tested in two ways (a) communication impact and (b) sales impact.

(a) Communication impact: The task of evaluating communication effect is usually divided into two parts, namely (i) pre-testing and (ii) post-testing (Gandhi, 1997).

(i) Ad pre-testing: To pretest an advertising, marketers sometimes make use of a consumer panel, a group of actual or potential buyers of an advertised product who are asked to assess various dimensions of two or more advertising forms. Group interviews are used to pretest an advertising. Pretest is based on the belief that actual consumers are more
likely than advertisers to know what types of advertising will have the greatest impact on them (Skinner, 1994).

Since the primary objective of most advertising is to get consumers to buy in the term (using a pull strategy), what most companies need is a sales response function for media advertising, also called advertising response function. People usually go through several steps in their readiness to buy before actually making a purchase; attention, interest, desire and action (AIDA). Since advertising is supposed to help more people through all these stages, one good way to measure ad effectiveness is to see how much it accomplishes at each stage. The three stages prior to purchase (i.e. action) can be measured well by doing survey research among consumers (Myers, 1986).

There are three major methods of ad pre-testing:

**Direct rating method**: In this method consumers are asked to rate alternative ads. These ratings are used to evaluate an ad's attention, read-through, cognitive, affective, and behaviour strengths. Although an imperfect measure of actual impact, a high rating indicates a potentially more effective ad.

**Portfolio tests**: In this method consumers are asked to view or listen to a portfolio of advertisements, taking as much time as they need. Consumers are then asked to recall all the ads and their content, aided or unaided by the interviewer (Kotler, 1999).

In aided recall respondents are promoted in some way; for example, they are asked whether they remember seeing any ads about a specific type of product or from a company (brand name). In unaided recall respondents are asked what ads they can remember seeing or hearing in a particular magazine, television program or radio program. No cues are given as to type of product or type of ad (Myers, 1986). Recall level indicates an ad's ability to stand out and to have its message understood and remembered.
Laboratory tests: They use equipment to measure physiological reactions—heart beat, blood pressure, pupil dilation, perspiration to an ad. These tests measure attention getting power but reveal nothing but impact on beliefs, attitudes, or intentions (Kotler, 1999).

Some specific advertising research techniques are:-

For print ads: Starch and Gallup & Robinson, Inc. are two widely used print pretesting services. Test ads are placed in magazines, which are then circulated to consumers. These consumers are contacted later and interviewed. Recall and recognition tests are used to determine advertising effectiveness.

Recall tests: The researcher asks people who have been exposed to the media vehicle to recall advertisers and products contained in the last issue (Kotler, 1999). The recall test is based on memory. It attempts to measure the number of readers who succeed in recalling the advertisement being tested. They are also further probed to recall different components of the advertisement and the kind of impressions left by it (Gandhi, 1997).

Recognition tests: With a recognition test, researchers show individual respondents actual advertisements and ask whether they recognize them (Skinner, 1994). Here readers of a given issue of, say, a magazine are asked to point out what they recognize as having seen before. For each ad, three different Starch readership scores (named after Daniel Starch, who provides the leading service) are prepared (Kotler, 1999).

The Starch service selects magazines of various types with the largest circulation for testing. An interviewer from Starch shows each person every advertisement in a particular magazine issue, going through the issue page by page (using the recognition method). Each respondent is asked the following question for each ad:

1) Did you see this ad? ("Noted" score)

2) Did you notice who the advertiser was? ("seen/association" score)

3) How much of the copy did you read? ("Read most" score).
Starch gives subscribers a report summary showing the percentages of respondents for each score (i.e. noted, seen/associated, and read most) for each ad in the issue. The subscriber can then compare its own advertisement against those of its competitors in the same product category (Myers, 1986).

In conjunction with recognition and recall test, effectiveness may also be evaluated by attitude test also. Attitude test attempts to measure the impact of advertisement in forming attitudes and opinions of those who have seen/listened to the advertisement. Attitudes may be indicated by a host of factors such as loyalty to, acceptance of, preference for, or intent to buy the advertised product besides the comparative rating of company’s products relative to competitors brands. Positive attitude and opinion indicates the effectiveness of the advertisement. The attitudes may be measured by a variety of techniques ranging from direct questioning to completely unstructured question or depth interviews (Gandhi, 1997).

For broadcast ads:

In-home tests: A video tape is taken into the homes of target consumers, who then view the commercials.

Trailer tests: In a trailer in a shopping centre, shoppers are shown the products and given an opportunity to select a series of brands in a simulated shopping situation. Consumers then view a series of commercials and are given coupons to be used in the shopping centre.

Theatre tests: Consumers are invited to a theatre to view a potential new television series along with some commercials. Before the show begins, the consumers indicate their preferred brands in different categories. After the viewing, consumer are again asked to choose their preferred brands in various categories (Kotler, 1999).

On-air tests: One widely used technique for pre-testing television advertisement is offered by Audience Studies Inc. (ASI). This company operates in a small movie theatre, in each of a few large US cities that is used to show the ads to be pre-tested. Respondents are shown a variety
of short subjects (like cartoon, travel, sports) and then are shown the advertisement to be tested. In addition to the usual questionnaires, each respondent has a knob in front and the instructions are to use this knob continuously while each ad is being shown to indicate favourable, unfavourable or neutral feelings towards the ad. Results are used to identity which part of each ad are particularly weak and also to decide whether the entire ad is good enough to be shown on television (Myers, 1986).

(ii) Ad post-testing methods: Measurement of advertising effectiveness after the campaign has begun is called post-testing. The type of post-testing depends on the advertising objectives. When advertising objectives are described in terms of communication—for instance, increasing awareness of or changing attitudes about a product or brand—then the post test should measure whether these changes have indeed occurred. For advertising objectives stated in terms of sales, a post-test should measure the change in sales or market share that can be attributed to the programme (Stanton et al., 1991).

One of the new approaches for both pre-testing and post-testing television commercials is to use cable TV. The company operating the cable can send a particular commercial message only to certain homes while nearby homes get the normal network commercial. The effectiveness of the ad is measured by comparing actual purchases of the product advertised by homes receiving the commercial to homes that did not (Myers, 1986).

(b) Sales impact: Researchers try to measure the sales impact either through historical or experimental analysis. The historical approach involves co-relating post sales to past advertising expenditure on a current or lagged basis using advertising statistical techniques (Kotler, 1999).

Econometric methods can be used to estimate the unknown parameters of advertising sales response function from historical data. Once estimation is complete, the estimated sales response function is embedded in a profit equation. The optimal sequence of advertising
Expenditure is found by solving the profit model using mathematical programming (Hanssens et al., 1990).

**Experimental approach**: The experimental design measures the sales impact of advertising. Du Pont was one of the first companies to design advertising experiments. Du Pont spent the normal amount for advertising in 1/3 of the group; in another third, $5/2$ times the normal amount; and in the remaining third, 4 times the normal amount (Table 9). Du Pont estimated how much extra sales was created by higher levels of advertising expenditures. He found that higher advertising expenditures increased sales at a diminishing rate, and that the sales increase was weaker in Du Pont's high market share territories (Kotler and Armstrong, 1999).

<table>
<thead>
<tr>
<th>Du Pont market share</th>
<th>Normal</th>
<th>$5/2 \times$ normal</th>
<th>$4 \times$ normal</th>
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</thead>
<tbody>
<tr>
<td>High</td>
<td></td>
<td></td>
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<tr>
<td>Average</td>
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<tr>
<td>Low</td>
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Another type of post test, marketers attempt to measure is what consumers think or how much they remember about advertisement after they have been run. Video story board tests Inc. conducted an annual survey asking people simply to name outstanding advertisements; Pepsi and Energizer advertisements were number one and two, respectively, in the most recent survey (Lipman, 1992).

**Simulated test marketing**: Shunu Sen, CEO of Quadra Advisory, a specialized strategic marketing consultancy says "simulated test marketing (STM) is an extremely and powerful and very useful research technique, particularly for FMCG products" (A & M, 1999). A simulation is the representation of the behaviour of one system (the real world) through the use of another system (a computer programme designed for that purpose). Simulation outputs include one year forecasts of sales volume, brand penetration, average number of brand purchases, market share,
awareness, trial-repeat dynamics and profit pay-off (Dalrymple and Parsons, 1995).

The objective of an STM exercise is to develop a total understanding of the marketing mix for a new brand, and estimate the likely consumer responses to the new product in the market place. The advantages of conducting an STM is that STMs are cheaper, quicker and more discreet and provide a wealth of information, which is sometimes difficult to obtain in a test market.

The two leading companies that conduct STM are, interestingly European companies. One is Research International, a British company, and the other is Novacation, a French company. The first is represented in India and has considerable experience. Hindustan Lever, Proctor and Gamble and Smith Kline, Beecham, among many others have used this technique successfully (A & M, 1999).

Companies are generally interested in finding out whether they are overspending or underspending on advertising. A company's share of advertising expenditures produces a share of voice that earns a share of consumers minds and hearts and ultimately a share of market. Peckham studied the relationship between share of voice and share of market for several consumer products over a number of years and found a 1 to 1 ratio for established products and a 1.5-2.0 to 1.0 ratio for new products (Kotler, 1999).

A combination of measurement methods is desirable because a single method is generally inadequate (Evans and Berman, 1992). Refinements are constantly being made in advertising testing. Development in areas such as laboratory test markets and computer stimulations hold promise for the future. However, the complexity of decision making combined with the multitude of influences on the buyer will continue to make measuring the effectiveness of advertising a difficult task (Stanton et al., 1991).
II. 3. Influences on consumer behaviour

The "interdisciplinary" nature of consumer behaviour is perhaps its greatest strength: it serves to integrate existing knowledge from other fields into a comprehensive body of information about the consumer. The major disciplines on which consumer behaviour is based (i.e. from which it "borrows") include psychology, sociology, social psychology, cultural, anthropology and economics.

Homemakers responses to an advertising message are affected by many factors (Wells et al., 1995). They are (a) cultural (culture, sub-culture, and social class); (b) social (reference groups, family, and roles and status), (c) personal (age, life cycle stage, occupation, economic situation, life style, personality and self-concept) and (d) psychological (Motivation, perception, learning, memory and attitudes). All these provide clues as to how to reach and serve the homemaker effectively (Kotler, 1999). An overview of the model of consumers buying behaviour is shown in fig. 15.

(a) Cultural influences:

Culture: Culture is the unique pattern of shared meanings that characterize a society and distinguish it from other societies. It is passed down from generation to generation and has been described as society's "personality" (Wells and Prensky, 1996). Culture is defined as a complex of tangible items called material culture, along with intangible concepts that together define a group of people or a way of life (Wells et al., 1995). It includes knowledge, belief, art, law, morals, customs, and any other capabilities and habits acquired by humans as a member of society (Hawkins et al., 1995).

Fig. 16 depicts in detail the cultures influence on the individual.
Fig. 15 Overall Model of Consumer Behaviour

Source: Consumers Behaviour, Hawkins, Best and Coney, 1995
Fig. 16  CULTURE'S INFLUENCE ON THE INDIVIDUAL

Kroeber and Kluckohn, have identified 164 definitions of culture. The central idea of culture held by most social scientists includes the following thoughts: “culture consists of patterns, explicit and implicit, of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiments in artifacts: the essential core of culture consists of traditional ideas (Runyon and Stewart, 1987).

Components of culture: The way we dress, think, eat and spend our leisure time are all components of our culture (Mowen, 1995). Some of the main components of culture are - values, languages, myths, customs, rituals, laws, and material artifacts - that interact, to provide a rich context for consumer behaviour (Wells and Prensky, 1996).

Cultural values are important to the organized and interpreted nature of culture. A cultural value can be defined in a sociological perspective as “a widely held belief or sentiment that some activities, relationships, feelings, or goals are important to the community’s identity or well being” (Loudon and Bitta, 1993). It is the accumulated feelings and priorities that individuals have about “things” and possessions (Schiffman and Kanuk, 1997).

For several decades researchers have attempted to identify core values that characterize an entire culture. One simplified list consists of nine core values (i) a sense of belonging, (ii) excitement (iii) fun and enjoyment in life, (iv) warm relationships, (v) self-fulfillment, (vi) respect from others, (vii) a sense of accomplishment, (viii) security, and (ix) self-respect (Wells et al., 1995).

In a psychological vein, Milton Rokeach defines values as “centrally held and enduring beliefs that provide actions and judgements across specific situations and beyond immediate goals to more ultimate end states of existence”. Rokeach considered these cultural values as terminal values or goals to be attained and developed an eighteen item inventory of these terminal values. Rokeach also defined another category of values,
instrumental values, which are the means of achieving the desired goals (Assael, 1995).

**Language** is the tool the members of a culture use to communicate with one another. A **myth** is a story that illustrates the values that a society shares. A **custom** is culturally accepted routinized behaviour that occurs in particular situations (Wells and Prensky, 1996). For example, taking one's mother out for dinner and buying her presents on "Mother's Day" is an American custom that Hallmark and other card companies support enthusiastically. However, customs do vary from region to region and from country to country (Wells *et al.*, 1995).

A **ritual** is handed down from generation to generation, they apply to basic actions like ceremonies to be held (Mowen, 1995). **Laws** are specific rules of behaviour created and enforced by some type of special power in the culture. **Material artifacts** are goods that the culture has imbued with special meaning (Wilkie, 1994).

Cultural influences have broad effects on homemakers behaviour. For example, the busy working mother of today is not as devoted to meal preparation and household cleaning as was the full time homemaker of the past. Food marketers have changed their promotional strategies to reach these women, and now one sees more advertising for fast foods, convenience foods, and restaurants (Wells *et al.*, 1995). Advertising becomes popular culture when its images, themes are embraced by the mass public (Mowen, 1995).

The effect of culture on consumer behaviour is reflected by its impact on the way products are portrayed and consumed. Consumers often purchase and consume products associated with grooming, gift-giving and holidays in a series of symbolic acts that reflect cultural values.

Cultural values can have both positive and negative effects on consumers. Some of the negative effects are addictive consumption, compulsive purchasing behaviours, and anti-social behaviour such as
shop lifting. Overall, cultural values have a positive impact on consumers by directing their behaviour to constructive channels (Assael, 1995).

**Sub-culture**: A culture can be divided into subcultures on the basis of geographic regions or human characteristics such as age, values or ethnic background (Wells et al., 1995). Despite the pervasive nature of culture, not all the consumers within a society think, feel and act the same way. Every society has sub-culture, groups of consumers that share values but exhibit them in different ways. The term sub-culture is used to position cultural groups within the dominant culture of that society (Wells and Prensky, 1996).

In terms of age, teenagers and the elderly are most often identified as special markets (Runyon and Stewart, 1987). The female market, which includes working women, homemakers, single mothers and older women is much more diverse today than it was a generation ago (Wells and Prensky, 1996). From a marketing standpoint, members of the Jewish faith are considered a sub-culture.

Among ethnic groups, the two largest subcultures—blacks and those of Spanish descent—are of primary interest (Runyon and Stewart, 1987). The United States is a tapestry of racial and ethnic groups. In the United States, for example, we have many different subcultures: teenagers, college students, retirees, Southerners, Texans, blacks, Hispanics, athletics, musician, and working single mother, to list just a few (Wells et al., 1995).

**Social class**: A social class is the position that one's family occupies within a society. Social class or Socio-Economic Status (SES) is determined by such factors as income, wealth, education, occupation, family prestige, value of home and neighbourhood (Wells et al., 1995).

In 1958, Pierre Martinean introduced the idea that social class groups could be used as a basis for market segmentation. Initially, an individuals' position in a class system is inherited, as children take on the social status of their family or kin group. Achieved status is earned by an
individuals' action and performance and is commonly assigned during adult life (Craig et al., 1995).

An individual's social standing relative to others is strongly reflected in products owned and consumed (William, 1982). Marketers assume that people in one class buy different goods from different outlets and for different reasons than people in other classes.

Every society has some social class structure. Even in the United States we speak of an upper class, a middle class, and a lower class (Wells et al., 1995). The U.S. Bureau of the Census uses three variables to form a socio-economic status index - income, education and occupation. There are four classifications of social class (i) lower class (ii) lower-middle class; (iii) upper-middle class (iv) upper class (Mowen, 1995).

A frequently used social class scheme is Warner's Index of Social Characteristics (ISC). W.J. Warner et al., (1949) in their book, "Social Class in America, Manual of Procedure for the Measurement of Social Status", used four variables as indicators of social class: occupation, source of income, housetype and dwelling area. Based on the total ISC score, an individual is classified into one of six categories: (i) Upper-Upper Class (ii) Lower - Upper Class (iii) Upper-Middle Class (iv) Lower-Middle Class (v) Upper-Lower Class (vi) Lower - Lower Class.

As India is vast geographically, the consumers are scattered over a vast territory. The country is marked by a great diversity in climate, religion, language, literacy level, customs and calendars, lifestyles and economic status. The consumers of India present a complex and bizarre group (Ramaswamy and Namakumari, 1997).

Cun Diff and Higler (1994) classified class structure in India into four categories. A model of class structure in India is shown in the fig. 17.
Social class and buying behaviour: Consumption patterns are strongly related to social class. The symbolic nature of advertising is important when considering its effect on different social class (Berkman et al., 1996). Levy, for example, found that lower status groups prefer advertising of a strong visual character; advertising that conveys impressions of activity, and advertising that provides practical solution to everyday problems (Runyon and Stewart, 1987).

Upper-middle class people generally are more critical of advertising, suspicious of emotional appeals, and skeptical of claims. They tend to feel insulted by the straight forward and literal selling approaches aimed at lower-class group. What do seem to upper-middle class tastes are advertisements that address consumers as individuals, that are witty, sophisticated, or stylish, and that offer objects as symbols related to status and self-expressive pursuits (Berkman et al., 1996).

Rich and Jain (1968) in their study found that upper class tend to shop not only out of necessity but also for pleasure. Higher class women tend to favour stores with a high fashion image. Lower class women favour merchandisers and stores with price appeals.

The social class also differ in how much they search for information prior to and during shopping (Mowen, 1995). V.Kanti Prasad (1975), in his study revealed that, middle and upper class consumers tend to engage in
more information search prior to making a purchase. For example, prior to buying appliances they may read newspapers, brochures, and test reports.

Berkman et al. (1996) stated that upper-middle class women manage their shopping more purposefully than women of lower status. They gather more product knowledge in advance, research outlets, and cover a wide territory in their shopping. They shop more frequently than other groups, preferring stores with pleasant environment.

In general, lower class consumers have less product information. They are more apt to rely on in-store displays and sales people. They are less informed and more likely to buy products "on sale" than upper class consumers (Mowen, 1995). Lower class women are the most "impulsive" about shopping, and the least organized. They often shop in order to get out of the house and prefer retail stores where they can find easy credit and a friendly reception.

Lower-middle class work harder at shopping, display anxiety about making decisions in the market place, and consider the entire process full of uncertainties (Berkman et al., 1996). Lower classes tend to be more culture bound. Middle classes go in for cultural "borrowing". The upper and middle classes make choices which are less culture bound when selecting products and services including food, clothing, household items and personal care products than the lower classes. Young people are least bound to social class with respect to their buying behaviour (Mooij, 1994).

(b) Social factors: A consumers' behaviour is also influenced by social factors, such as consumers' small groups, family and social roles and status.

Groups: A persons' behaviour is influenced by many small groups. Primary groups are those with whom there is regular but informal interaction (example; family, friends, neighbours). Secondary groups are those with whom there are more formal and less regular interaction (e.g. organisations like religious group, professional associations etc.) (Kolter and Armstrong, 1999).
A reference group may be defined as any person or group that serve as an example of what an individual would like to do or be (William, 1994). They serve as direct (face to face) or indirect points of comparison or reference in forming a persons' attitude or behaviour. Homemakers are often influenced by reference groups to which they do not belong. Reference groups expose homemakers to new behaviour and life styles, influence the homemakers' attitude and self-concept, and create pressures to conform that may affect the homemakers' product and brand choice.

The importance of group influence varies across products and brands. It tends to be strongest when the product is visible to others whom the buyer respects (Kotler and Armstrong, 1999). Thus reference groups influence on consumer product decisions may come from other individuals, family, social class, sub-culture or the overall culture (William, 1994).

**Family:** The family is often a strong force in determining the products to be purchased (William, 1994). Marketers are interested in the roles and influence of the husband, wife, and children on the purchase of different products and services (Kotler and Armstrong, 1999). In a household, each member whether it be a husband, wife or child makes a special contribution to purchase decisions. It cannot be assumed that one or another will necessarily make an independent decision because family structures may exert an influence even though it may be a passive one. (Craig *et al.*, 1995).

Husband - wife involvement varies widely by product category and by stage in the buying process (Kotler and Armstrong, 1999). Until recently it was thought that the males were the key influences in the areas of the function and performance of products and how much money should be spent. Wives were thought to be more influential in the areas of style, design, colour and general aesthetics (Craig *et al.*, 1995).

However, as mental roles change with women taking increasingly active roles outside the home and becoming more independent in the home, one is likely to see these relationships change (William, 1994).
Nearly 60 percent of all women over the age of 18 move outside the home today. This expansion of women's role has resulted in a variety of needs and diverse consumers' behaviours (O'Neil, 1992).

In most families, one finds that the majority of the purchase decisions related to the consumption of food, children's need and cleaning products are still made by the female in the household (Craig et al., 1995). A study found that for some product categories the degree of influence was even, while for others either one was more dominant.

The influence of the husband and wife in buying decisions was found to vary according to the level of involvement in the product. In the case of low involvement decision, this may take place at the time of purchase. High involvement decision may be made, or at least partly made, before purchase. In a family with children and a non-working wife, the husband tended to have potential control over all major financial decisions.

In areas where the wife had a high level of involvement, such as in kitchen appliances, sewing machines etc., she usually had the most influence. When the buying decision related to products for which both husband and wife had high level of involvement, the influences of husband and wife were found to be more even. This was likely when both husband and wife were working and control of the money was a joint decision (Arens and Bovee, 1995). Table 10 shows the sources of influence of purchase of certain product categories.

Table 10. Sources of influences for purchase of certain product categories

<table>
<thead>
<tr>
<th>Influence</th>
<th>Examples of products</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Husband dominant influence.</td>
<td>1) Cars, insurance, lawn mowers.</td>
</tr>
<tr>
<td>2) Wife dominant influence.</td>
<td>2) Food, clothing, household furnishings.</td>
</tr>
<tr>
<td>3) Autonomous decision (either husband or wife equally likely to make decisions).</td>
<td>3) Petrol, personal gifts.</td>
</tr>
<tr>
<td>4) Synchronous (Joint decision by husband and wife).</td>
<td>4) Houses, holidays, children's education.</td>
</tr>
</tbody>
</table>
**Roles and status**: A person belongs to many groups—family, club, organization. The person's position in each group can be defined in terms of both role and status. The community one lives in exerts a strong influence on all. When we affiliate with a particular societal decision or value the opinion of certain people or groups, it affects not only our views on life but also our perceptual screen and eventually the products we buy. A role consists of the activities people are expected to perform according to the persons around them. Each role carries a status reflecting the general esteem given to it by society. People often choose products that show their status in society (Kotler and Armstrong, 1999).

(c) **Personal factors**: Homemakers' buying decisions are also influenced by personal characteristics such as buyers' age and life cycle stage, occupation, economic situation, life style, personality and self-concept.

**Age and Lifecycle stage**: Homemakers change the goods and services they buy over their life times. Tastes in food, clothes, furniture are often age related (Kotler, 1999). It is no surprise that the age of consumers influence their behaviour in many ways. Teenagers and young adults seem to be more fashion conscious and interested in faddish items. The 40-60 age group is a primary market for luxury items, leisure and travel activities. Older consumers use a disproportionate share of over the counter remedies and supplements (Runyon and Stewart, 1992).

Buying is also shaped by the stage of the family lifecycle- the stages through which families might pass as they mature over time (Kotler, 1999).

Traditionally family life cycle stages included young singles, married couples with children, and older adults without resident children. Today, marketers are increasingly catering to a growing number of alternatives.

**Occupation**: A person's occupation affects the goods and services bought. Blue-collar workers tend to buy more rugged work clothes, whereas white-collar workers buy more business suits (Kotler, 1999).
Occupation is associated with one's income and education. Though the association is not as strong as it once was. The type of work one does and the types of individuals one works with will directly influence one's preferred life style and all aspects of the consumption process (Runyon and Stewart, 1992).

**Economic situation** : This factor encompasses not only how much income individuals have but whether they have borrowing power, and their attitudes towards spending (Lancaster and Marsingham, 1994). A person's economic situation will affect product choice. If economic indicators point to a recession, marketers can take steps to redesign, reposition, and reprice their products closely (Kotler, 1999).

Although education and income are not perfectly related they are strongly associated. High levels of education are frequently associated with higher incomes (Runyon and Stewart, 1992). As education level increases, one can expect to see many changes in preferences to occur in the demand for automobiles, media and home computers. A household's income level combined with its accumulated wealth determines its purchasing power. Education influences an individual's tastes, values and information processing style. It influences all aspects of one's life style and consumption patterns (Hawkins *et al.*, 1995).

**Life style** : Life style is defined simply as how one lives (Hawkins *et al.*, 1995). The term "life style" and "psychographics" are often used interchangeably. It is to distinguish between life style analysis, which emphasizes values and actions in the own social and cultural context, and psychographic analysis, which focuses on the psychological basis of opinions and attitudes (Wells and Prensky, 1996).

A life style is broadly defined as a mode of living that is identified by how people spend their time what they consider important in their environment (interests) and what they think of themselves and the world around them (opinions). Psychographics describe the opinions they hold (Assael, 1995).
The life style variables encompasses an individuals activities, interests and opinions (it is often called AIO research). This will have consequences for purchase behaviour(Lancaster and Massingham, 1994).

According to NRS survey, 1999, India is a country where the families of decision makers (the so called "elite") have disproportionate spending power, and the divergence in the life style (between the cell phone using globally exposed crowd, and the rest, for example) is getting increasingly obvious, by the day.

Life style is influenced by factors such as culture, values, demographics, sub-cultures, social class, reference groups, family and individual characteristics such as motives, emotions and personality. Household life styles are influenced by individual life styles (Hawkins et al., 1995).

Several research firms have developed life style classifications. The most widely used is the SRI consulting’s values and life styles (VALS 2) typology. VALS 2 (Fig.18) is a psychographic system which links demographics and purchase patterns with psychological attitudes. It divides consumers into eight groups based on two major dimensions: self-orientation and resources (Kotler, 1999).

The measurement of life style is the subject of an area of research known as psychographics is discussed at length in Engel et al. (1987). An excellent overview of the subject is also to be found in an article by Wells (1975), "Psychographics: A Critical Review". In this article Wells proposes an operational definition of psychographic research as quantitative research intended to place consumers on psychological as distinguished from demographic dimensions, a definition which emphasizes the distinctive features of the area - it has a quantitative rather than a qualitative orientation and goes beyond demographics (Engel et al., point out that ‘psychographics’ is often used interchangeably with the mnemonic A 10 standing for Activities, Interests and Opinion as a research area).
Fig. 18 VALS 2 LIFESTYLE CLASSIFICATIONS

Source: Consumer Behaviour, Lamb, Hair and McDaniel, 1992
**Personality and Self-concept**: The study of personality is the attempt to make some organised sense out of complexities of human behaviour (William, 1982). Personality and self-concept are two psychological notions that have been used by those studying consumer behaviour to account for the organized totality of the consumers make up. Behavioural scientists have been able to agree on a precise definition of personality. It has been noted that there are three major aspects of similarity among the various definitions (Loudon and Bitta, 1993).

(i) They focus on unique characteristics that account for differences between individuals rather than on how people are like.

(ii) They stress the consistency of an individual's dispositions rather than changes in his or her actual behaviour across different situations.

(iii) Each definition includes a behavioural tendency to reflect how an individual's personality will tend to influence his or her actions and reactions to environmental situations (Zaltman and Wallendorf, 1983).

Personality can be useful in analysing consumer behaviour for certain product or brand choices. For example, coffee marketers have discovered that heavy coffee drinkers tend to be high on sociability. The basic self-concept (also called self-image) premise is that peoples' possessions contribute to and reflect the identities, that is "we are what we have". Thus, in order to understand consumer behaviour, the marketer must first understand the relationship between consumers' self-concept and possessions (Kotler, 1999).

**Theories of personality**: Psychologists use two common approaches in the study of personality- the state approach and the trait approach.

**State approach**: The state approach to personality advocates understanding the individual in the context of the whole (Berkman et al., 1996). It is the study of personality that allows us to predict what a person will do in a given situation (Banghman, 1972). Psychologists use a variety
of techniques to uncover an individual response tendencies under variety of conditions, thus predicting how that person would respond in any given situation. It takes into account external influences such as family, groups, culture, and so on. Its focus is on what makes each person tick, one at a time.

**Trait approach:** Personality traits are consistent tendencies to respond to a given situation in certain ways (Berkman et al., 1996). The fundamental assumption is that individuals have traits, that the traits can be identified and measured. Traits can be identified through a series of questions that are scaled to show if a person has a particular trait and how strong the trait is (Craig et al., 1995).

Gordon Allport classifies traits into central, secondary and common traits.

**Central traits:** Ambitious, manipulative, narcissitic, honest, sociable, affectionate, kind.

**Secondary traits:** Interest such as health, exercise, fitness, fashion.

**Common traits** are -

- **Attitudes:** Such as liking children or hating dogs.
- **Preferences:** Such as tastes in food, music or houses.

**d) Psychological influences**

To get a better understanding of consumer behaviour, one needs to examine four major psychological factors. These are **motivation, perception, learning and memory, attitude** (Saxena, 1997).

**Motivation:** Much of the marketing activity is directed at motivating consumers to buy and use products. This can range from providing information to interested consumers to the use of attention getting devices for disinterested ones. Because consumers have an innate sense of curiosity, stimuli with properties such as novelty, surprise, ambiguity and uncertainty have the potential to draw people (Craig et al., 1995).
All consumer behaviour begins with motivations - the process by which an individual recognizes a need and begins to take action to satisfy it (Wells and Prensky, 1996). Consumer motivation is the drive to satisfy needs and wants, both physiological and psychological through the purchase and use of product and services (Berkman et al., 1996). It is initiated by a perceived need, and perceived needs, in turn, lead to motivation (William, 1982).

An important issue in understanding consumer motivation is the relationship between needs and wants. Needs are few and they are basic, whereas, wants are alternative ways of satisfying a need and are therefore many and can be substituted (Craig et al., 1995).

An overview of the motivational process is presented in Fig. 19.

Fig. 19 Motivational process (An overview)

![Diagram of the motivational process]

A person has many needs at any given time. Some needs are biogenic. They arise from physiological states of tension such as hunger, thirst, discomfort. Other needs are psychogenic. They arise from psychological states of tension such as the need for recognition, esteem and belonging. Most psychogenic needs are not intense enough to motivate the person to act on them immediately (Schiffman and Kanuk, 1997).

A need is recognized by the consumer. The desired end state is the consumer goal. A discrepancy exists between the consumers' present state and some ideal state. This gulf creates a state of tension. The magnitude of this tension determines the urgency the consumer feels to reduce the tension (Solomon, 1996).
Needs and goals are constantly growing and changing in response to an individuals' physical condition, environment, interactions with others, and experiences. As individuals attain their goals, they continue to strive for old goals, or they develop substitute goals (Wilkie, 1994). This degree of arousal is called a **drive**.

Motivation can be described in terms of its strength, or the pull it exerts on the consumer, and its direction, or the particular way the consumer attempts to reduce motivational tension (Solomon, 1996). There are two major components of motivation: energy and direction. Energy refers to the fact that all behaviour thinking, moving, looking and so on requires one to expend an internal supply of energy. Direction, on the other hand, is needed to channel ones inner energies into productive, attractive behaviour and to allow one to behave efficiently (Statt, 1997). These factors combine to create a want, which is one manifestation of a need. Once the goal is attained the tension is reduced, and the motivation recedes.

Many theories have been advanced to explain why people behave the way they do. Most share the basic idea that people have some finite amount of energy that must be directed toward certain goals (Solomon, 1996) The best known and most widely accepted among psychologists are ones that deal with the fulfillment of needs (Kotler et al., 1996). Three of the best known theories are that of **Sigmund Freud**, **Abraham Maslow**, and **Frederick Herberg** (Chisnall, 1987).

**Freuds Theory:** Sigmund Freud, a well known psycho-analyst explained that man learns from his environment (Saxena, 1997). The first attempt to apply Freudian ideas to understand the deeper meanings of products and advertisements were made in the 1950’s, when a perspective known as motivational research was developed. This approach is largely based on psychoanalytic (Freudian) interpretations; with a heavy emphasis on unconscious motives (Solomon, 1996).
Freud postulated that there are two basic drives or instincts which affect human behaviour: self preservation and procreation. He identified three interacting forces in the personality which produce behaviour: the id, the ego and the super ego.

The id is the unconscious part of the psyche which consists of instinctual impulses such as aggression, destruction, and pleasure seeking (Kotler et al., 1996). It is the reservoir of all the basic instincts and urges (Saxena, 1997).

The ego develops as the child realises that many of the basic drives cannot be satisfied immediately (Gregor, 1995). The ego mediates between the powerful instinctive images of the id and the inhibition from the super ego (Kotler et al., 1996).

The super ego consists of socially approved behaviour patterns (Saxena, 1997). It is essentially the individuals' conscience, the internalized set of values which society deemed to be appropriate (Gregor, 1995). The super ego intervenes to impose moral restraints and inhibitions.

Advertising, in particular has exploited Freudian concepts in appealing to the emotional deeprooted needs of the people (Kotler et al., 1996). Freud remained open to new ideas, and many of the followers have subsequently developed new theories of their own (Gregor, 1995).

The leading modern exponent of Freudian motivation theory was Ernest Dichter, who for over three decades interpreted buying situations and product choices in terms of understanding unconscious motives (Berkman et al., 1996). Consumers choose one product over another because they expect that their choice will have more positive consequences for them (Solomon, 1996). According to Dichter, product consumption is driven by twelve key motives. Dichter called his approach motivational research, and it consisted of collecting "in-depth interviews" with a few dozen consumers to uncover their deeper motives triggered by the product (Berkman et al., 1996).
Instead of asking many consumers a few general questions are asked about product usage and combining these responses with those of many other consumers in a representative statistical sample. This technique uses relatively statistical sample, this technique uses relatively few consumers but probes deeply into each persons' purchase motivations. This technique was pioneered by Ernest Dichter, a psycho-analyst who was trained in Vienna in the early part of the century (Solomon, 1996).

Maslow's theory: Abraham Maslow was one of the founders of humanistic psychology. He was more interested in the human potential for growth (Statt, 1997). Drives and motives are often called 'needs' and one of the most enduring and widely used classification of needs is that proposed by Abraham Maslow (1943) in "A theory of Human motivation" (Baker, 1996).

He developed a Theory based on hierarchy of needs (Fig. 20). According to him, needs can be ordered from a lower to a higher level (Assael, 1993). He talked about five levels of need that form a loose hierarchy (Statt, 1997). Needs lower in the hierarchy must be met before higher needs become salient. Lower order needs are physiological in nature (Runyon and Stewart, 1987). Once these needs become satisfied, the next higher level is activated (Assael, 1993). The physiological needs are biological needs such as hunger, thirst, oxygen, waste elimination etc.

The higher order needs are concerned with personal growth and development. Safety needs include security, protection, avoidance of pain, order and structure in the environment. Social needs are acceptance, affection and belonging. Self esteem needs are needs for recognition, self respect and esteem. Self actualization needs are the need to become relatively independent from environmental demand, need for self-fulfillment (Runyon and Stewart, 1987).
The contribution of Maslow's theory is that it helps the marketer to segment his market and develop product marketing strategies accordingly (Saxena, 1998). It helps the marketers to understand how products fit into the plans, goals, and lives of potential consumers (Kotler, 1999). Jeffrey Durgee identified a number of motives that are similar to Maslow's and gave examples of the types of products that could satisfy them. The motives are security, status, social acceptance, femininity, masculinity (Craig et al., 1995).

Herzberg’s theory: Frederick Herzberg developed a “two factor theory” of motivation, which distinguishes dissatisfiers (factors that cause dissatisfaction) and satisfiers (factors that cause satisfaction) (Kotler, 1999). According to him there are satisfiers and dissatisfiers in any work situation. Calling them as motivators or hygienic factors respectively Herzberg said that it is the motivator that propels individuals to excellence. Extending the theory of marketing, one finds that hygienic factors are product quality, packaging and product warranty etc. (Saxena, 1998).
Prof. David McClellands has provided a new insight into human motivation. According to him there are three motives that drive human beings to higher performance. These are the need for belonging (affiliation need), need for power (need to influence) and the need for achievement. It is the latter need which individuals and societies excel and be creative.

The motives described above by Maslow, Dichter and Herzberg affect several types of consumer behaviour, most importantly consumer decision making, consumer conflict resolution and consumption patterns.

Influence on consumer decision making: In making product and service decision, consumers move through a sequence of choices. First, the consumer selects a genetic category of good or service. Second, the consumer makes a model choice. Finally, the consumer makes a specific choice. In each of these three decisions, the consumer is swayed towards or away from different alternatives - the strength or weakness of different motives. The effect of consumers' need on decision making is shown in fig. 21.

Fig. 21. The effect of consumers' need on decision making

Consumers' needs:

- Functional.
- Aesthetic / Emotional.
- Social.
- Situational.
- Curiosity.

Selecting a generic category

Making a model choice

Making a specific choice
Influence on consumer conflict resolution: A person's many needs and associated goals may conflict with one another at times. Several types of conflict are possible when it comes to choosing products to satisfy a person's many needs. The most common types are **Approach-Approach**, **Approach-Avoidance** and **Avoidance-Avoidance**.

**Approach-Approach**: This is when a person is presented with two needs, each of which motivates an attractive goal that cannot be satisfied at the same time (Wells and Prensky, 1996). This is a common form of conflict in which the consumers have to decide between the two alternatives, both of which are equally desirable.

**Approach-Avoidance**: In this fairly common situation the conflict is between positive and negative aspects, usually of a single product. The simplest such situation is when the price of a desirable item is only just affordable (Statt, 1997).

**Avoidance-Avoidance**: This is quite the opposite situation. These are the most unpleasant type of motivational conflict, since they involve a choice between two behaviour with negative values. The person in this situation is motivated to move away from both alternatives and is not likely to purchase at all until his or her perception of the situation shifts (Wilkie, 1994). The maintenance versus replacement of household items is a frequently quoted example (Statt, 1997).

**Influence on consumption pattern**: Motives, once activated shape resulting behaviours. The need for achievement affects such behaviour as performing well on the job or in school (Noorman and Matchlich, 1993). A recent study investigated the various and complex motives behind high risk leisure activities (Celsi *et al.*, 1993). The study revealed that people who engage in activities such as sky diving, mountain climbing etc. tend to be motivated differently at different stages of the activity. First, motives for getting started include curiosity, thrill seeking. Second, motives for sticking with it include efficacy. Third, motives for increased involvement include flow, communitas, and phatic community (Berkman *et al.*, 1996).
Perception: Perception plays an important part in marketing activity (Craig et al., 1995). From the advertisers perspective, perception is the most important because it precedes learning (Arens and Bovee, 1994). An understanding of the way consumers perceive their world, of how products are perceived and positioned in the minds of consumers allows marketing to develop more efficient marketing strategies, and make effective decisions on packaging and pricing (Craig et al., 1995).

Consumers perception is the process of sensing, selecting, and interpreting consumers stimuli in the external world (Wilkie, 1994). The consumers information processing system (CIP) includes how consumers see and interpret a company and its product (see fig. 22).

Fig. 22. The Consumers Information Processing System (CIP)

When a message is perceived, it is modified by the individuals interpretation. Each person selects (subconsciously) the exposure, attention, comprehension and retention of stimuli (Lancaster and Marsingham, 1994).

The five senses - sight, sound, smell, touch and taste govern sensory perception. Sensory perception focuses on specific attributes of a product or service and how these attributes are understood and ultimately evaluated by consumers.
Sensory perception is affected by two major sets of factors—stimulus factors and individual response factors (Berkman et al., 1996).

**Stimulus factors** are a wide ranging set such as colour, size, photos, story, scent, loudness, design, music and so forth (Wilkie, 1994). A stimulus is any ad, commercial or promotion that confronts us. It can appear in a variety of forms i.e. window display, brightly coloured labels etc. (Arens and Bovee, 1994). Since marketers control stimulus characteristics, they are interested in understanding how this factor affects consumers perception (Wilkie, 1994).

There are three important individual response factors affecting sensory perception—sensorial acquity, sensory preferences, and consumer expectation.

**Sensorial Acquity** : Different people tend to have different capacities to recognize and differentiate among certain sensory cases. Music can be a powerful aural in advertising.

**Sensory preferences** : The perception and evaluation of a given sensory product feature is likely to be influenced by consumers preferences (Berkman et al., 1996). Consumers will frequently evaluate the performance of a well-known brand or a more expensive brand as higher than that of an identical product with an unknown brand name or a lower price (Hawkins et al., 1995).

**Consumers expectation**: Expectations affect how certain products feature are likely to be perceived or evaluated (Berkman et al., 1996). Even an “objective” product feature such as price is sometimes inter-related to be closer to an expected price (Hawkins et al., 1995). Likewise, brands with promotional signs on them in retail stores are interpreted as having reduced price even when the sign does not indicate that prices have not been reduced (Hedgeson and Beatty, 1987).

The perception process constitutes of three steps—**selection**, **organization** and **interpretation** which is shown in fig. 23. The first
component of perception, selection requires consumers to be exposed to market stimuli and to attend to these stimuli. Consumers will pick and choose market stimuli based on their needs and attitudes (Inman et al., 1990).

(a) Selection: Three processes define selection - exposure, attention and selective perception (Assael, 1995). Exposure occurs when a stimulus such as a billboard comes within the range of a person's sensory receptor nerves - vision for example (Hawkins et al., 1995). The average adult is exposed to over 300 ads a day but notices only a handful and remembers even fewer. How does this happen? The answer lies in the principle of perception (Arens and Bovee, 1994). Newspaper readers now read only about half the daily paper compared to reading almost two thirds ten years ago (Olney et al., 1991).

The impact of the active, self selecting nature of exposure can be seen in the zipping and zapping of TV commercials. A study conducted before television remote controls were in widespread use, found that during the average prime time commercial break, only 62 percent of the audience remained in the room and only 1/3rd of these (22% of the total audience) watched the screen through the commercial (Kneale, 1988).

Zapping has been found to be influenced by the same ad characteristics as zipping. In addition, the situation itself (presence of a remote control, a VCR time shifter, cable TV, and the amount of clutter and number of ads during a time period) and the type of household
Fisher (1993) contends that consumers not only avoid commercials, they also actively seek them out. More impressive is the positive response consumers have had to infomercials programmes - length commercials (30 minutes). Perception is one personalized way of sensing and comprehending the stimuli we are exposed to (Arens and Bovee, 1994).

Attention refers to the momentary focusing of our information processing capacity on particular stimulus. It thus involves an allocation of processing capacity to one stimulus and by implication, away from other possible stimuli to which we might have attended during that brief period of time (Statt, 1997).

Selective perception: It means that consumers group information from various sources into a meaningful whole to comprehend it better and to act on it (Assael, 1995). According to Atkinson et al. (1990) information may enter our senses in bits and pieces, but we perceive the world as integrated whole (Baker, 1995).

(b) Organization: The basic principle of organization is integration, which means that consumers perceive various stimuli as an organized whole. Such an organization simplifies information processing and provides an integrated meaning to the stimuli. These principles have been derived from Gestalt Psychology (Assael, 1995).

Gestalt theorists contend that a whole object cannot be perceived simply by adding up our perceptions. Some of the parts may in fact, become unobservable when combined with other parts. In Gestalt terms, the form one perceives remains constant even though some specific features of it change (Berkman et al., 1996). Since they provide a framework for interpreting advertising messages as an integrated whole, principles of Gestalt psychology, directly apply to marketing strategy.

The advertising campaign, price level, distribution outlet, and brand characteristics are not disparate elements of the marketing plan. They are
viewed in concert and produce an overall brand image. The picture on a television screen is a good example. The most important principles of perceptual organization are closure, grouping and content. Through these principles the consumers are able to integrate information (Assael, 1995).

**c) Interpretation**: Interpretation is the assignment of meaning to sensations. It is the function of Gestalt or pattern formed by the characteristics of the stimulus, the individual and the situation. Fig. 24 shows Gestalts' interpretation.

**Fig. 24. Gestalts' interpretation:**

<table>
<thead>
<tr>
<th>Individual characteristics</th>
<th>Stimulus characteristics</th>
<th>Situational Characteristics</th>
</tr>
</thead>
</table>

**Determination of interpretation**: Cognitive interpretation is a process whereby stimuli are placed into existing categories of meaning (Hawkins *et al.*, 1995). This is an interactive process. The addition of new information to existing categories also alters those categories and their relationships with other categories (Cohen and Basu, 1987). The term interactive, as we interpret it, points to two features of communication - to address an individual and the ability to gather and remember the response of that individual. These two features make possible a third - the ability to address the individual once more in a way that takes into account his or her unique response. Thus we see interactivity as a tool that allows good marketing to become good conversation. The promise of the interactive paradigm, lies in its ability to put a more human face on marketplace exchanges without losing the scale economies of mass marketing (Deighton, 1996).
Affective interpretation is the emotional or feeling response triggered by a stimulus such as an ad (Cohen and Basu, 1987). Like cognitive interpretation, there are "normal" (within culture) emotional responses to an ad (Aaker et al., 1988).

Interpretation of stimuli depends on two processes: categorization and inference.

Categorization simplifies information processes by permitting consumers to classify brands into product categories (Assael, 1995). This generally involves a process of recognition, and what is referred to as localisation. Localisation is the means of separating objects from one another and the context or background. Atkinson et al. (1990), points out that process of segregation, and determining distance and movement, is the process which enables us to organize the stimuli into objects.

Recognition involves a process of categorization, we interpret the environment by grouping objects. Recognition requires a matching process with knowledge stored in the individuals' memory. We use our expectation to help us form our perceptions, and this once again leads to differing subjective perceptions (Baker, 1995).

Inference is a belief about objects that consumers develop from past associations. Consumers form total perceptions or images of brands, stores, and companies based on influences. Consumers' perceptions of price are particularly important because they influence perception of quality (Assael, 1995).

Before any data can be perceived, it must first penetrate a set of perceptual screens, the perceptual filters that messages must pass through. There are two types of screen: physiological and psychological. The physiological screens comprise of the five senses. We are limited not only by the physical capacity of our senses but also by our feelings and interests. The consumer uses psychological screens to evaluate, filter, and personalize information according to subjective standards. More emotional in nature, these screens make evaluation
based on criteria that include innate factors such as the consumer's personality and instinctive human needs, and learned factors such as self-concept, interest, attitudes, beliefs, past experience and lifestyle (Arens and Bovee, 1994).

**Learning:** Learning, or the ability to learn is fundamental to the survival of many species including humans. Understanding how consumers learn to be consumers and how they learn to choose is important to marketers (Craig et al., 1995).

Consumer behaviour researchers examine the learning process, the understanding of which is integral to a complete understanding of consumer behaviour. Learning can be defined as the "more or less permanent acquisition of tendencies to behave in particular ways in response to a particular situation or stimuli" (Zaltman and Wallendorf, 1983). Each time we file a new perception in our minds it's an additional step in learning (Arens and Bovee, 1994). Sperling (1967), comments that "the process of learning consists of all, or some, or one of three steps: inventing an original solution to a problem, or thinking, committing a solution to a memory or memorizing, becoming efficient and applying the solution to a problem, or forming a habit" (Baker, 1996).

Learning produces our habits and skills. It also contributes to the development of attitudes, beliefs, preferences, prejudices, emotions, and standards of conduct - all of which affect our perceptual screens and our eventual purchase decisions (Arens and Bovee, 1994). Very simply, learning can be viewed as a relatively permanent change in behaviour occurring as a result of experience (Loudon and Bitta, 1993).

Learning theorists say that most human behaviour is learned - learning occurs through the interplay of drives, stimuli, cues, responses and reinforcements. A drive is a strong internal stimulus that calls for action. A drive becomes a motive when it is directed towards a particular stimulus object (Kotler and Armstrong, 1999). Motives arouse individuals, thereby, increasing their readiness to respond. This arousal is necessary, since it activates the energy needed to engage in learning activity. Thus
marketers strive to have their brand or its name available when relevant consumer motives are aroused because it is expected that consumer will learn a connection between the product and motive (Loudon and Bitta, 1993).

If motives serve to stimulate learning, cues are the stimuli that give direction to these motives. The ad is the cue, or stimulus, that suggests a specific way to satisfy a salient motive (Schiffman and Kanuk, 1997).

A response may be viewed as a mental or physical activity the consumer makes in reaction to a stimulus situation (Loudon and Bitta, 1993). Response constitutes how individuals react to a drive or cue. Learning can occur even when responses are not overt (Schiffman and Kanuk, 1997).

Reinforcement is anything which increases the likelihood that a given response will be repeated in the future. A positive reinforcement is a pleasant or desired consequence. A negative reinforcement involves the removal or the avoidance of an unpleasant consequence (Hawkins et al., 1995). Superior product performance, good service, and reminder advertising all provide purchase reinforcements. If learning is reinforced enough and repeat behaviour is produced, a purchasing habit may result.

There are numerous theories of learning, but advertisers classify them into two broad categories - a) cognitive theories and b) conditioning theories - depending on the level of consumer involvement (high or low) required to make a purchase (Arens and Bovee, 1995).

a) Cognitive theory: Cognitive theories view learning as a mental process of memory, thinking, and the rational application of knowledge to practical problems (see fig. 25). The cognitive approach to learning encompasses the mental activities of consumers as they work to solve problems, cope with complex situations, or function effectively in their environment (Hawkins et al., 1995). Under conditions of low involvement a change in attitude is not necessary to influence a change in behaviour. The awareness of a new brand may be sufficient reason to switch in a search for variety (Assael, 1995).
Fig. 25. COGNITIVE THEORY

COGNITIVE THEORY VIEWS LEARNING AS A MENTAL PROCESS

Source: Consumer behaviour, Wells and Prensky, 1996.
The difficulty with this theory is that one cannot actually see someone's knowledge (or attitude or feelings), all one can see is what they do, and one has to infer from that behaviour what they think or feel (Statt, 1997).

b) Conditioning theory: The conditioning theory also called Stimulus-Response (S-R) theory treats learning as a trial and error process and is more applicable to the less complex, basic purchases consumers make every day (Arens and Bovee, 1994). The conditioning theory is presented in fig. 26. The most sophisticated statement of (S-R) stimulus response theory is that developed by Clark Hull (1943) in “Principles of Behaviour: An Introduction to Behaviour Therapy”, whose basic model is

\[ E = D \times K \times H \times V \]

Where,

- \( E \) = Behaviour and is a multiplicative function of \( D \) = Drive,
- \( K \) = Incentive potential, \( H \) = Habit, Strength and where \( V \) = Intensity of the cue. The Howard Sheth’s (1969) theory of buyer behaviour is essentially a learning model (Baker, 1996).

The Behaviourist School is concerned with observing changes in an individuals' responses as a result of exposure to stimuli (Assael, 1995). Some stimulus triggers the consumers' need or want, which in turn creates the drive to respond. If the response the consumer selects reduces the drive, then satisfaction occurs, and the response is rewarded, or reinforced. This produces repeat behaviour the next time the drive is aroused, demonstrating that learning has taken place (Arens and Bovee, 1994).

A type of consumer learning that has important marketing applications is vicarious learning: that is people change their behaviour as a result of observing the behaviour of others. Vicarious learning affects peoples behaviour in two ways: 1) If they see positive consequences from the behaviour of others they will imitate it. 2) If they see negative consequences, they will avoid the behaviour.
CONDITIONING THEORY TREATS LEARNING AS A TRIAL AND ERROR PROCESS

Source: Consumer Behaviour, H. Assael, 1995
Advertisers often promote vicarious learning by showing people using their products and having positive results or by showing the negative results if people do not use their products (Assael, 1995).

Memory: Whatever one learns would be of no use if one had no way of storing it, ready to be retrieved when needed. This procedure is often referred to as information processing (Statt, 1997). As we collate the information in our mental files, comparing new perceptions with old ones, further learning takes place (Arens and Bovee, 1995). Whenever we learn something the brain engages in various activities. We store this information and experience in our memory (Statt, 1997).

Memory processes are of considerable importance to the understanding of consumers' behaviour. Consumers act on the basis of cognition or their knowledge or beliefs about the world. These cognitions are stored in memory and they influence how incoming stimuli are interpreted. They also form the basis of attitudes, behavioural intentions and brand choice (Loudon and Bitta, 1993).

Cognitive psychologists believe that there are three processing areas in memory: sensory, short term and long term memory (refer to Fig. 22). When information first enters the brain, it is captured by sensory memory, where it may register as little more than a sensation and may last for only fractions of a second (Berkman et al., 1996).

The second stage of memory lasts slightly longer (upto 30 seconds) long enough to work through the task in hand and decide whether or not the incoming information is worth keeping (Baddeley, 1986).
**Attitude**: Every time consumers are asked whether they like or dislike a product, a service, an advertising theme, or a particular retailer, they are being asked to express their attitudes (Schiffman and Kanuk, 1997). Expressing an attitude in this form is therefore not a comprehensive answer to anything but rather a quick and convenient way of summarizing a lot of information about the relationship between a person and an object. Attitudes, therefore, have a very important part to play in our lives and in our consumer behaviour. Consumers' attitude towards advertisements are an important aspect of the advertisements effectiveness (Statte, 1997). Attitudes and needs are important influences on consumer behaviour (Assael, 1995).

Just as there is no single agreed definition of marketing, so there is a multiplicity of definition of "attitude" (Baker, 1996). The most frequently used definition of attitudes was formulated by Gordon Allport (1935). He wrote, "Attitudes are learned predisposition to respond to an object or class of objects in a consistently favourable or unfavourable way". Attitudes toward brands are consumers learned tendencies to evaluate brands in a consistently favourable or unfavourable way, that is, consumers evaluation of a particular brand on an overall basis from poor to excellent.

The term attitude is derived from the Latin word "posture" or "physical position". In recent times, the concept of attitude has been broadened to reflect a persons' mental position or evaluation of an object. The fact that attitudes are mental positions means that marketers must try to infer them through research measures- they cannot be observed directly. The fact that attitudes are learned means that they will be affected by information and experience. While attitudes are relatively enduring attitude change is possible (Wilkie, 1994).

To understand the role of attitudes in consumers behaviour, we must understand how they develop and the functions they play. Attitudes
develop over time through a learning process affected by family influences, peer group influences, information, experiences, and personality.

Two basic models of attitude are in current use: a) Cognitive-Affective-Conative (CAC) and b) Expectancy Value (EV) models.

**a) Cognitive - Affective- Conative:** The CAC model has been traced back to Pluto's elements of the human soul - reasonable, spirited, appetitive - which in modern terms may be defined as the realms of thought, emotions and motives, or knowing, feeling and acting (Baker, 1996). The cognitive, affective, conative components are mutually interdependent (Chisnall, 1985). The cognitive (awareness, comprehension, knowledge) component is mainly concerned with a consumers' opinion about the products properties. It refers to the knowledge or beliefs the person has about the attitude object (Statt, 1997).

The affective (evaluation, liking, preference) component is mainly concerned with a consumers' feeling about the products properties, for example, - Is it appealing or unappealing? Is it liked or disliked? (Wilkie, 1994). Attention is usually focused on the middle (affective) component in assessing the positive or negative feelings of an object (Statt, 1997).

The conative component is the final component of the tri-component attitude model. It is concerned with the likelihood or tendency that an individual will undertake a specific action or behave in a particular way with regard to the attitude object. In marketing and consumer research, the conative component is frequently treated as an expression of the consumers' intention to buy (Schiffman and Kanuk, 1997). The underlying assumption is that the overall liking component is based on the cognitive component (beliefs and knowledge about the brand) and then leads to the intention to try (or lack of it). The three components are shown in fig. 27:
b) The Expectancy-Value: This model views attitude as comprising of two components - beliefs and values which are broadly equivalent to the cognitive and affective dimensions of the CAC model. It follows that the EV model is lacking a behavioural or action element and so is much more limited in its application (Baker, 1996). The EV model is particularly associated with the work of Martin Fishbein (1975). The Fishbein model pays particular attention to the cognitive aspect of attitudes by focusing on consumers' beliefs about a product and attempting to combine these beliefs with the strength or feeling in the consumers' evaluation of the product (Statt, 1997).

Attitude theories are primarily concerned with how attitudes develop and change. Three of the popular viewpoints are founded on the general principle that the human mind strives to maintain harmony or consistency among currently perceived attitudes (Loudon and Bitta, 1993). A simple measure of attitude does not tell us why the consumer feels the way or she does, nor does it suggest what we might be able to do about changing that attitude. It is precisely in this area that multi-attribute attitude models offer their strongest benefits.

A multi-attributable model views an attitude object as possessing many attributes that provide the basis on which consumers' attitudes will depend (Wilkie, 1994). There are several ways in which products can be described in terms of their attributes. Three major types of product or service attributes are:

i) Benefits represent what the product will do for the user, what needs or objectives it helps meet.

ii) Product characteristics are the physical properties of the product.
iii) Imagery refers to how the product represents the user to other people and tells what type of person the user is.

All these types of attributes are important to at least some extent in nearly every consumer product or service (Myers and Myers, 1986).

The most common way of assessing consumer attitudes is through the administration of a questionnaire containing attitude scales. The three most popular scales are Likert scales, semantic differential scales and rank order scales (Schiffman and Kanuk, 1997).

One such multiattribute model of attitude was suggested by Martin Fishbein and his colleagues. Multi-attribute models are primarily interested in the cognitive aspect, the beliefs that people have about something. It is expressed symbolically in the following formula:

\[ A_0 = \sum_{i=1}^{n} b_i e_i \]

Where \( A_0 \) = someone's global attitude towards the object (for example a product, service or store) \( b_i \) = the strength of his or her belief that the object has attribute \( i \) ; \( e_i \) = his evaluation of attribute \( i \) ; \( n \) = the number of salient beliefs/attribute for that person; and \( \sum \) = the sum of (Statt, 1997).

**Attitude behaviour consistency:** In the mid and late 1960's, social psychologists and those who study consumer behaviour began seriously to examine the assumption that attitudes are always consistent with behaviour (Zaltman and Wallendorf, 1983). Over many years, considerable research has been directed towards the problem of identifying the relationship between attitude and behaviour.

An early classic study of the attitude - behaviour relationship occurred in 1934, when La Pierre researched the influence of prejudice. Fishbein, a social psychologist, has a major contribution to the studies of attitudes related to behaviour (Chisnall, 1985). The so called extended Fishbein model was the result of Fishbeins realization that the attitude toward an object has limited predictive value relative to behaviour.
Consequently he substituted attitude toward the act (for example, purchase) for attitude toward the product (William, 1994). The formula for the behavioural intentions model is:

\[ A_B = \sum_{i=1}^{n} b_i e_i \]

Where \( A_B \) = the individual's overall attitude about indulging in a particular behaviour, \( b_i \) = the strength of the belief that indulging in the behaviour will result in the consequence \( i \); \( n \) = the number of salient behavioural beliefs; and \( \sum \) = the sum of (Statt, 1997).

The second modification took explicit account of the norms governing behaviour and the individual consumer's motivation to comply with those norms. The model is stated in terms of the expected overt behaviour as predicted from intended behaviour:

\[ OB \approx IB = (A_{act}) W_a + (NB) M_c W_t \]

While \( OB \) is overt behaviour, \( IB \) is intended behaviour, \( A_{act} \) is attitude toward a given action in a given situation, \( NB \) is normative beliefs - the norms that govern the situation, \( MC \) is the consumer's motivation to comply with behavioural norms, \( W_0 \) and \( W_1 \) are statistically determined important weights for component (William, 1994).

It is argued theoretically that the attitudinal gain from advertising repetition should continue to increase rather than level off when consumers fail to generate cognitive responses to message arguments in earlier exposures. An experiment shows that repetition continues to increase brand attitudes and purchase intentions in conditions where support and counter argument production is expected to be low; but that these attitudinal gains level off under condition in which a high level of such production is expected (Batra and Roy, 1986). Betch (1982) examined the cognitive effects of advertising repetition by considering the impact of three levels of TV commercial exposure within one hour programme. He found that attitude and purchase intentions were not affected by message
repetition, although cognitive response became more negative as exposure frequency increased. The relationship between cognitive responses and the message acceptance measures was relatively constant across the three exposure levels.

II.4 Consumers buying decision process and models of consumer behaviour

An important component of the study of economics is the study of consumers: how they spend their funds, how they evaluate alternatives, and how they make decisions to maximize their satisfaction. The "economic man" theory postulates that individuals act rationally to maximize their utilities (i.e., their benefits) in the purchase of goods and services (Schiffman and Kanuk, 1997).

The study of consumer behaviour includes the action consumers take in buying and using products, and the factors involved in the decision making process leading to these actions (Kinnear et al., 1995).

The process by which consumers make purchase decision must be understood to develop strategic applications. Table number 11 indicates that consumers decision making is not a single process. Typology of consumer decision making is based on two dimensions (1) the extent of decision making and (2) the degree of involvement in the purchase (Assael, 1995).

Table 11. Consumer decision making

<table>
<thead>
<tr>
<th>High involvement purchase decisions</th>
<th>Low involvement purchase decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision making (information, consideration of brand alternatives)</td>
<td>Complex decision making (autos, electronics, photography system)</td>
</tr>
<tr>
<td>Habit (little or no information, search, consideration of only one brand)</td>
<td>Brand loyalty (athletic shoes, adult cereals)</td>
</tr>
</tbody>
</table>

Once the homemaker has determined that she needs a particular product, she should know how to buy it wisely. By making up her mind in advance she could save herself from becoming a victim of clever salesmanship (Education Planning Group, 1994).
Situational and enduring involvement both influence every aspect of the decision making process, from information search to information transmission. Consumer involvement with marketplace stimuli is determined by a host of personal, product, and situational factors (Berkman et al., 1996). It consists of the process itself and the factors affecting it (demographic, social, psychological). It can be delayed or terminated by the consumer at any point (Evans and Berman, 1992).

Complex decision making is most likely for certain categories of products, namely (1) High priced products (2) products associated with performance risks (medical products, automobiles) (3) complex products (compact disc players, personal computers) (4) speciality goods (sports equipment, furniture) (5) products associated with ones ego (clothing, cosmetics) (Assael, 1995).

In earlier times, marketers could understand consumers through the daily experience of selling to them. But the growth in the size of companies and markets has removed many marketing managers from direct contact with customers. Increasingly, managers have had to rely on consumer research for answers to some key questions (Kolter et al., 1996). What is it that makes homemakers buy? What makes them select one product over another that satisfies the same needs, or one brand over another almost identical brand? What makes a long time user of one brand suddenly switch to another? Consumer researchers have developed various consumer decision models that attempt to describe the processes consumers go through before, during and after a purchase (Berkman et al., 1996).

Models of consumer behaviour: Since the consumer decision process is so complex, several writers have attempted to reduce the process to simplified models. Three models focus on consumer decision making, especially on how individual consumers arrive at brand choices. They are a) Nicosia model, b) Howard and Sheth model and c) Engel, Kollat and Blackwell (EKB) model (Schiffman and Kanuk, 1997).
These models differ in respect to their complexity and orientation but are nevertheless based upon the same strands of thought. Thus similarities are to be found in the isolation and identification of the relevant variables, and in the perspective of a dynamic decision process, with the actions of the consumer viewed as a movement towards some decision point (Baker, 1996).

a) Nicosia Model: Francesco M. Nicosia model of consumer decision process (1966), has gone considerably beyond Howard and published a model which comprehends more variables and includes considerably more detail (William, 1994). The Nicosia model focuses on the relationship between the firm and its consumers.

In the model, the firm affects the consumer, the consumer affects the firm, and the consumers' behaviour affects his or her behaviour in the future. There is no real beginning or end; the process can start anywhere (Zaltman et al., 1983). In its full blown form, the Nicosia model is an elaborate computer flow chart of the consumer decision-making process. The Nicosia model is divided into four major fields or areas (Schiffman and Kanuk, 1997). The output from each field becomes the input to the succeeding field.

The model depicts a message (for example, an advertisement for a new product) flowing from its source (in this case the business firm) in the direction of an eventual decision outcome by the consumer (Baker, 1996).

**Field I - The consumers attitude based on the firms messages:** The first field of the Nicosia model is divided into two sub-fields. Sub-field one includes aspects of the firms' marketing environment and communications
effort that affect consumers' attitude, such as product attributes, competitive environment, characteristics of relevant mass media, the choice of a message appeal or theme; and characteristics of the target market (Schiffman and Kanuk, 1997). As the message (sub-field one) reaches the consumer, it serves as an input into sub-field two, referred to as the consumers' space which is composed of his psychological attributes. As this message is received and acted upon, the output hopefully is formation of an attitude toward the product which then serves as the input for field two (Wiliam, 1994).

Field II - **Search and evaluation**: Field two represents a search for and evaluation of the advertised product and other available alternatives as well. The output from this field may or may not be a motivation to buy the advertised brand. If such a motivation emerges, it serves as the input into field three - the transformation of motivation into purchasing action (Kollat, 1970).

Field III - **The act of purchase**: In the third field, the consumers' motivation toward the firm's brand results in actual purchase of the brand from a specific retailer.

Field IV - **Feedback**: It consists of two important types of feedback from the purchase experience; one to the firm in the form of sales data and the other to the consumer in the form of experience (satisfaction or dissatisfaction). The consumers' experience with the product affects the individuals' attitudes and predisposition concerning future messages from the firm (Schiffman and Kanuk, 1997). If purchase occurs, field IV becomes the area of storage and use of the product, with a related output of experience. A basic structure of the model is shown in fig. 28.
FIELD 1: From the source of message to the consumer attitude.

SUBFIELD ONE
Firms attitude

MESSAGE
EXPOSURE

SUBFIELD TWO
Consumers attributes (especially pre disposition)

In each of the fields the relevant influence upon the eventual outcome are delineated. As the message flows from the business firm to the formation of consumers' attitude, it will be modified or distorted by internal subjective perceptual elements. During the period of "search and evaluation" (field II) the internal and external forces are differentiated in terms of additional information input. Internally initiated data are concerned with the associations, conscious or unconscious, with the firm, the brand or the product, while the external data are collected from the environment in the form of word-of-mouth communication, or an increased receptivity to advertising in the product area (Baker, 1996).

This description truly cannot do full justice to the Nicosia model, because each field and sub-field is spelled out in considerable detail. Although Nicosia includes more detail than Howard, he too has not spelled out the many qualifications and limitations in the findings on which his model is based, with the result that the user has difficulty in grasping areas where substantial knowledge exists and those where further research is needed (Kollat, 1970).

b) The Howard-Sheth Model: John Howard first advanced this model in 1963 which was refined by Howard - Sheth in 1969. They have based their approach to the formulation of a general consumer model on the standpoint of the consumer playing an active role in the business transaction. He is not merely exposed to communications but is portrayed as vigorously collecting and processing information (Baker, 1996).

This model gives the stages in the decision process as attention, brand comprehension, attitude, intention and purchase (William, 1994). It explicitly distinguishes between three levels of learning or stages of decision making (Schiffman and Kanuk, 1997).

**Extensive problem solving:** The consumers' knowledge and beliefs about brands are very limited or nonexistent. At this initial point, the
buyer has no brand preference and therefore actively seeks information about a number of alternative brands.

**Limited problem solving**: Knowledge and belief about the brands are only partially established which means that the consumer is not fully able to assess brand differences in order to arrive at a preference. Some comparative brand information is sought although the choice criteria are likely to be fairly well-defined.

**Routinised response behaviour**: The consumers' knowledge and belief about the brands are well established and there is enough experience and information to avoid confusion about the various brands. The consumer is predisposed to the purchase of one particular brand. John A. Howard summarizes this in the form of a table which is as follows-

### Characteristics of the 3 stages of decision making

<table>
<thead>
<tr>
<th>Stage</th>
<th>Amount of information needed prior to purchase</th>
<th>Speed of decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extensive problem solving</td>
<td>Large</td>
<td>Slow</td>
</tr>
<tr>
<td>Limited problem solving</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Routinised response behaviour</td>
<td>Small</td>
<td>Fast</td>
</tr>
</tbody>
</table>

The Howard-Sheth model (fig. 29) uses the concept of Stimulus Response (S-R) to explain brand choice behaviour over time, using **four** major variables.

**Input variables**: Input variables are those stimuli that come from the environment. They can be of three types. The significance stimuli are actual elements of a brand which the buyer confronts, for example price. The symbolic stimuli are generated by manufacturers representing their products in symbolic form, for example, in advertisements. The social stimuli are generated by the social environment, for example, in reference groups (Lancaster and Marsingham, 1994).
Fig. 29 HOWARD-SHETH MODEL OF BUYER BEHAVIOUR

INPUTS

STIMULI DISPLAY

Significative
a. Quality
b. Price
c. Distinctiveness
d. Service
e. Availability

Symbolic
a. Quality
b. Price
c. Distinctiveness
d. Service
e. Availability

Social
a. Family
b. Reference Groups
C. Social Class

OUTPUTS

PERCEPTUAL CONSTRUCTS

LEARNING CONSTRUCTS

OVERT SEARCH

INTENTION

CONFIDENCE

ATTITUDE

CHOICE CRITERIA

BRAND COMPARISON

SATISFACTION

MOTIVE

INTENTION

ATTITUDE

BRAND COMPREHENSION

ATTENTION

PERCEPTUAL BIAS

Solid lines indicate flow of Information.
Broken lines indicate feedback effects.
Output variables: The model indicates a series of output that correspond in name to some of the perceptual and learning construct variables (attention, brand comprehension, attitude, intention) in addition to actual purchase.

Hypothetical constructs: Fundamentally the model is constructed around a series of stimulus variables passing into the individuals' processing system and being acted upon by the internal factors of perception and learning, termed by the researchers' the hypothetical constructs (Baker, 1996). Perceptions are concerned with how the consumer receives and processes information acquired from the input stimuli and other parts of the model (Schiffman and Kanuk, 1997). There are three perceptual constructs which deal with information processing. They are sensitivity to information, perceptual bias and search for information.

There are six learning constructs: these deal with the buyers' formation of concepts. They are i) Motive- general or specific goal impelling action; ii) Brand potential of the evoked set- the buyers' perception of the ability of brands to satisfy goals; iii) Decision mediators- the buyers' mental rules for matching and ranking purchase alternatives according to his or her motives; iv) Predisposition-a preference towards brands the evoked set expressed as an attitude towards them; v) Inhibitors-environmental forces such as price and time pressure which restrain purchase of a preferred brand; vi) Satisfaction- the degree to which the consequences of a purchase measure up to the buyers' expectations (Lancaster et al., 1994).

The proposed interaction (linkages) between the perceptual and the variables and learning in other segments of the model give the Howard-Sheth model its distinctive character (Schiffman and Kanuk, 1997). Howard and Sheth have acknowledged that these hypothetical constructs and their interrelationships are a consequence of the integration of a number of well-known theories - Hull's Learning theory, Osgood's Cognitive theory and Berlyne's theory of exploratory behaviour (Baker, 1996).
Exogenous variables: In addition, numerous exogenous variables influence the process. The important exogenous variables include the importance of the purchase, consumer personality traits, time pressure, and financial status. The Howard-Sheth model explains the process by which internal and external determinants influence the decision process. The development and testing of the models has given valuable insight into the consumer decision process (William, 1994).

The process of operating the model begins when the buyer confronts an input stimulus and it achieves attention. The stimulus is then subjected to perceptual bias as a result of the influence of the buyer predisposition as affected by his or her motives, decision mediators and evoked set. The modified information will also influence these variables, which in turn will influence the buyers predisposition to purchase. The purchase will be influenced by the buyers' intentions and inhibitions which are confronted. After the purchase, the buyer evaluates satisfaction, and satisfaction increases the buyers' predisposition towards the brand. More information means that the buyer engages in less of an external search for information and exhibits more routine purchasing behaviour (Lancaster et al., 1994).

c) Engel-Kollat- Blackwell model (EKB model): These researchers (1968) have produced a sequential approach to the purchase decision which has been described as a complete model which gives a framework for examining the diverse range of influences to which the buyer is subjected to as the decision process moves from its initial stage of the beginnings of need awareness through its subsequent steps up to the terminal stage or after the event evaluation and rationalisation (Baker, 1996).

The EKB model (fig. 30) identifies five distinct aspects of consumer decision making. These are i) input, ii) information processing, iii) a decision process, iv) decision process variables and v) external influences. Before we even consider any purchase, we are continually subjected to input of all kinds. Once received, we continually process input, constantly changing and updating it.
Fig. 30 ENGEL - KOLLAT - BLACKWELL MODEL

Source: Consumer Behaviour, Schiffman and Kanuk, 1997
The EKB identifies five methods of information processing:
i) **Exposure**: we see a television commercial; ii) **Attention**: we accept the information relevant to us; iii) **Comprehension**: we attempt to find out more or really understand the information; iv) **Yielding**: we develop an attitude towards the information; and v) **Retention**: we file the information away in memory for future use (William, 1994).

The stages in the buying decision process are (1) **problem recognition** (2) **information search** (3) **alternative evaluation** (4) **choice and purchase decision**, (5) **post purchase evaluation**. How many of these stages actually figure in a specific purchase decision depends on how extensive is the problem solving task (Schiffman and Kanuk, 1997).

At any and all of the five stages of the decision process, the consumer is subject to a multitude of influences that affect the final decisions. These decision process variables are motives, beliefs, attitudes, lifestyle, and other aspects of self. External influences are also at play during the decision making process. The circle of influence are as small as our immediate families or peer groups, or as large as the culture and subculture in which we live (Berkman, et al. 1996).

**1st Stage: Problem recognition:** The first stage of the consumer decision making process is when consumers perceive a need, something that is missing from their lives and this perception triggers off the process (Statt, 1997). From this perspective, buying results from consumers first perceiving that a problem exists and then moving through a rational problem solving process (Mowen, 1995). A formidable task faced by an advertiser soliciting new business is persuading the prospective client that a problem exists.

Everyone has unsatisfied needs and wants that create tension or discomfort. Some needs can be satisfied by acquiring and consuming goods and services. Thus, the process of deciding what to buy begins when a need that can be satisfied through consumption becomes strong enough to motivate a person (Stanton, 1994).
The need can be triggered by internal or external stimuli. The internal stimuli are persons' normal needs like hunger, thirst, which rises to a threshold level and becomes a drive. A need can also be aroused by an external stimuli. This is when a person passes a bakery and sees freshly baked bread that stimulates his hunger (Kotler et al., 1996).

Becoming aware of a need, however, is not enough, to generate a purchase. As consumers we have many needs and wants, but finite amounts of time and money. Thus there is competition among our needs (Stanton, 1994).

II nd Stage: Information search: Once a problem of need has been recognized and the consumer is willing and able to act on it, the second stage of the decision-making process is activated (Statt, 1997). The consumer consciously or unconsciously decides how much effort to exert in satisfying them. Sometimes when a need arises, a consumer is dissatisfied with the quantity or quality of information about the purchase situation and decides to actively collect and evaluate more (Stanton, 1994). An aroused consumer will be inclined to search for more information (Kotler et al., 1996).

Relevant information from long term memory is used to determine if a satisfactory solution is known, what the characteristics of potential solutions are, what are appropriate ways to compare solutions, and so forth. This is internal search. If a resolution is not reached through internal search, then the search process is focused on external stimuli relevant to solving the problem. This is external search (Hawkins et al., 1995).

There are two sets of specific factors that can affect external information search, situational and individual factors. This may lead to increase or decrease in search activity (Statt, 1997). The relative amount and influence of these information sources vary with the product category and the buyer's characteristics. Generally speaking, the consumers receive the most information exposure about a product from commercial sources (Kotler et al., 1996).
Search for information before purchase decisions are made is of three types: directed search, browsing or accidental search. In directed search, the consumer has a clear and conscious objective to gather information that will help solve a specific problem. The forms of browsing are window shopping, thumbing through catalogs, and reading brochures with no intention to buy. Accidental search occurs when a consumer is not looking for anything in particular and is drawn to a product simply as a result of coming across an attractive display (Berkman et al., 1996).

III rd Stage: Alternative evaluation: In complex decision making, consumers evaluate brands in a detailed and comprehensive manner. More information is sought and more brands are evaluated than in other types of decision making situation (Assael, 1995). It turns out that there is no simple and single evaluation process used by all consumers or even by one consumer in all buying situations (Kotler et al., 1996). This is a process through which we compare and contrast different solutions to the same market place problem (Berkman et al., 1996).

The criteria chosen for evaluation will vary from one consumer to another. Some criteria which are widely used are price and brand name. Having settled on the appropriate criteria for evaluation the consumer must then decide which alternatives to choose from. These alternatives are known as the evoked set (or sometimes consideration set). The brands contained within the evoked set are a subset of all existing brands of a particular brand (Statt, 1997).

The number of evaluative criteria used depends on the product, the consumer, and the situation. The importance that consumers assign to each evaluative criterion is of great interest to marketers (Hawkins et al., 1995).

IV th stage: Choice and purchase decision: After engaging in an evaluation of the alternatives, the consumers' next step in the decision process is to make a choice among alternatives. Consumers make different types of choices. They choose among alternative brands or
services, and they make a choice among stores (Mowen, 1995). Consumers' decision making process for a store is similar to that of a brand. Frequently consumers' choice of a store comes first and influences their choice of the brand (Assael, 1995).

It is not uncommon to enter a retail outlet with the intention of purchasing a particular brand and to leave with a different brand or additional items. Influences operating within the store induce additional information processing and subsequently affect the final purchase decision. There are five variables that singularly and in combination influence brand decisions inside a retail store. They are point of purchase displays, price reductions, store layout, stock out situations, and sales personnel (Hawkins et al., 1995).

In the evaluation stage, the consumer ranks brands and forms purchase intentions. Generally, the consumers' purchase decision will be to buy the most preferred brand (Kotler and Armstrong, 1999). The outcome of brand evaluation is an intention to buy or not to buy. The final step in the decision making involves purchasing their intended brand, evaluating the brand during consumption; and storing this information for future use (i.e. feedback). These steps are outlined in fig. 31 (Assael, 1995).

**Fig. 31. Purchase and post purchase evaluation**

Consumers make two types of purchases: trial purchases and repeat purchases. If a consumer purchases a product (or brand) for the first time, and buys a smaller quality than usual, such a purchase would be considered a trial.
Thus a trial is the exploratory phase of purchase behaviour in which consumers attempt to evaluate a product through direct use. If a new brand in an established product category (toothpaste) is found by trial to be more satisfactory or better than other brands, consumers are likely to repeat the purchase. Repeat purchase behaviour is closely related to the concept of brand loyalty (Schiffman and Kanuk, 1997).

It was noted earlier that the circumstances surrounding a purchase may influence the decision. Situation has been defined as all those factors particular to a time and place of observation which do not follow from a knowledge of personal (intra individual) and stimulus (choice alternative) attributes, and which have a demonstrable and systematic effect on consumer behaviour (William, 1994).

**V th Stage: Post purchase evaluation:** Post purchase evaluation is the final stage in the consumer choice process. The consumer mentally reviews various dimensions of the shopping process and decides in retrospect whether the right decisions were made in choosing the merchandise, the price to pay, the place at which the purchase was made, and other dimensions of the shopping and buying experience (Mason and Ezell, 1993).

The consumer will compare the product performance against the choice criterion. The result will be some level of satisfaction or dissatisfaction (William, 1994). Research on consumer evaluation of various products seems to confirm that consumer satisfaction/dissatisfaction (CS/D) does operate in the decision making process (see fig. 32). Indeed the more the consumer is satisfied with a product the greater the expectation raised when it is purchased again (Statt, 1997).

**Post-cognitive dissonance:** The dissonance theory has been utilized to explain consumer post-purchase behaviour. The dissonance theory says that post cognitive dissonance can occur under three conditions: i) after making an important or difficult decision; ii) after being coerced to say or do
something that is contrary to personal attitudes, opinions, or beliefs; and
iii) after being exposed to discrepant information (Wiliam, 1994).

The most positive outcome from achieving customer satisfaction is to gain customer loyalty. Consumer loyalty takes the form of repeat purchase. It is directly linked to the formation of purchase habits. Repeat and, from there, habitual purchase are encouraged by consumers' experiences with products that perform as or better than expected and through positive reinforcement by the marketer after the purchase has been made (Berkman et al., 1996).

Consumers typically adopt two perspectives in evaluating their experience with a product- i) Did the consumption experience satisfy their needs ? and ii) How did the experience compare with their pre-purchase expectations about how the product would perform?

The first perspective is an absolute measure, the second is a relative measure, a measure of how the product has performed relative to what the consumer expected (Wells and Prensky, 1996).

Fig. 32. S/D and the consumer decision making process

Stage III → Evaluating Alternatives ← Purchase Expectation

Post-Purchase Comparison

≥ Expected

S

< Expected

D

Two outcomes are possible from such a comparison.

i) positive confirmation results when the product performs better than expectation.
ii) negative confirmation results when the product performs worse than expected (Statt, 1997).

Any negative information about the chosen product causes post-purchase dissonance; i.e. conflict resulting from two contradictory beliefs (Assael, 1995). Consumers who are dissatisfied with their consumption experience have a number of option.

i) They can voice their dissatisfaction to the marketer from whom they have purchased the product.

ii) They can communicate their dissatisfaction to others in their reference group on a private basis (private action).

iii) They can enlist the support of a third party, by writing letters of complaints to newspapers, magazines, or television, consumers' advocates etc. (public action).

Management as part of marketing strategy, should follow up with advertisements or other forms of communication, such as phone calls to reinforce the correctness of the buying decision (Mason and Ezell, 1993).

Corrective advertising is advertising run by a firm to cause "consumers to unlearn" inaccurate information they acquired as a result of the firms earlier advertising (Hawkins et al., 1995).

Beyond seeking out and responding to complaints marketers can take additional steps to reduce consumer post purchase dissatisfaction and to help customers feel good about their purchases (Willam, 1994). A dissatisfied consumer responds differently. Whereas, on average, a satisfied customer tells three people about a good product experience, a dissatisfied customer gripes to eleven people (Kotler and Armstrong, 1999).

II.5 Previous research

Researchers have investigated consumers' attitude toward advertising for several decades. Zanot (1981,1984) in his reviews of public
opinion surveys regarding advertising, argued that attitudes towards advertising in the 1960s were generally mixed.

Harris and Associates, Inc (1976) found that a majority of respondents felt that products did not last as long as they had 10 years earlier and that most or all of television advertising was seriously misleading.

The Gallop organization, Inc(1959), in a study of public attitude toward advertising conducted for Redbook, gathered data through personal interviews with a national, geographically stratified sample of over 1,600 adult. Gallop found that a majority of their respondents generally liked advertising and that most of those respondents liked it because they felt it was informative. They also found that a majority of respondents preferred advertised products over unadvertised products, although most also felt that advertising increased the cost of things they buy.

More recent studies have moved toward smaller and less nationally representative samples. Mittal (1994) in his study found that nearly half of the respondents from a regional consumer panel said they do not like television advertising, while less than one-quarter said they liked it. Andrews (1989) found that most respondents did not think advertising presents a true picture of advertised products.

Alwitt and Prabhakar's (1992), respondents believed TV advertising does not present a true picture of the product being advertised and a majority of their respondents agreed that products do not perform as well as their television advertisements. Alwitt and Prabhakar et al., (1992) have also consistently found that people feel entertained by advertisements.

Thomas C.O' Guinn, L.J.Shrun (1997) investigated the effect of exposure to television programming on normative social beliefs about the prevalence of products and activities associated with a more affluent consumer life style. It presented the results of a two-study inquiry into a particular type of consumer socialization. The study found that heavy exposure to the consumption - rich portrayals of television programme is significantly associated with beliefs about what other consumers have and
do. The results provide evidence that this effect occurs in the consumption domain but also an idea of how it occurs. The result of the first study imply that the subtle and, covert influence of television affect normative consumption related beliefs and, just as important, the ability of those beliefs, both of which are seen as socialization outcome.

The second study considered adults rather than children. The results imply that these socializing effects are discernable over the adult life span. Third, television programming as opposed to the field's typical operational definition of mass communication as only advertising was studied. The results imply that when it comes to the formation and maintenance of social beliefs, television programming should not be overlooked in an attempt to better understand consumer socialization. Fourth, the study incorporated measures of direct experience. Fifth, the study added a psychological component to what had been largely a black box formulation. The results indicate that accessibility is an important factor in explaining how consumers form impressions from television about how other consumers live. The findings that television viewing does seem to affect normative perceptions of consumer behaviour suggests that the mass media, in general, and television in particular, deserve a prominent place in models of consumer socialization.

Srinivas Durvasula, J. Craig Andrews, S. Lysonki, R.G. Neteyer (1993) specify a model of attitude toward advertising in general and test its cross national applicability with data from the United States, Newzealand, Denmark, Greece and India. The results suggest that the relationships proposed in the model are applicable and similar in strength across the five countries; three procedures - a national level analysis, a multi group analysis, and a pooled data analysis - were used to examine the model cross nationally.

As for attitude toward advertising in general, across countries, nested-model procedures revealed that the effects of function-oriented and practice-oriented thoughts on attitude - institution and attitude instrument. These procedures showed that function thoughts can affect attitude institution. The results suggest that the formation of attitude institution and attitude instrument is a function of both practice and
function-oriented thoughts about advertising and that it is not culturally bound.

Finally, mean differences across the countries were also computed so as to provide additional perspectives about the data. Although relationships among model constructs were invariant across countries, the mean values on the constructs showed differences across the countries. Such a finding indicates that relationships among constructs can be similar, but mean scores on the constructs can differ. These findings also imply that variations in opinions about advertising exists among the countries. Given the diversity in advertising intensity, executional styles, norms of acceptability in advertising, and cultural backgrounds, these differences come as no surprise.

Priscilla A. La Barbera, P. Weingard, Eric A. Yorkston (1998) examined an approach to segmenting consumers, according to their personality-type preferences for processing information, that is both theoretically sound and simple to administer. The study established that personality type also can serve as a classification system for the visual imagery used in advertising. Empirical findings demonstrated that by utilising visuals that are consistent with consumers' personality-type processing styles, advertisements can have greater appeal and generate higher purchase intentions for a variety of products.

Thomas J. Olney, M.B Holbrook, and R. Batra's (1991) study developed and tested a hierarchical model of advertising effects on viewing time. The advertisement studied represented a sample of commercials aimed during prime time broads, and the effects were analysed across the ads rather than across people. Primary emphasis was placed on the attempt to explain a simulated behavioural measure of attention to television commercials—that of channel switching (zapping) and fast forwarding through ads on pre-recorded programs(zipping). In addition, the study demonstrated a chain of effects from the content of television ads, through emotional reactions and attitude toward the ad, to actual viewing behaviour.