CHAPTER – III
RESEARCH PROBLEM

3.1 RESEARCH PROBLEM

The buying behaviour of customers is contingent upon the effectiveness of advertising on their minds. Advertising is an art, the effectiveness of which cannot be measured empirically with certainty. This study attempts to measure its effectiveness, which becomes imperative to avoid wasteful advertising efforts. Research in this field needs to address the psychological attributes of humans and other external variables vis-à-vis advertising effectiveness; this will go a long way in being useful and helpful for advertisers in regulating their strategies regarding ad-impact and its awareness.

The basic purpose of assessing the impact of advertising and the awareness it spreads is to avoid costly mistakes, to predict the relative strength of alternative advertising strategies, and to increase their efficiency. It is not easy to measure the impact of advertising. Sometimes, the results of measurements are mere guesstimates. In spite of this, it makes sense to attempt to measure the impact than to not address this problem at all. In today’s highly competitive and globalized situation, rational minded producers would like to optimize their profits; at the same time, consumers attempt to optimize the utility of the product in terms of receiving economical space, social acceptability, political conduciveness and psychological contentment. This makes measurement of the impact of advertising even more critical.

3.2 OBJECTIVES OF STUDY

1. To study perception and attitude of different segments of consumers for commercials advertising.

2. To identify the determinants responsible for impact of an advertisement.
3. To model the impact of different variables of commercial advertising on purchase behaviour of consumer about selected campaigns of durable and non-durable products.

4. To suggest the means to make commercial advertising more effective.

3.3 DEVELOPMENT OF RESEARCH MODEL

A model refers to a simplified depiction of reality and includes only those aspects of reality that interest a particular developer of a model. A model assists in constructing theory that guides research and facilitates learning of what is known.

Researchers have developed a large number of advertising impact models. There are significant variations in these models in terms of sophistication, precision, knowledge and scope.

1. AIDAS Model

The core of advertising research can be traced back to the very end of the nineteenth century. The AIDAS construct (Attention - Interest- Desire- Action- Satisfaction) was the first formal advertising model. The model was built around four stages of communication results: awareness, comprehension, conviction, and action. Since they show several phases of communication, progressing from initial awareness up to the decision to make a purchase. Such models present a learning process by which consumers progress through a series of predetermined functions to complete the buying process. These models assume that a purchase will only be made when all the steps in the hierarchy of effects have been completed. The model is dynamic in that each single step in the sequence depends upon the preceding step.
A major problem with this model is to identify all the single steps in the process, and it is questionable whether the assumption is valid that all consumers pass through all steps.

2. **Hierarchy of Effects Model**

Hierarchy of effects models is based on the assumption that people first learn something from advertising, then form feelings about the product in question, and finally take action. This order of stages is often called the learn-feel-do sequence. While enjoyed because of its simplicity, advertising does not always work in such a clear, straightforward, and logical manner. An examination of typical purchasing decisions for average consumer suggests that the learn feel-do sequence is often violated. For example, consider a routine decision that many customers race every
day; where to purchase lunch. Does the customer always need to be aware of a potential restaurant, develop strong feelings before deciding on a place to eat? What if the customer sees a restaurant and decided it might be worth exploring, or may be he or she made the decision simply because he or she was hungry and this was the only convenient place to eat. Such an example illustrates the two main problems associated with the learn-feel-do sequence of consumer behaviour. The steps do not always occur in this order, and the customer does not always go through each step.

Exhibit 3.2: Hierarchy of Effects Model

Another possible sequence is feel-learn-do, where a consumer first gets positive feelings about a product, then learns more about it, then makes a purchase. A final
possible sequence, and it is the most common, is the do-feel-do sequence. This suggests that consumers can learn from previous experience and swerve from the awareness to purchase pattern.

3. **FCB Model of Advertising**

This introduced the Foote, Cone, Belding (FCB) strategy matrix, suggesting that advertising works differently depending on the product involved.

<table>
<thead>
<tr>
<th>HIGH INVOLVEMENT</th>
<th>THINK</th>
<th>FEEL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>INFORMATIVE (Economic)</td>
<td>AFFECTIVE (Psychological)</td>
</tr>
<tr>
<td></td>
<td>Learn-Feel-Do</td>
<td>Feel-Learn-Do</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LOW INVOLVEMENT</th>
<th>HABITUAL (Responsive)</th>
<th>SATISFACTION (Social)</th>
</tr>
</thead>
<tbody>
<tr>
<td>De-Learn-Feel</td>
<td>Do-Feel-Learn</td>
<td></td>
</tr>
</tbody>
</table>

**Exhibit 3.3: High-Low Involvement Communication Model**

<table>
<thead>
<tr>
<th>The Traditional conceptual Model for creating any Advertising or Marketing communication Message</th>
<th>AIDA Model</th>
<th>Hierarchy of effects Model</th>
<th>4 Key psychological process (Philip Kotler 2007)</th>
<th>COGNITIVE ASPECTS (D. Jokubausras)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attention</td>
<td>Awareness</td>
<td>Motivation</td>
<td>Alteration</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>Comprehension Knowledge/Liking/Preference</td>
<td>Perception</td>
<td>Perception</td>
<td></td>
</tr>
<tr>
<td>Desire</td>
<td>Conviction</td>
<td>Learning</td>
<td>Emotions, senses reasoning, thoughts Language</td>
<td></td>
</tr>
<tr>
<td>Action</td>
<td>Purchase</td>
<td>Memory</td>
<td>Association Recognition</td>
<td></td>
</tr>
</tbody>
</table>

**Exhibit 3.4: Synthesis of Various Models**
Philip Kotler suggested 4 key aspects that influence customer responses to marketing stimuli – psychological process, motivation perception, learning and memory. Jokubauskas (2007) attributed cognitive aspects, that is, the senses of reasoning, language and perception.

The AIDAS Model by Dolak (2007) demonstrated the dominance of “attention” while Philip Kotler said that “motivation” mattered more, and it is “need” which when aroused, becomes motivation. Motivation is followed by ‘perception’ which not only depends on physical stimuli but also on the stimuli’s relation to the surrounding field. But perception varies from person to person because of “selective attention”. When there is an alteration of the customer, what naturally follows is persuasion and cognition, and finally acceptance. According to Jokubauskas, this acceptance takes place through cognitive aspects, i.e. customers should know and understand the use of the product advertised i.e. customer’s conviction.

According to Philip Kotler and Jokubauskas, what was more important than the customer’s buying behaviour was the ad information recorded in his memory, assimilation and recognition in future. Both Philip Kotler (2007) and Jokubaus Ras (2007) emphasised that the customer’s buying behaviour was to be based on his memory, assimilation and recognition in future, i.e. recall. Recognition in future is itself affected by some independent demographic factors (age, income, media and genders) which might influence the customer’s recall, and thereby, product recognition.

The structure of the proposed model is presented in the figure below with the direction of influence indicated by arrows.
A Proposed Model

The two major elements to be studied in this model are Awareness and Impact.

A set of hypothesized interrelationships among these elements will be discussed.

Ad Stimulus → Processing → Buyers Characteristics → Persuasion based decision making

Exhibit 3.5: Advertisement Impact Model

Advertising Recall:

Recall implies how viewers remember something specific about the advertisement; in other words, it is a ‘memorability’ test. Recall can be aided as well as unaided. In the aided recall test, participants are assisted to recall certain information by providing them with a relevant cue. On the other hand, in the unaided recall test, participants are simply asked to recall and list the number of brands that appeared in the television commercials. As such, unaided recall is considered as a more challenging test of ‘memory trace’ than aided recall. Hence, recall is considered as the most common and effective measure of advertising impact.

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**Income:**

It is hypothesized that lower income groups have a better recall of cheaper durable products as compared to higher income groups, and vice versa. As against this, in case of non-durable products, higher income groups have a higher recall rate, and vice versa.

**Age:**

It is hypothesized that certain age groups are more likely to have a better recall of the information given in advertisements. In case of advertisements of non-durable products, generally individuals below 18 years of age and above 45 years of age will have a higher recall. As against this, in case of advertisements of durable products, individuals within the age group of 18 and 45 will have a higher recall.

**Media:**

It is hypothesized that the mode of media plays an important role in recall of information given in advertisements. Moving images are likely to be better recalled than still images. Also visual media is likely to render a greater impact on individuals than audio and print media.

**Gender:**

It is hypothesized that advertisements of both durable and non-durable products are likely to have a greater impact on females than males and thus, the former can be more easily persuaded to make a ‘buy’ decision. Moreover, females are more likely to be in touch with media than males.

**Celebrity:**

It is hypothesized that a celebrity with a mass appeal and significant influence over people, endorsing a particular product, is more likely to affect customers’ purchase intentions.
Intensity:

It is hypothesized that intensity i.e. frequency and reach of advertising might affect customers’ buying intention. This hypothesis states that people might show different behaviour and response when they are exposed to advertising in various degrees of frequency.

Ad-components:

It is hypothesized that the advertising content such as slogan, logo, text, etc. affects respondents’ recall and purchase behaviour positively.

3.4 DEFINING VARIABLES AND HYPOTHESIS DEVELOPMENT

1. Perception and Opinion of different segments of consumers Variables:

H1: Perception and Opinion of respondents towards Advertising have significant impact on Consumer mind.

2. Proposed Model Variables:

H2: Demographic variables have significant impact on recall rate of durable/non-durable goods.

H3: Advertisement intensity has significant impact on recall rate of durable/non-durable goods.

H4: Celebrity endorsement has significant impact on recall rate of durable goods/non-durable.

H5: Advertisement components have significant impact on recall rate of durable goods/non-durables.

H6: Advertisement media has significant impact on recall rate of durable/non-durable goods.

H7: Recall has significant impact on purchase intention of consumer regarding durable goods/non-durables.
**H₃:** Demographic variables have significant impact on recall to purchase intention of consumer’s regarding durable/non-durable goods.

**SECTION II**

In order to achieve the research objectives, identified on the basis of the review of literature, the following research methodology was used.

**3.5 COLLECTION OF DATA**

After defining the research problem and setting up of research objectives, a research plan was developed to collect the required information.

**3.5.1 Research Design**

Research design is the conceived plan and structure of investigation to obtain answers to research question. The research type adapted to this study is descriptive research. Descriptive research describes data and characteristics about the population being studied. The study describes the audience attitude and behaviour towards commercial advertisements and understands the reasons behind it.

**3.5.2 Variables**

As discussed in Section 3.3 and 3.4, the variables of study are ad stimulus, processing, buyer characteristics and persuasion based decision making. The ad stimulus comprise of the variables – intensity, celebrity, ad contents and media. Intensity of an ad is determined by its frequency and accessibility. Most advertisements rely on celebrity for identifying the brands. The popularity, credibility and the appeal/persona of the celebrity can have lot of impact of the processing of an ad. The next variable influencing the ad processing is the ad content, which comprises of its slogan, logo, visual effects and information. Media is another significant variable influencing the ad processing.
Ad processing is highly complex, but we have taken ad recall as the most identifiable and measurable variable to study the ad processing. Recall can vary for different product categories. In order to study the ad recall, we have identified two reference products.

a) In durable category, Tata Nano car

b) In non-durable category, Thums up (Soft drink brand)

These products were chosen because the advertisements of these products were being telecasted very frequently on the electronic media. Ad processing is the basic factor that can persuade the consumers to purchase. Hence, purchase intention are taken as the dependent variables of the advertising impact model. However, the processing and impact is also influenced by the buyer characteristics. The buyers’ age, income and gender have been taken as the indicators of buyer characterisation.

3.5.3 Sample for the Study

Sample for the study was taken from South Delhi. South Delhi being the industrial area where people from every nook and corner of the State reside. Moreover, this area is centrally located and include all management institutes, NGO like ‘Rotary Blood Bank’, ‘Prayas’ and different Government Sector like ‘BSNL’, old age home etc. So, all categories of research participants were there. All housewives, businessmen, students were selected as the research participants.

3.6 METHODS OF DATA COLLECTION

The focus of the research is to study the behaviour of audience towards advertisements. Data for study were collected through the primary and secondary sources.
3.6.1 **Primary Data**

Primary data was collected by means of a self administered structured questionnaire, field survey was employed to collect the primary data from the selected 500 respondents. Respondents with varying background were selected based on the important demographic aspects like age, gender, educational qualification, occupation and income level for this study.

3.6.2 **Secondary Data**

The secondary data used in this study were collected from the national and international journals, newspapers, magazines, articles and other records. Websites were also used to collect some statistical information. A number of standard text books in the area of marketing, advertising and mass communication were also referred to present the theoretical perspective.

3.7 **PRE-TESTING AND PILOT STUDY**

The questionnaire was distributed to 60 respondents for pre-testing and pilot survey was also conducted. Pretesting was done to ensure reliability of questionnaire. It was done to check whether the instrument was correctly framed in an understandable manner. Taking into consideration the suggestions of the selected sample respondents, necessary modifications and changes were incorporated in the questionnaire after the pilot study. The respondents included in the pilot study were not included as samples for the find study.

3.8 **TOOLS FOR DATA COLLECTION**

**Questionnaire**

Questionnaire was the main tool used to collect the data. Although, there are various methods for collection of primary data but questionnaire method has been found to be the most objective, reliable and valid one thus, it was considered
advisable to use questionnaire to arrive at fair assessment of variable involved in the study. The questionnaire also includes the questions to gather information on demographics details of the respondents, perception and opinion on advertisements, factor influencing advertisements and purchase behaviour. Some questions are related to identification of right promotion mix for advertising.

### 3.8.1 Scoring

In the questions from 8 to 12, a 5-point Likert type opinion scale was used to measurement. The 5-point scale rather than 7 points are easier for investigator to explain and for the respondents to grasp. The scale contains Agree-Disagree cues (Strategy Agree, Agree, Neutral, Disagree, Strongly Disagree) where very much Agree scaled at 1 and very much disagree as 5. Therefore, responses in higher number will indicate greater agreement level. Great care was taken for the working of questionnaire because poorly worded questions can cause respondent to report miscomprehension even though they actually comprehend the message.

### 3.9 SAMPLING

The sample of the respondents was chosen at convenience, from the students, housewives, businessmen, salaried persons of South Delhi. The sample profile was classified according to the age group, gender, income etc.

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>250</td>
<td>50%</td>
</tr>
<tr>
<td>Female</td>
<td>250</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>500</strong></td>
<td><strong>(100%)</strong></td>
</tr>
</tbody>
</table>
The sample consisted of 500 respondents with equal gender ratio. The table above indicates that out of 500 respondents, 250 (50%) were male and 250 (50%) female.

<table>
<thead>
<tr>
<th>Age (in years)</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 18</td>
<td>50</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>18 – 25</td>
<td>75</td>
<td>75</td>
<td>150</td>
</tr>
<tr>
<td>25 – 40</td>
<td>75</td>
<td>75</td>
<td>150</td>
</tr>
<tr>
<td>Above – 40</td>
<td>50</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

|       | 250 | 250   | 500   |

For the present study, a sample of 50 respondents has been taken to assess consumers’ response. The sample consists of respondents of both genders and across age groups. On the basis of gender, consumers have been divided into two sub-heads i.e. male and female. Within each gender, respondents have been further divided across different age groups. Age group categories are - less than 18 years, 18-25 years, 25-40 years and above 40 years. While the number of females and males are equal in each age group, the total number of respondents in the age groups 18-25 and 25-40 are higher.
### Table – 3.3

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Businessmen</td>
<td>75</td>
<td>15%</td>
</tr>
<tr>
<td>Salaried/Service</td>
<td>100</td>
<td>20%</td>
</tr>
<tr>
<td>House wife</td>
<td>75</td>
<td>15%</td>
</tr>
<tr>
<td>Student</td>
<td>225</td>
<td>45%</td>
</tr>
<tr>
<td>Any Other</td>
<td>25</td>
<td>5%</td>
</tr>
</tbody>
</table>

The above table indicates that out of 500 respondents, the maximum number were students i.e. 225 (45%). The number of businessmen and housewives were of approximately equal percentage while the ‘other’ category was the least.

### 3.10 STATISTICAL TOOLS USED FOR ANALYSIS

In the light of the objectives of the study the data collected through questionnaire were duly processed, classified and tabulated the data generated by the study was analyzed by using means, standard deviation, percentages, chi-square. In order to find out the impact of advertising factor Analysis and Regression were used all the lasts done using software i.e. SPSS Version16 (Statistical Package for Social Sciences).

### 3.11 VALIDITY

Validity determines the degree to which a measure assesses what is meant to measure. Validity is ensure in the contents used in the research instrument, the extent to which it distinguishes the concept and measures the criteria. The validity of the instrument, questionnaire was ensured at the time of pilot study. Content validity of the instrument, questionnaire was ensured at the time of pilot study. Content validity was established by enquiring the sample considered for pilot study. Focus was given on whether or not they are able to understand the concept target in the questionnaire.
3.12 RELIABILITY

Reliability refers to the consistency or repeatability of the questionnaire for further analysis. The reliability of the questions was empirically examined. Reliability of the scales was ensured with Cronbach’s alpha coefficient. The coefficient varies between the values 0 to 1. If the score is closer to value ‘1’, the internal consistency in the questionnaire is perfect and if the score is closer to ‘0’ the there is poor internal consistency among the questions in the scale constructed.

The Cronbach alpha score for the factors that influencing advertisement was calculated to be 0.774 which is greater than 0.5. Thus, the internal consistency of the questionnaire is good enough to proceed for further data collection and analysis.

3.13 LEVEL OF SIGNIFICANCE

After examining the construct validity of the instrument, the data was collected, tabulated, processed and analyzed with reference to each of the specific objectives, with the help of appropriate tools of analysis. All tests were conducted for five percent level of significance. Analysis was made to meet the purpose of each of specific objectives and test the hypothesis.

3.14 LIMITATIONS OF STUDY

The study is based on ‘convenience’ sampling rather than ‘random’ sampling due to limited availability of respondents across a wide range of categories. Besides, respondents selected were unwilling to divulge information fully. The study has been primarily based on responses provided by the respondents. This includes their personal biases, which may give an incorrect picture. Respondents who were students were unclear about the concept and had varied opinions on the impact of advertisements.