CHAPTER - I

INTRODUCTION
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CHAPTER – 1

This chapter being introductory presents the aspects planned for the study and the research efforts put in thereof. The focus of this chapter is on the Introduction of the study, Review of Literature, Need for the study, Statement of the Problem, Scope of the study, Objectives of the study, Hypotheses of the study, Methodology of the study, Limitations of the study and Plan of presentation of the thesis.

Advertising is a paid form of promotion of products and services through an identified sponsor using a mass medium. Advertising is that element of promotion mix, which is often considered prominent in the overall marketing matrix. Its high visibility and pervasiveness has made it an important commercial medium in Indian society. It is a means of influencing the consumer to buy products or services through visual or audio persuasion. A product or service is primarily advertised to create awareness of its utility in the minds of potential buyers. As a result of globalization and the consequent changes in consumer buying patterns, the advertising industry has undergone significant transformation in the last two decades.

Advertising plays a significant role in today’s highly competitive world. Companies, personalities, even voluntary or religious organizations, use it in some form - such as Event management, Image management, Internet marketing, etc. either to promote a product or to promote a point of view. Event management basically deals with managing various events. Image management is concerned with a particular profile of individual and an organization. Internet marketing uses advertising to reach clearly defined target groups rather than a mass audience.

The ultimate aim of advertisement is to get consumers to act in a manner that marketers desire, i.e., to get them to visit a store, try a product, purchase it regularly, recommend it to a friend, etc. In order to communicate in a manner that can persuade consumers to act, marketers need to understand how consumers behave while making their purchase decisions. This is never an easy task as often consumers say something and do something else. Sometimes they themselves are not aware of the deepest motivations that guide their behavior, and at times act on impulse.
To introspect into such deepest and innate motives of consumer mind, consumer behavior makes an attempt. The study of consumer behaviour attempts to get a breakthrough into understanding the reasons and implications of the actions of consumers-how people buy, what they buy, when they buy, and why they buy. Consumer behaviour is the study of individuals groups or organizations and the processes they use to select, buy, use, and dispose off goods and services based on expectations or ideas to satisfy needs. It is also concerned with the impact that these processes have on the marketers of products or services. Consumer behaviour further studies the characteristics of individual consumers in an attempt to understand needs and wants; for this, it borrows insights from research and studies undertaken in the field of psychology, sociology, anthropology and economics. What is important for advertisers to know is how and why consumer needs develop? What they are? And who is likely to use the products or service?

Specifically, marketers will study consumer behavior in an attempt to understand the many factors that lead to and impact purchase decisions. Those who develop advertising strategies begin by identifying relevant markets and then analyze the relationship between target consumers and the product/service or brand. Often, in an attempt to gain insights, marketers employ techniques borrowed from other disciplines. Research methods used in psychology, anthropology, sociology, and, now neuroscience are becoming more popular in businesses as managers attempt to explore buying behaviour.

For many products and services, purchase decisions are the result of a long and detailed process that may include an extensive information search, brand comparisons and evaluations, and other activities. Purchase decisions are more incidental and may result from little more than seeing a product prominently displayed at a discount price in a store. The advertiser's success in influencing purchase behavior depends in large part on how well they understand consumer behavior. Advertisers need to know the specific needs of those customers they attempt to satisfy and how to translate them into a purchase decision. They need to understand how customers gather information regarding various alternatives and use this information to select among competing brands. They need to understand, How customers make purchase decisions? Where do they prefer to buy a product? How are they influenced by marketing stimuli at the point of purchase?
Advertisers also need to take cognizance of the fact that the consumer decision process could vary for different segments of consumers.

The study of consumer behaviour deals with how individuals decide to spend their time, money, and effort on consumption-related items. It includes the study of what they buy, why they buy it, when they buy it, where they buy it how often they buy it, and how often they use it. Take the simple product like toothpaste. Researchers exploring consumer behaviour want to know what types of FMCG, dental care products, consumers buy (gel, regular striped, in a tube) and their choice of brand (national/private/generic brand). Why they buy it? (to prevent cavities, to remove stains, to brighten of whiten teeth, to use as a mouthwash): and how often they buy it? (weekly, bi-weekly, monthly). In addition to studying consumer uses and post-purchase evaluation of the products they buy, consumer researchers also are interested in how advertising helps marketers in influencing consumer’s choice during various stages of decision-making. It is well known that consumer demand for various goods levels off with increased income. Consumption expenditures for food and clothing are maintained relative to expenditures for other items when there is an overall decrease in personal disposable income.

The Nature of Indian Market

India has indeed joined the marketing league. There is a vast middle class market numbering as much as 250 million today. The American business week magazine, said in April, 2008, that there were 8% rich Indian having incomes higher than an average American. Even time magazine focused on it in a cover features, “Consumer Boom”. India is spurred by a brash, “dynamic middle class” in November, 13th 1969. In 1990, the neglected rural market comes into the limelight when two independent surveys, conducted by the National Council of Applied Economic Research, New Delhi and by the operations research group Bombay, indicates that the several markets for consumer, packaged goods is growing at a much faster rate than the urban market, though the latter still accounts for more than half of it currently.

In terms of numbers, India is the largest market among non-communist countries and the second largest in the world with a population of 100 more crores in 2005. There are nearly 6,00,000 villages and about 5,000 towns and cities. It is generally behind that the Indian market is predominantly a sellers market. However, the sellers market of today
can be the buyers market tomorrow. Organizations which do not recognize this have to face the prospects of losing customers and leading ultimately to closure.

In India, the consumers generally experience shortage of goods. Many consumers are illiterates and they have different cultures and customs. So, they fail to organize themselves to protect their legitimate consumer rights. But, with the passing of the Consumer protection Act 1986 in India, the consumer movement is getting strengthened and with the result we can expect a change in consumer behaviour as well. The modern Indian marketer needs to perceive the importance of the marketing concept that the customer is king and that his wants and needs must be satisfied by the marketing through exchange process for mutual profits. Gone are the days when producers forced the consumers to buy whatever they produced or made available to them.

**Consumer behaviour**

The study of consumer behaviour has assumed great importance in recent times in a country like India considered being a sellers market. Consumer choice for branded packaged goods has been quite wide for Indian buyers, even in times of control and plans. One can say now that there is emerging buyers market for consumer branded goods in India today both for non durables and durables. Advertising of these goods has also grown rapidly in the last two years.

The study of consumers is a major research tool for the marketing manager in the affluent countries of the West, during the four decades of post World War II, existence of a buyers market in the West. Consumer behaviour as a complex phenomenon has been a subject of study for the mutual advantage of the marketers and buyers, so that the marketing concept of buyer's satisfaction can be put into practice. The relationship between the marketers and the buyers is not that of an adverse but it is more in the nature of symbiosis marketing as indicated in the famous definition of Philip Kotler', "is a human exchange directed at satisfying wants and needs of customers". Consumer behaviour has, therefore, to be studied in order to understand the nature of consumer needs and wants and to decide on the best possible methods with which current technology can satisfy them, within the gamut of the marketing concept which becomes the philosophy of business.
During the 20th Century, assembly-line methods and mass production has led to lower costs and affordable prices to the consumers, especially in the West. In the developing countries like India, the emergence of a mass market will come only when consumers have the purchasing power and are in need of goods that are being marketed. There is also more need for communication about the variety of consumer goods available to the consumers. Consumers are also benefited by advertising communication. They become aware of a branded product and then if interested they can desire the product so as to go and buy it. This in other words, it is the AIDA model of the effects of advertising communication ‘A’ for Attention, ‘I’ for Interest, ‘D’ for Desire and ‘A’ Action.

A number of complex buyers behaviour models were developed in the 70’s when marketer found that despite making a wide variety of consumer goods available at affordable prices and advertising them aggressively, consumers were becoming quite choosy. The foremost among these models was the ‘Howard Sheth models’ of buyer’s behaviour developed by John A. Howard and Jagdish N. Sheth² in 1967. It has three major components, viz, inputs, buyers behaviour process and outputs. It is only the inputs that are under the control of the marketing managers. These include the product, prices, quality, its distribution and availability and finally its promotion. However, the marketers remain in the dark about the effect of his marketing strategies, especially advertising communication on actual purchase of the retail outlet.

Among the other useful buyer behaviour models are the ‘Engel, Blarknell and Kollat(EBK)³ model, known as the multimedia model, indicative of the processors that mediate between stimuli and exposure and the final outcome of behaviour. The integrated buyer behaviour model of Harold M. Kassarjan and Thomas, S. Robertson, also includes advertising as one of the important marketing factors. In most of these models the ‘buyers are shown to search for information about purchase alternatives, where mass media advertising becomes a potent source.

**Economic Analysis of Advertising Impact**

Economists have also studied the impact of advertising on (buyers) sales. Classic books like managerial economics by Joel Dean⁴ have indicated that there is an indirect relationship between advertising and sales in the shape of an S-shaped sales response.
curve indicating a lagged response and diminishing sales returns to the scale of advertising, after the optimum level. It is also sometimes noticed that an advertisement for one brand to which a buyer sees and goes to a retail outlet, with the intention to examine and buy the advertised product, may not necessarily result in the sales.

The buyer may be more influenced by the features and price of another brand, about which he may or may not be aware, but is exposed to, in the store. This happens mostly in the case of shopping goods, like textiles, garments, furniture, watches and Television sets etc., Moreover, the cumulative effect of remainder advertising can be seen only as a trend over a longer term which the economies have termed as a lagged relationship between advertising and sales. Therefore, if advertising does not result in direct sales it is not some thing to be apprehensive about.

If the consumer, exposed to the advertisement, keeps it at the back of his mind or if in the case of non-durable makes a trial purchase and is satisfied, it may result in putting the brand among the most - favoured ones in his ‘evoked set, as stated in the ‘Howard-Sheth model’. Thus, there is a positive perception to advertisements of new brands as well as to remainders advertisements of older brands. How the consumer makes use of this advertising communication provided by the marketer is a matter in the purview of consumer behaviour. Marketing people consider that, advertising is effective promoting the sales of a company’s products and services. However, the relationship between advertising and sales is rather indirect.

Moreover as the famous American Business man John Wanamaker once bluntly said, “I know half if every dollar I spend on advertising is waste. But, I don’t know which half.” The measurement of the effectiveness of advertising on the audience is therefore necessary. It is desirable that the advertiser should also measure the effectiveness of media, and in the face of results, obtained make qualitative changes in his advertising programme. The appraisal of advertising programmes should result in the business becoming economically viable. But, the degree of its effectiveness vis-à-vis the amount spent on advertising cannot be measured directly as put rather helplessly by Wanamaker. The potential buyers make the buying decisions not only due to the advertisements they see but also due to many other economic and social factors. The effectiveness of advertising is a function of several variables. The problem is that the organization cannot
measure the impact of one variable alone. The sales volume itself is a function of several factors out of which advertising is one? Therefore, the assessment of the impact of advertising appears rather different. But, an attempt has to be made to explore the impact of advertising on buyers, especially, in a developing economy, like India, the need to assess the impact of advertising on buyers arises both from the advertisements and the consumers point of view.

Unless, the advertisers know the degree of impact of their advertisements on their buyers, they cannot take a decision to spend large amount on the mass-media such as News Papers, Television, Radio, etc. for carrying their ads. In the light of the above background, a study of the role of advertising in the consumer markets in India has been taken up. The objective is to examine how advertising influences consumer purchase behaviour of consumer durables and non-durables goods.

This study attempts to explore different dimensions of the consumer decision-making process with special reference to the impact of the stimulus that advertising provides. It proposes to gather insights into consumer preferences and examine the differences in pattern of consumer behaviour reflected in varied demographic segments among respondents buying select brands of consumer goods. Since advertising is widely accepted as a significant marketing strategy, it is necessary to design advertisements in new forms and formats to make them more effective and accessible through popular media like TV, Internet and radio. Thus the subject of advertisement is put to research from different angles is evidenced by the literature review. This research study adds new insightful inputs to the promotional strategies of marketing through TV and radio.

1.2 REVIEW OF LITERATURE

The review of literature covers areas of study which are relevant to the goals of the current investigation. A review of literature is pertinent for two reasons. It forms the basis for providing the theoretical framework for the study and offers insights into how to analyze data; it also enables the researcher to discern the key aspects pertaining to consumer behaviour of the respondents for the selected consumer durable and non-durable goods covered in the study.

The present study 'Impact of advertising on consumer behaviour- a study with reference to selected consumer durable and non-durable goods' is selected after a careful and vigorous
review of relevant studies in the area. The review of literature is done in the following manner. Initially, the core areas of the study were identified viz., ‘Advertising and buyer behaviour’, ‘the relationship of advertising and sales’, ‘advertising and consumption’ and ‘the changing pattern of India consumption’, Rural and urban socio-economic variation in consumer behaviour’ ‘Factors in consumer confusion in purchase processes’ and ‘celebrity endorsement,’ etc.,

As part of introducing the study the literature will be examined from a purely historical perspective to determine its impact of advertising on consumer behaviour with reference to selected consumer goods. Then, a brief review of the relationship between customer satisfaction and advertising precedes the literature review defining advertising and measuring opinions on different aspects of advertising preferences, role played by advertising in making informed decisions. The earlier research studies relating to measurement of advertising preferences, customer satisfaction and customer preferences in consumer goods industry are also reviewed by the researcher in product wise.

Advertising and buyer behaviour are intimately linked. Economist has studied it from the point of view of the sales effectiveness of advertising. Joel Dean⁴ in his book “Managerial Economics" (PHI-1951) has studied the relationship between advertising and sales, which is seen as having a lagged affect, in an ‘S’ shaped curve. Thus, in the initial period advertising helps in increasing sales but after sometime the sales growth rate slows down even though advertising expenditure goes up.

In later years, economists like Duncon Reekie and Jonathan.N Crooke⁵ have also studied the relationship of advertising and sales. Since, advertising is apart of the marketing Mix, Marketing authors have long been interested in studying the impact of advertising on buyer’s purchasing behaviour.

Two directions in which modern marketing management research is more vigorously pursued in advanced countries; especially in U.S, is the consumer behaviour area and the application of quantitative methods in the solutions of marketing problems. Technique-oriented marketing thought, is being strengthened by research work, aimed at gaining a clear understanding of consumer behaviour. As the consumer is more sophisticated and progressively higher stages of economic development, the need to study consumer behaviour and incorporating the findings of such studies in marketing process
becomes imperative. Growing competitiveness in the marketing environment also contributes to increasing interest in consumer behaviour studies and using the same for better marketing management.

In advanced countries, consumer behaviour researcher has been intensifying only in the post-second world war years. However, as reported by ICSSR's survey on "Research in management". Vol.II (1977), in India, real meaningful consumer behaviour researcher is in an infant stage. Most of the consumer behaviour studies are statistical studies of either consumption pattern or opinionative type of articles.

Many studies deal with consumer expenditure in different regions, in the leading urban markets of the country and per capita consumption estimates. A few systemation studies are found in the case of consumer preference of various types of textiles. Some of these studies are quite comprehensive in terms of relating consumer preferences with some demographic data, which is included in the research design. However, many of these studies lack in the depth of analysis of consumer behaviour and do not touch upon the psychological process of consumer behaviour studies dealing with motivation forces in the buying behaviour of consumer in the purchase of various types of products have yet to be undertaken. Similarly, research needs to be conducted into new product adaptation processes, brand preference and brand switching behaviour of the Indian consumers the role of opinion leaders, the various influencing forces in the consumer decision making process and their relative strengths, consumer priorities in the purchase of durables, what constitutes status symbols for various categories of Indian consumers, etc. These types of studies are particularly lacking with regard to manufactured goods and the provision of various types of consumer services.

**Advertising Works**

Prof. Mahendra Mohan of IIM-A writes in his book "Advertising Management" TMH, 1989, that the ultimate test of effectiveness of advertising obviously consists in the degree of achievement of the objectives set by an advertiser, in consultation with the advertising agency working on the account. In the case of typical marketing situation this may take the form of an increase in the sales or market share or penetration into a new market segment. There has been a continuing debate on the subject of whether advertising works or does not work. As measured in terms of specific marketing parameters, recent
study sponsored by the Institute of parishioners in advertising has segment to give a definite lead in this direction. This took the form of inviting entries for awards on the theme, “Advertising Works”. Submissions by advertisers and their advertising agencies of case historical of specific campaigns made it possible to establish a casual relationship between advertising and the results it was designed to achieve.

Impact of Advertising

A study by Bogart, Tolley and Orenstein has brought forth tangible support for the persuasive power of advertising in catalyzing a small number of people in the audience into action. The hypothesis tested was advertising exposures would produce an immediate effect on the very few people who are already, knowingly or otherwise, ‘ready to buy’ and predisposed to attend to the message with more than casual interest. The research for selected print and television advertisements produce results which supported the above Hypothesis.

Advertising and Consumer Behaviour

The extent to which the process of advertising communication may result in affecting consumer behaviour is subject to continuous discussion and debate attitudes and behaviour patterns are an amalgam of a variety of factors concerning individuals and their social and work alignments. Stidsen has evolved a paradigm for the advertising process views from the consumer's communication system, which is aimed at reflecting this consideration by examining.

Indian studies:

Ayaz S.Peerbhoy, founder-Director of MAA advertising Agency, Bombay - Bangalore, writes in his book “advertising and research, that, “The concept of advertising as understood in the Indian conditions can be explained still further in terms of its effectiveness on and receptivity by the consumers and the markets if proper Scientific Research methods and techniques are applied. To advertising points, the author research is a part of the marketing activities “built-in-progress”.

An exhaustive study on advertising and publicity has been done by Sexena, S.S in his book “Advertising and publicity in India” The author surveys the prevalent practices
and methods in India and appraises the contributions made by advertising and publicity to the business and social cultural enlightenment of the public.

The definition and fundamentals of salesmanship in light of the sales processes, sales forces and sales management, legal framework and various other aspects of advertising are discussed at length by Devar and Rustom. S12, in their books, "Practical Salesmanship" and Sales Management & Advertising". Towards the end, much stress is laid on marketing research, motivation research and management.

A clear understanding on salesmanship psychology and salesmanship, market research, advertisement and sales force management i.e., recruitment, selection and training of sales staff is given by Roy, P.C.13. in the book, "A text book on Salesmanship".

"Preferences, Attitudes and Habits of consumers in respect of man-made Fibre Fabrics" a report by Parikh, J.C.14. explored further improvements and changes in the advertisement, selling and consumer relations necessitated by the introduction of man-made fibre fabrics. The survey makes some useful recommendations.

In, "the changing pattern of India consumption (1948-1957), (A study of change in living standards)"; Quarterly economic review Dec. 1958, establishes a conceptual correlation between consumer durables and consumer goods( and that the rate of risk in the case of the former being higher than that of the latter). The paper concludes that the over-consumption and the under-conception of certain specific items are often depressed or influenced by the per capita income degree of difference of rural and urban areas and the living standards, respectively.

"Durable consumer goods" Monthly commentary on Indian economic conditions, 1(11) June, 1960, is a study of 15 durables consumer goods i.e. house service meters refrigerators (domestic), radio receivers, dry cells, electric fans, electric lamps, sewing machines, cycles, automobiles(cars only), razor blades, thermos flasks, hurricane lanterns, leather footwear and rubber foot wear. The paper analyses the growth pattern in actual production and capacities of these consumer goods and concludes, that "rising incomes, urbanization and education are having a great impact on the Indian consumption pattern and the growing component of discretionary expenditure in urban area is becoming increasingly evident."
Boyd Harper W. and Kapoor, M.C, in their articles "consumer product research, an overview" Indian Management 3(5) September-October 1969, mentioned various products that meet the needs of local market and product research. Newer methods have an important role to play in determining the acceptability and profit potential of certain new products. The authors also discussed types of data, which should be granted, gathered before introducing new product or modifying an existing one.

Ram Swami, R., in his article "Is criticism against advertising Justified?" Indian management, 2(2) March-April 1964, says that "although the fact remains undisputed that advertising promotes national economy and raises the standard of living, especially in the Indian context, yet the existing criticisms are against too much of advertising rather than against the prevailing trends of advertising.

Bahl, G.C. in his Article "Outlook for Advertising" Indian management, 3 (4) July-August, 1964 says "A deeper understanding of consumer behaviour is the basis of Advertising. So far as consumer resistance is concerned it can be overcome by Pre-testing and Post-testing the advertising campaign to make it more effectively". The author stresses the role of the advertising in a production-oriented economy like India.

Patnakar, V.N. in his research article "Importance of research in Advertising" Indian Management, 3(1) January-February 1964, stresses the role of the research in promoting not only the advertising of a particular item but also to improve in general the practice of advertising.

"Trends in Marketing and Advertising Management" Indian Management 5 (1) January-February 1966, authored by Lathif, T.A.A, says, "Efficient Management is a prerequisite to an industrial affluence and marketing is a prerequisite to efficient management. Therefore, "Marketing should have priority in management decision and major elements for are production and manufacturing operations.

The book titled "Why marketing Research" Indian Management 2 (6) Nov-Dec.1963, by Varma, J.K. says as per consumer preferences, attitudes and habits, stresses the importance of marketing research to bridge the gap between the producer and the consumer. It is emphasized by the author with some examples. Illustrating and defining
marketing research as an important management tool. The author calls it a “one way channel of communication between the customer and the manufacturer.

The book titled “Marketing of consumer goods”, Indian Management, 3(6) Nov-Dec.1964, the author Patel, V.P., says, “Efficient Advertising pushes the economy of the industry which in turn purchases the economy of the country”. Advertising is a link between production and consumption and yet it is integral part of marketing. The stagnation in the consumer goods industries is due to untapped marketing potential and insufficient trading. Modern marketing technique increases in production, technical progress and economic growth are all conceptually correlated.

“Wanted vigorous consumer Resistance” is the book authored by Issar, Renee. Monthly commentary on Indian Economic Conditions, fourth November 1964. First of the series on, “from the consumers end” based on the survey conducted by the Indian Institutes of public opinion, concludes that the middle class consumers are deeply dissatisfied with the service and prices charged for the near necessities of inferior quality.

Even earlier to Howard & Sheth, Robert John16 presented their models, “Model for predictive measurements of advertising effectiveness” in journal of Marketing October 1961. They stated that advertising may be thought as a fore, which moves people up in series of seven steps, these are:

- Near the bottom of the steps stand potential purchases that are completely unaware of the existence of the product/ service in question.
- Closer to purchasing, but still along way from the cash register, are those who are merely aware of its existence.
- Up a step are prospects who know what the product has to offer.
- Still closer to purchasing are those who have favorable attitude towards the product i.e. who like the product.
- Those whose favorable attitude has developed to the point of preference over all other possibilities are still another step.
- Even closer to purchasing are consumers who couple preference with a desire to buy and the conviction what the purchase would be wise.
- Finally, of course, is the step, which translates these attitudes into actual purchases.
Recent Indian Research

Dr. P. Purusotham Rao17, in his Doctoral thesis on “Rural and Urban Social Economic variation in consumer behaviour”, has covered a number of models of consumer behaviour and discussed their relevance to the Indian context, in which Advertising plays a significant role. This study has attempted a comparative analysis of brand awareness between rural and urban consumers. He has also studied the factors, which influence the purchase decisions by the consumers. An important finding of his study is that there is a close association between income and brand awareness. The latter is also higher in urban areas because of the presentation of media advertising in urban areas compared to rural markets.

Dr. U. Balaji18, in his research on ‘Factors in consumer confusion in purchase processes,” has taken note of deceptive advertising leading consumer to confusion. This comments on the Indian scene thus, “Manufacturers of national brands, generally spend a large amount of time and money in developing and opening up new markets and they are fairly well rewarded by large market share in the organized market. It should be noted that advertising is a major element in the promotion of national brands in India.

Recently, two books by Prof. Aravind I. Korba19, in his book entitled “Advertising Attraction and Marketing Models” (Kalayani Publishers New Delhi, 1994) presented the Indian scenario in the vital area of advertising and marketing. Prof. I. Kobra has covered such important topics like, “Advertising Avenues”, the battle of brands how communication works, the games people play, Heart is the Advertising Agency. The promoting sales as well as aspects of Marketing, brand competition, consumerism in Indian markets, marketing marvels, salesmanship, sales promotion and SSI marketing in his books. The review of literature presented above indicates that multi-media advertising has become a major source of promotion of mass-marketing consumer goods in India, just as it developed in the USA earlier.

Demographic, Psychographic and Cultural Characteristics

Chandra20 et al, (2003) argues that the feasibility of promotion standardization relies on the existence of homogenous market segments across countries. If it exists, according to the authors, consumers in cross-national market segments share common behavioural response patterns and preference structure and thus react similarly to
marketing stimuli. Vrontis, (2003) stresses on the need for advertising adaptation to fit the unique dimensions of each local market. Bradley and Sousa (2005) draw attention to the fact that advertising is highly bounded by culture and those foreign customers are likely to be less responsive to promotion that fails to precisely match their cultural preferences. They concluded that because of that fact, understanding cultural differences are therefore, often considered a prerequisite for successful advertising in foreign markets.

Laroche and Teng’s (2006) research has indicated that when cultural values that match people’s traditions are embedded in advertisements, consumers are able to find commonalities between themselves and the characteristics of the advertisement. Conversely, when the cultural values of an advertisement do not match people’s traditions, they find differences between themselves and the characteristics of the advertisement.

The authors continue when explaining their results by saying that a vital component of international advertising is to properly matching advertising to the distinctive cultural values of the target consumers. If marketers do not take cultural and other differences in consideration and standardize an advertising campaign one way everywhere, they risk scaring off customers, alienating employees and blinding a company to its customers’ needs. (Vrontis, 2003) Communication from one culture to another is difficult because of cultural factors that considerably affect the way phenomena are perceived. When the perceptual basis of reference is different, the perception of the message will change. (Darmon et al., 1999).

Exploiting a Successful Idea

Duncan and Ram Prasad’s (1995) explained that exploiting a successful idea that might have taken many years to develop, when finally it is starting to produce results, clients are anxious to leverage this idea and their, investment by introducing it to other countries. Several of their respondents also explained that really “big ideas” are easiest to standardize, one respondent also explained that when a campaign strategy has been in use for more than twenty-five years in one single country (which has seen changes in culture during this time), it has proven it can work in more than one culture.
NIH “not invented here”

It is a factor and a barrier to standardization. Despite the considerable use of standardization, if the agencies are on the receiving end of standardized campaigns, only 12% feel comfortable using such advertising, a finding that documents the resistance at the local level to using creative materials “not invented here”. The “not invented here” attitude may be a serious problem for extending campaigns beyond their original national borders.

Cost

According to Darmon et al. (1999) considerable cost savings create pressure in favour of standardization. Duncan and Ram Prasad (1995) also mentioned the convenience and the opportunity to save money with a standardized advertising strategy across countries. Chandra et al. (2003) theorize that standardization enables firms to lower costs through economies of scale, which thus, increase a firm’s margins and enables it to gain greater global coordination. In contrast to the earlier statements, Duncan and Ram Prasad (1995) were surprised when their survey rated “saving money” as one of the least important reasons for standardization, even though since there has been a lot written about economies of scale being the reason for using standardized advertising.

Roth and Samiee (1992) stated regarding to cost that pursuing of global standardization is generally considered to be appropriate only to the extent to which it has a positive influence on cost or as they call it, financial performance. Further in their article they claimed that the primary element that encourages standardization of marketing across markets is the associated cost savings. These savings include economies of scale in research and development, production of television advertising and marketing strategy development. (Roth & Samiee, 1992)

The Role of Headquarters and Subsidiaries Sale Level

The decision to group together sales and role (level of autonomy, power) of headquarters and a subsidiary to one factor are because of the correlation between high sales and subsidiary power. Duncan and Ram Prasad (1995) research found that both the strategy and execution were more likely to be changed in the more affluent markets and in markets where subsidiaries had higher sales. They believed that the stiffer
competition and higher sales gave subsidiaries more leverage to localize the message. Whether local offices of multinational companies can make important decisions, may depend on their degree of independence. (Duncan & Ram Prasad, 1995)

Darmon et al. (1999) argue about excessive local autonomy that could lead to rejection of a standardized advertising campaign, even if it is excellent. To resolve this dilemma they advocated involving subsidiaries in the development of strategy and international advertising.

Macro Factors

Chandra et al. (2002) define the term to refer to the consistency in legal, political, economic, regulatory and marketing infrastructures. Those factors vary markedly from country to country and they influence the decision significantly. Jobber (2007) mentions one example of important regulatory issue that is crucial information for marketers in South-Korea; they only permit to have Korean models and actors in advertisement, such as commercials and print ads.

The difference in economical development is expected to affect promotion adaptation. Countries that are economically alike have similarities and commonalities in lifestyle patterns. (Bradley & Sousa, 2005) It must be said that neither the convergence of social, economic nor marketing trends of different countries nor the increase in travel and labour mobility across different cultures directly imply a more standardized form of advertising communication. (Darmon, et al., 1999).

Mueller (1992) brought interesting facts to our attention through her research. She found that three quarters of the advertisement in Japan contains at least one non translated English word. Further on she wonders about the effectiveness of using English, considering that 98 percent of the population only speaks Japanese.

Single Brand Image

A single brand image is according to Duncan and Ram Prasad's, (1995) survey the most important reason for standardization. Vrontis (2003) also mention in his research that in support of single brand image, standardization should be used to promote a global corporate image. Backhaus, Mühlfeld and Van Doorn (2001) explains the advantage with standardization of the brand image to be even more important now, due to increasing
geographic customer mobility (e.g., because of tourism) and media spill over (e.g., global broadcasting). This results in the broadening of the “perception sphere” (ibid). Cultural, economic, social and other differences make it difficult for companies to define or identify a single brand image that has a global appeal (Hewett, Madden & Roth 1999). Hewett’s et al. (1999) findings show that firms are just as likely to use different image strategies across markets as they are to keep the image strategy the same.

Product Category

A standardized advertising strategy should be more easily produced for products in which individuals share common consumer behaviours than for products used in culturally specific ways. For instance, consumer high-tech goods (computers, mobile phones) may be somewhat similar across cultures whereas food is generally considered to be consumed in traditional and idiosyncratic ways. Beauty-related product advertisements may be more easily standardized than more culture-specific items such as food or automobiles because they focus on similar needs for beauty among a shared audience (Nelson & Paek 2007).

Standardization may be effective for products in which the audience shares universal behaviours, particularly those products that are considered modern and cosmopolitan. However, other general products such as automobiles and food may reflect indigenous cultural rules and practices. (Nelson & Paek 2007)

Albers-Miller and Stafford (1999) suggest that a more emotional (value-expressive) appeal should be used for a value-expressive product and a more rational (utilitarian) appeal should be used for a utilitarian product. Duncan and Ramaprasad (1995) stated in their survey that standardization of television advertisement seems to work best when the product is pragmatic or utilitarian and when it satisfies universal physical needs such as shaving or diapering babies. In such cases, they explained, the message is often rational and informational.

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\textbf{Celebrity Endorsement Strategy}

Marketers usually use individuals who have achieved some form of celebrity status to serve as spokespersons for their companies. Most of the celebrities that are hired by a company to pitch their products or services are popular people, movie stars, entertainers, athletics, or pop-stars, although occasionally a politician or some other well-known public figure may be used (Belch & Belch\textsuperscript{39}, 2001).

Furthermore, when a company decides upon using an endorsement strategy as their marketing communication tool, the main focus lies in exposing their brand (Kotler, Armstrong, Saunders, & Wong\textsuperscript{40}, 2001). In an endorsement strategy a new sort of product is given a new brand name that is unique for that product (Riezebos\textsuperscript{41}, 2003). Besides the unique brand name, they also get provided with the name of an endorser. In this case, the endorser is a celebrity and functions as endorsement which means an approval or support that can be seen as a guarantee of recommendation for consumers. According to Riezebos\textsuperscript{42} (2003) it is only advisable to use endorsers for brands if there is a high level of brand-added value. This means that the name of the endorser should be clearly visible next to the name of the branded article.

Companies have jointly been using their brands and themselves, through the use of celebrity endorsers, in hope that celebrities may boost effectiveness of their marketing attempts in the long-term (Belch & Belch\textsuperscript{43} 2001). Basically, a company is trying to send various types of information to their target audience. To be able
to develop an effective advertising and promotional campaign, a company has to select their endorser appropriate to different channels and media (Till & Shimp 1998), such as source, message and receiver (Belch & Belch 2001).

Thus, the brand can be seen as the message the company is trying to send to their audience. Moreover, the source which is intended to send this message in an endorsement strategy is in this case, the celebrity. Furthermore, the receiver in the communication process is the consumer (Belch & Belch 2001). The authors have chosen to present each phase of this thesis separately. The reason in doing this is to bring the reader an understanding of the effect celebrity endorsement strategy has on each phase.

**Company**

According to Erdogan & Baker (2004), there are several reasons why companies choose to use celebrity endorsement to a larger extent. Managers seek to refresh the brand image, awareness and attention getting and also to add new dimensions to the brand image. According to Pringle (2004), the best identified celebrity that is seen as the best for promoting a brand, is one of the more important decisions considering how consumers will perceive the brand. There are less important decisions for a brand compared to the choice of celebrity such as what it is named, places where it is seen and sold and what kind of advertising campaign it runs. These considerations are taken into account and this is also the reason why many companies are ready to invest a huge amount of money in choosing and using a certain celebrity, whose identity fits well with their brand.

However, it is not only the involvement between the celebrity and the brand, the consumers are also integrated. Pringle (2004) has outlined this relationship and it is shown in fig.

![Figure 1: A triangular relationship (Pringle, 2007)](image)

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*Figure 1: A triangular relationship (Pringle, 2007)*
These three factors are important for a company to take into account in order to avoid any obstacle when it comes to the triangular relationship. Hence, another important area is that the company only can regulate these three to a certain extent, for the process of celebrity endorsement to be successful.

Unfortunately, when looking at previous experiences from the use of celebrity endorsement, there are many examples that celebrities might change their behaviour, views and their perceived personality rather drastically (Söderlund 2003).

Certainly, consumers might change their perception of the celebrities since the latter mentioned have changed. However, the worst outcome is that a celebrity is certainly no longer the individual that the company chose to promote their brand in the first place. This leads to a decrease in the connection between the celebrity and brand (Belch & Belch 2001).

Choose and Use Celebrities as Endorsers

According to Erdogan et al. (2001) managers choose celebrity endorsers depending on the product type and how that fits with the characteristics of a celebrity. This will, according to Louie & Obermiller (2002), lead to a more efficient advertising. Celebrities can be chosen by companies to increase their competitive advantage for three main reasons; launch, reinforcement and repositioning (Pringle 2004).

1. The first opportunity is when launching the brand for the first time and the use of celebrity can be very powerful in this situation. This can be particularly strong when establishing a new category and the consumers need reassurance and an appropriate star will provide them this.

2. Celebrity endorsement can be very effective when maintaining and reinforcing a brand’s competitive position in the market. The use of celebrities in this situation can be especially effective if other brands have entered the marketplace and thereby changed its dynamics.

3. When the consumers’ needs create greater potential in a different sector in the market than the one which the brand is currently positioned, repositioning with the help of a celebrity will be in order.
The appropriate celebrity can be used as the focus of the brand communication and this shows consumers that it’s positioning is changing in order to suit an emerging target audience. In a research done by Bielli\textsuperscript{55} (2003) it is shown that 18% of all the tested commercials feature famous celebrities. In overall, this study shows that celebrities are used to grab attention, generate interest and involvement in the brand.

In addition, the “right” celebrity can add values by associations. A suggestion made by this research is that the celebrity should not overshadow the brand and instead be beneficial if the celebrity is used for what the brand is already famous for. Instead, the brand should borrow and build on the celebrity. A conclusion made by Bielli\textsuperscript{56} (2003) is that a celebrity with a generally likeable personality is more likely to make for success. Moreover, advertisers and marketers need to ask themselves four questions before engaging too deep in a celebrity.

How famous is the celebrity? How well does the celebrity fit with the brand? Which facets of this celebrity can best work for the brand profile? How much of this can the brand finance? Many studies show that the deeper fit between the celebrity and the brand is more likely to be effective in the marketplace. Therefore, the company should strive to create a close connection as possible between the celebrity and the brand (Pringle\textsuperscript{57} 2004).

**Celebrity**

A celebrity can be considered as the source of the message a company seeks to send to their target audience. According to Belch & Belch\textsuperscript{58} (2001), the term source, when talking about the involvement in communicating a marketing message, can occur either directly or indirectly. Directly can be the celebrity who functions as a spokesperson and who sends out the information that the company wants to deliver to their target audience. Indirectly is when a celebrity does not send the message, but instead draw attention to and/or enhances the appearance of the ad (Belch & Belch\textsuperscript{59} 2001). However, as mentioned in phase one, a company have to carefully select a celebrity that has a good fit with the brand, which is intended to be exposed (Pringle\textsuperscript{60} 2004). When a company decides on the use of a celebrity in their endorsement strategy, there are three very important source factors; source
credibility, source attractiveness and source power (Belch & Belch\textsuperscript{61} 2001; Till & Shimp 1998\textsuperscript{62}; Ohanian\textsuperscript{63}, 1990).

**Source Credibility**

Credibility is the extent to which the receiver sees the source as having relevant knowledge, skills, experience and trust to give unbiased and objective information. Source credibility is used to imply a communicator's positive characteristic that will affect the receiver's acceptance of a message (Ohanian\textsuperscript{63} 1990). Basically, one can say that a communicator, celebrity, can be seen as knowledgeable and a person with expertise. Furthermore, the source needs to be trustworthy, in the sense of honesty, ethics and believability (Belch & Belch\textsuperscript{64} 2001). These two attributes, that a celebrity needs to have to be a successful endorser in an advertising campaign, are presented more in-depth below.

**Expertise:**

According to Belch & Belch\textsuperscript{64} (2001) discuss that spokespersons are often chosen due to their knowledge, experience, and expertise in a particular product or service. Furthermore, Ohanian\textsuperscript{63} (1990) states that the perceived expertise of celebrity endorsers is more important in explaining purchase intentions rather than their attractiveness and trustworthiness. She also argued that celebrity endorsers are more effective when they are knowledgeable, experienced and qualified to talk about the product they are endorsing. On the whole, source expertise in persuasive communication, indicates generally that the source's perceived expertise has a positive impact on attitude change.

**Trustworthiness:**

In comparison to expertise, a celebrity needs to be trustworthy when endorsing a product or a service (Schiffman & Kanuk\textsuperscript{55} 2004). This is logically based on how honest the celebrity is about what he/she says concerning the brand. Furthermore, Belch & Belch\textsuperscript{66} (2001) discusses that the target audience must find the source (celebrity) believable. Moreover, Ohanian\textsuperscript{67} (1990) states that when a celebrity is perceived more trustworthy, the message will be more effective and the receiver will be more integrated. Hence, trustworthiness is the degree of confidence in the communicator's intention to communicate the assertions he/she considers being the most valid (Ohanian\textsuperscript{67} 1990).
Source (celebrity) believable, Moreover, Ohanian67 (1990) states that when a celebrity is perceived more trustworthy, the message will be more effective and the receiver will be more integrated. Hence, trustworthiness is the degree of confidence in the communicator's intention to communicate the assertions he/she considers being the most valid (Ohanian67 1990).

Belch & Belch66 (2001) argues that when the information from a credible source influences the beliefs, opinions, and attitudes of the receiver, the latter mentioned adopts the opinion of the credible communicator. This is based on the assumption that the information from the source is accurate. If the celebrity achieves to integrate the receiver with the information that he/she meant to send, the company will in the long run gain a loyal consumer, in the sense that the consumer is more integrated with the brand and not to a high scope with the celebrity.

The authors believe that using these attributes, expertise and trustworthiness; will be accurate in the research process. The authors believe that it will provide the thesis with valuable results. Furthermore, it will also be considered as the underlying factor in the process of finding suitable attributes which consumers find important for a company to consider when a celebrity gets associated with negative information.

**Brand Equity**

Even though brand equity differs among companies, it should in general be defined within the area of marketing effects that is distinctive to a brand. The concept of brand equity arises when consumers react to more preferable products and the way it is marketed when the brand gets identified. One has to be aware, according to Walgreen, Ruble & Donthu68 (1995) that brand equity will be less valuable for the manufacturers and retailers if it does not have any meaning to the consumers. Keller69 (2002) continues to explain that brand knowledge is composed of awareness (recall and recognition) whereas brand image is more about favorability, strength and uniqueness of a brand association.

Advertisers spend great sums of money to have celebrities promoting their products/services with the expectation that consumers will react positively to the celebrity's association with a certain brand. Consumers might say to themselves “If
she uses it, it must be good" and "If I use it, I will be like her" (Belch & Belch 2001). In the long term, this way of thinking may lead to an increase in the sales and thereafter the brand equity. Brand equity (Riezebos 2003) indicates the intrinsic value in a well-known brand name. The amount of value that is referred to in a brand name depends on consumer’s perception of the brand domination and through social esteem that is provided when using it as well as the consumers trust and identification with the brand. The most valuable assets in many companies are their brand names such as Coca-Cola and Nike which are also referred to as mega brands (Riezebos 2003).

Brand equity can be influenced by advertising in several ways (Walgren et al, 1995). Awareness of the brand can be created and increase the possibility that the brand is included in the consumer’s mind. Moreover, when these brand associations get stored in the consumers accessible memory, it can later lead to behavioural actions. The usage experience can be influenced through the use of advertising and it can also affect the perceived quality of a brand (Walgren et al, 1995). A celebrity spokesperson is used in order to promote a company’s product/brand and for these in turn to be associated with the celebrity (Belch & Belch 2001). This relates to the image/meaning transfer model described in the next section.

Transfer

McCracken’s transfer model is based on meanings and he suggests that the effectiveness of the endorser depends on the meaning the celebrity is bringing into the endorsement process and the brand (Schlecht 2003; McCracken, 1989). Hence, he created the meaning transfer model in order to explain the celebrity endorsement process. Celebrities are full of different meanings e.g. Demography (age, gender) personality and lifestyle types. This makes it obvious that a celebrity represents not only one meaning but rather a variety of several ones. These celebrity spokespersons are very useful in marketing brands since they provide the consumers with quite a few characteristics when evaluating the brands in question. Celebrities add value to the image transfer process because they are offering meaning of deepness and power from their personality and life styles, in comparison to non-famous endorsers (Schlecht 2003).
The model illustrates a three-stage process of meaning transfer. This involves the creation of the celebrity image, transfer of meaning from the celebrity to the brand and the third stage is how the brand transfers image onto the consumers (Schlecht71 2003). When the brand’s representative features should be determined, the consumers’ needs should be considered. Then the advertising company has to decide on what celebrity to choose and who possesses the most appropriate characteristics in relation to the brand. Simply, there has to be a congruence or fit between the celebrity and the product/brand (Schlecht71 2003)

Multiple Brand Endorsement

Nowadays, it is not unlikely that celebrity spokespersons can and are endorsing several or a specific brand. This situation is called multiple brand endorsement or even multiple celebrity endorsement. Advertising firms might share certain spokespersons and thus the celebrity will end up promoting more than one brand. An example of this is the actress Catherine Zeta-Jones who promoted both T-Mobile and Elizabeth Arden. Also, the golf champion Tiger Woods endorsed as much as three brands; American Express, Rolex and Nike.

The marketers have to question if this kind of celebrity endorsement does affect consumer brand attitudes (Schlecht71 2003). However, consumers are becoming more knowledgeable within the field of marketing and they might think that the celebrity rather prefers to get paid instead of transferring any meaning to the product, which in turn will affect the consumer buying behaviour (Belch & Belch66 2001).

Previous experience explained by Redenbach72 (2005) shows that an endorsement of four different brands or products does indeed influence the celebrity’s credibility, trustworthiness, expertise and likeability. The reason for this is that a famous person, who endorses several products instead of only focusing and representing one specific brand, will eventually attain a lack of distinctiveness. However, one has to be aware that the use of multiple brand endorsement does not have to imply that it is useless. Researches have actually showed some potential positive effects like transfer of positive brand images. Also, the shape of consumers response gets affected positively when more than four products are being endorsed (Redenbach72,2005).
It can also be beneficial to endorse a product with multiple celebrities. Celebrity spokespersons represent a different mix of types, like gender and age. Using multiple celebrities in collaboration, they can more effectively endorse a specific brand. The cosmetic manufacturer L’Oreal matches its wide range of product lines depending on the celebrities and their meanings (Redenbach, 2005).

The continuously increasing competitiveness has triggered many advertisers to realize that they need to detect the consumers’ actual needs in order to satisfy them. By identifying the consumer buying behaviour, it is more likely that the marketers will target products and services directly towards the consumers’ needs. Marketing is about satisfying needs and therefore it is crucial for marketers to understand the relevance of human needs to buyer behaviour. Consumers tend to search for, purchase, use, evaluate, and dispose products/services that they expect will satisfy their needs (Schiffman & Kanuk, 2004).

The uses of endorsers or spokespersons as credible sources are nowadays being frequently used by advertisers in order to influence consumer’s attitudes and purchase intentions (Goldsmith, Lafferty & Newell, 2000). Credibility according to Belch & Belch (2001) means in this context the extent which the source is perceived as possessing expertise relevant to the communication topic and can be trusted to give an objective opinion related to the subject. Trustworthiness refers to the honesty and believability of the source whereas expertise is originated from the knowledge of the subject. Trustworthiness along with expertise are dimensions that are important to theorize credibility and it has been shown that they are very influential when influencing attitudes and persuading consumers.

Consumer Behaviour and Negative Publicity

Publicity tends to be more credible and have more power than general marketing communications exerted by a company (Dean, 2004). Especially, negative publicity seems to have the tendency to damage the company’s image. This is mainly due to the fact that high credibility as well as the negativity effect has a tendency to be more reflected upon than positive information in the consumer’s evaluations. It is more likely that companies will receive bad exposure since the media prefers to present bad news. Till & Shimp (1998) support this statement and continues, explaining
that companies have to be aware of the possibility of attaining negative publicity when using celebrities as endorsers, since this may affect the consumers’ perception of the brand.

The consumers’ support of a brand is of major importance for the prospect existence of a brand and the organization (Riezebos77, 2003). If an incident occurs in relation to the brand, the consumer’s trust in the brand will fade and the consequence will affect the consumers purchasing behaviour. When consumers get questioned by marketers about their purchasing behaviour, they give the impression that incidents with brands do not influence their choices. Usually they also claim that neither advertising nor negative publicity affects them. Riezebos77 (2003) also states that the most objective way to determine this effect on consumers is to list changes in the market shares.

Moreover, if negative publicity leads to brand damage, the media can be seen both as the source/spreader of publicity simultaneously as challengers. In the case of source/spreader the media functions as a gate-keeper whereby it concentrates on those incidents that bring about newsworthiness. Other incidents with a high newsworthiness are relevant with a particular brand in crisis. This is true mainly because the other events can act as deflections and push away the negative publicity of the brand. An example of this “push away event” can be a natural disaster.

The media can therefore also play an essential role in the challenge of negative publicity. In this case, one can think of the incident as possible but on the other hand the attention during this news should be spent on the rebuilding of a brand in order to retain the consumers and maintain the brand recognition (Riezebos77 2003). Louie & Obermiller78 (2002) explains the case of “negative events” as problems that can take place when a famous person gets involved in incidents that change or damage his/her reputation. These kinds of circumstances can differ widely from misused exposure to an accident that holds back a celebrity’s ability to perform. In a study made by Till & Shimp76 (1998) it was found that negative information about a celebrity can harm how consumers perceive the product/brand through the connected link between the brand and celebrity.
When a company has a potential relationship with a celebrity, the consumers will not focus on the company but rather on the circumstances surrounding the celebrity. Consumer's reaction may not be unpleasant when firms reject high blame potential endorsers since these could be harmful to the company's image and the consumer buying behaviour. However, due to the reason of consumers being defensive, they are supposed to not react heavily when the potential endorsers have low blame. Also, endorser candidates can be more complex than the existing endorsers (Louie & Obermiller 2002).

The dominant approach to an examination of the determinants of personal consumption is through the use of economic analysis. At the center of this analysis is the notion of the "Consumption Function," which states that individual consumption rises in proportion to increases in real income (Denton 1992:76 - 83; Legerbott 1996:39). Thus, the analysis centers around the impact of additional personal disposable income on consumption patterns. These analyses assume that personal consumption is based on maximization of consumer utility or satisfaction, in a budget constrained situation (Deaton and Muellbauer 1980:3 - 59). The preferences that comprise consumer utility can be revealed through an analysis of spending patterns.

Individual consumption patterns are relatively stable over time due to three factors. First is the "State Adjustment Model" (Houthakker and Taylor 1970:9 - 23). Consumers develop buying habits. Repetitive and increasing consumption over time builds up a psychological stock of consumption preferences and leads to future expectations of consumption at the same or higher level. This habituates consumers to a pattern of increasing consumption over time. Thus, new products, when first introduced, are seen as luxuries. However, over time, the purchase of these new products becomes habituated, thereby becoming economic "necessities." This habituation of buying practice, leads to the second factor. Consumers will strive to maintain their consumption patterns, even when their personal disposable income declines. The use of individual assets or credit serves as a buffer in maintaining a given consumption pattern over time (Denton 1992). Finally, as Weber (1958) and Veblen (1953) have noted, consumption patterns are tightly linked to social status competition. Changes in consumption patterns can thus, lead to loss of social status. Thus, consumption patterns show a high degree of stability over time.
In addition to Personal Disposable Income, there are a number of other factors theorized to influence the levels and nature of consumption. First is the level of inequality. Increased inequality is seen to reduce the amount of spending on basic necessities and increase spending in status consumption goods. Conversely, increased equality results in increased spending on basic necessities (Deaton and Muellbauer\textsuperscript{81} 1980:214 -39). Population characteristics, specifically the age of the population and household formations are other contributing factors to changes in individual consumption levels. Older age population are seen to require greater resources and thus, increased consumption levels. Likewise, much consumption takes place at the household level. Thus, changes in the overall composition of households will impact personal consumption levels (IPCC\textsuperscript{85} 2000:112; Legerbott\textsuperscript{89} 1996:50 -5).

What is missing in the economic analysis is an analysis of the role of culture in the creation and maintenance of consumer preferences. While economic analysis can reveal consumer preferences, through spending patterns, they can not examine the origins of these preferences or what changes them. To move beyond an economic analysis of consumption, a more sociological perspective is needed. As noted by Douglas and colleagues (Douglas\textsuperscript{86} et al. 1998:259), "Human needs and wants are generated, articulated and satisfied in an institutionalized feedback system. They do not appear from thin air." Thus, developing an informed understanding of the relationship between advertising and consumption requires that consumption be viewed, not as simply self-generated economic phenomena but as an integral outcome of the socialization of individuals due to their immersion in a consumer culture (Ewen\textsuperscript{87} 1976; Leaf\textsuperscript{88} 1983).

**Advertising and Consumption**

Americans are inundated with advertisements. This has created a major industry. According to Advertising Age\textsuperscript{90} (2006) current spending on advertising in 2005 totaled over $271 billion, yielding a per capita expenditure of $971 in advertising expenditures for every individual in the United States. The impact of this advertising is well theorized in the notion of consumer culture.

The origins of advertising lie in the desires of industrialists to enact a form of labor discipline. During the developmental stages of industrialism, social control of the
labor force was a critical issue. In the face of rising labor tensions, industrialists arrived at the idea of using advertising to “superimpose new conceptions of individual attainment and community desire” (Ewen 1976:19). Through advertising, an ideology of human satisfaction and material possessions was developed. Based on this consumer ideology, industrialist's satisfied their corporate need to distribute more goods, while simultaneously achieving social control over the labor force (Ewen 1976:19). As Marchland (1985:xviii, 43) notes, “In the process of selling specific products, advertisers also communicated broader assumptions about social values. Implicit value statements, passed along unconsciously as givens, usually carried an ideological bias toward ‘system reinforcement’ advertisements therefore promulgated ‘integration propaganda’—that is, ideas and images that reinforce and intensify existing patterns and conceptions. So, rather than eradicate the working classes’ resentment by improving their work lives, they [the industrialists] instead diverted the masses’ frustrations by encouraging them to satisfy their needs for happiness through consumption.”

In order for advertising to function in both its roles as sales producer and labor force discipline, it was critical to create status-oriented consumption. Advertising's function was to re-define basic human needs according to what the market could provide. One of the predominant advertising methods was to link improvement of an individual’s self-image to solutions offered by the marketplace (Ewen 1976:39). In this sense, Schudson (1984) sees advertising as a form of “Capitalist Realism.” Advertising provides individuals with a guide to living life by providing them with information regarding what their individual needs are and how certain commodities can satisfy them. In creating this worldview, advertising functions to define a reality that does not exist, but one that should be. It provides us with images of “life and lives worth emulating” (Schudson 1984:215) or the “good life” of a consumer society.

Increased exposure to advertising messages socializes individuals to satisfaction of needs and desires through market provided commodities. This leads to an increased dependency on ending commodified answers to our needs and desires (Ewen 1976:54), thus, eclipsing an individual’s ability to find pleasure or affect change outside the boundaries of the commodity system. According to Shove and Warde (2002:234 – 5), the end result is that “consumption then becomes more than just the pursuit of use-values or a claim to social prestige, for it is also deeply associated with the sense of self
and personality. This ‘production of the self’ implies that the acquisition of goods and services has become central to personal psychological well-being.”

Thus, the creation and rise of the social construction of consumption preferences by the advertising industry helped to create a standard American style of mass consumption (Legerbott94 1996:22–3). However, while there is an extensive historical and theoretical literature regarding the role of advertising and consumption, there are few robust empirical studies of its impact. In his review, Wilk95 (1997:111) notes that the role of advertising on actual consumer behavior is “still not clearly understood.” Hence, the NRC’s call for quantitative studies into the role of advertising is needed to advance our understanding of the driving forces of individual consumption. As advertising is theorized to channel human desires into satisfaction in the marketplace, one would expect to see an increasing level of consumption in line with increased advertising expenditures.

Consumption by type

While advertising is theorized to have a significant impact on overall consumption, it is not at all clear that it will influence all consumption equally. There is a significant literature that argues that consumption varies by economic class and signifies social distinctions between different social groups. Those groups with higher income are better able to engage in status competition and thus, their purchases of more discretionary goods are impacted more by advertising (Dickens96 2004:126–32). For example, Lutzenhiser97 (1997) shows that the determinants of household energy use, which include the type and extent of household appliances and overall housing size is largely an outcome of status competition. It is well known that consumer demand for various goods levels off with increased income (Duchin98 1997:64). In his analysis of consumer spending, Legerbott94 (1996) shows that basic consumption expenditures for food and clothing are maintained relative to expenditures for other items when there is an overall decrease in personal disposable income. From this literature, one would expect that advertising would have a greater impact on the consumption of high end luxury goods and less effect on the purchase of basic everyday commodities such as food and clothing.
Television Advertising and Consumption

The vision of the industrialists of the 1920s to use advertising to fuel consumption marked the beginning of modern consumer culture. However, it was not until the 1950s postwar boom that commercial culture became truly widespread. Inequality drastically declined following World War II. This was coupled with a rapid postwar economic expansion. This rapidly expanded the ranks of the middle class and led to a rapid increase in personal disposable income. Building on this economic trend, advertisers coupled the patriotic spirit developed in World War II with consumption by promoting the "American" way of life as a materialist utopia. As Ewen\(^9\) (1976:211) notes, advertising promoted "an economic nationalism which signified the inviolate sanctity of the world of goods."

This rapid expansion of consumption was promoted by the development of the new advertising medium of television. Television was able to deliver product advertisements into people's homes and spread the vision of a "good life" on a mass scale. Following World War II, television use increased more than sevenfold between 1950 and 1955 and almost 11-fold between 1950 and 2000 (U.S. Census Bureau 2003), representing "the fastest diffusion of a major technological innovation ever recorded" (Putnam\(^10\) 1996:42). As the number of televisions proliferated, so too did the amount of time people spent consuming its messages. The average household went from an average of 4.72 hours per day watching television in 1950 to 7.62 hours per day in 2000. These hours spent watching television has a large impact on consumer demand. This large time investment translates into mass acceptance of the lifestyles featured in TV shows and for the advertised products that sponsor the shows (Kubey and Csikszentmihalyi\(^11\) 1990). In fact, the demand for access to these audiences is in such high demand that advertisers bid for access to them as if they were commodities themselves (Croteau and Hoynes\(^12\) 2000).

Television's pairing with advertising was no coincidence. Advertising has always been the lifeblood of broadcasting. Schiller\(^13\) (1969:20) noted that "no sudden coup captured broadcasting for commerce and turned American radio-television programming into the soul-destroying wasteland it is." Its development into the mainstream was controlled at all times by the market system that surrounded it. The product advertisers exercise substantial control of the development of television

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programming. The end result of this control is that television has simply become a "vehicle for creating popular demand within an economy greatly dependent on mass consumption for its vitality" (MacDonald 104 1990:257).

Reinforcing television's affect on people's consumption habits through its concerted advertising messages is its ability to commoditize individual behavior and mold an entire worldview simply by its characteristics. As this new technology became a societal mainstay, social norms consequently changed in order to suit the way that this technology operates. As a result, it changed how humans experienced the world and how they interacted with one another (McLuhan 105 1964:130).

First, the development of television cultivated a passive dependency on television for knowledge of the world and social standards. Beginning in the late 1950s, researchers argued that television watching was inherently a passive activity (Meyersohn 106 1957). When television exposes the viewer to outside events, the events come to the individual as a presented story in a ready made form. As a result, Anders (1956:362) argued that "we are no longer 'in the world,' but only listless, passive consumers of the world." As research on television expanded, it was linked to television-induced passivity and a dulled human sensibility, with a dim awareness of the world outside of what is presented on television (Mander 108 1977). This reality takes the form of a "world as image on a screen" (Anders 107 1956:359).

In addition to enhancing affinities for passive dependence on television as the arbiter of reality and of social standards, the medium of television itself contributes to both social isolation and possessive individualism. Because television watching is an individual activity carried out in the privacy of one's home, it enables the advertiser to define the nature of the good life in the mass purchase of individual commodities. So, unlike the theatre experience where the masses consume one show in a group, the experience of watching television allows viewers to individually satisfy their desires based on a wide choice of shows and, of course, the purchase of commodities advertised for the target audience of each show (Anders 107 1956).

This leads to the greater individualization of society and the linking of individual identities to specific consumption life styles. Instead of a collective society, television
contributes to the creation of a society composed of an aggregate of “mass hermits” instead of a social community. This social isolation leads to the creation of narcissistic personalities manipulated through product advertising (Beck\textsuperscript{110} 1995:40, 59; Habermas\textsuperscript{109} 1987). Taken together, increased social isolation, possessive individualism and dependence on television reinforce a commodity-mindset and worldview that advertising seeks to promote. Therefore, we would expect TV advertising cues to have a very strong impact on consumption levels in comparison to other media.

Joshi \& Ahluwalia\textsuperscript{111} (2008), find the use of celebrity for endorsement creates a very favourable impact on the consumer and it creates a connection which entices target consumers to purchase a product. Dasgupta\textsuperscript{112} (2008), according to a research conducted by IMRB, national research agency, IMRB across Mumbai, Kolkata and Chennai, Indore and Lucknow, Ajmer, Madurai, Ranchi and Cuttack, reveals that the most prominent advertisements are those with celebrities in it and it doesn’t influence the consumer’s purchase pattern at any point of time; it rather creates confusion for the consumer on the recall.

A study by Sharma\textsuperscript{113} (2009) finds that consumers are not easily swayed by a celebrity in an advertisement. What they need is full-fledged information about the product; they are also influenced by brand name, overall appeal, and catchy music/jingle. Sharma found that advertisements being endorsed by celebrities were less attractive and that the use of celebrity endorsements may not significantly influence buying behaviour.

In conceptual issues of consumer behaviour from an Indian perspective Ramesh Kumar\textsuperscript{114} (2008) (Pearson Publication Pp.313-315) say consumer behaviour deals with the psychological process of decision-making. Indians believe that their present personality and socio-economic conditions are borne of their actions and lifestyles in previous births. The three business cultures responsive, pragmatic and predatory reflect a distinct theoretical discipline, philosophical perspective, generic strategy and understanding of business goals and mission. Finally, the predatory culture relies on the economic philosophy of business as a profit-making entity. It exists to make profits and serve investors and depends on a competitive, low-cost strategy of penetrating through standardized; strip-down products that do not necessarily have a value.
O'Guinn Allen and Semenik\textsuperscript{115}(2009) in their book Advertising Management (Cengage learning Pg 56-58) expressed that consumers are now in greater control of the information they receive about product categories and the brands available to consumers within those categories. Advertisers and their agencies will accept and has to adapt to the concept that consumers are gaining greater control over the information they choose to receive. The authors declare that creativity is the answer; the more entertaining and informative an ad is, the more likely consumers will want to actually watch the ad. Another technique, less creative but certainly effective is to run advertising message along the bottom of the program.

Suja R.Nair\textsuperscript{116} (2010) expressed that since the time of liberalization of Indian economy, Indian markets have been greatly influenced by global markets and the global economy. The recession in the developed economies such as the U.S and Europe has had its impact on the Indian markets. Inspite of being a king or queen in the buyers market, customers were adopting a cautious approach while purchasing. This was in total contrast to their buying behaviour during the boom period, when they splurged on the purchase of goods or services. Nevertheless, the Indian markets were greatly affected due to the global slowdown even as they constantly innovated to adapt to evolving market conditions. The study attempts to sketch the changes that have come in consumer buying behaviour in an economy affected by recession.

As part of introducing the study, we shall examine from a purely historical perspective, the impact of advertising on consumer behaviour – a study with reference to selected consumer durables and non-durable goods. Then, a brief review of the relationship between consumer satisfaction and advertising precedes the literature review defining advertising and measuring opinions on different aspects of advertising preferences, and the role played by advertising in making informed decisions. The earlier research studies relating to measurement of advertising preferences, consumer satisfaction and consumer preferences in consumer goods industry are also reviewed by the researcher.

1.3 NEED FOR THE STUDY

The decision-making process of buyers is a significant factor and is central to the marketing of products and services. From the review of literature, it is observed the very
few studies have been conducted on the impact of external stimuli in triggering the consumer's choice for a particular brand of product or service. With the availability of a multitude of media options, notably on TV and the Internet, the ability of marketers to reach target consumers is increasing, and taking precedence over more traditional forms of reaching the consumer – like publications and personal interactions with consumers. This significant change in the trend of advertising and its impact deserves to be researched to identify the merits and demerits of emerging advertising media. This study aims to fill up the gap in advertising research by gaining new insights into consumer behaviour and to come up with suggestions to improve the impact of advertising.

1.4 STATEMENT OF THE PROBLEM

The rate of change in the awareness of the Indian consumer during the last decade has been slow despite the proliferation of the media and advertising. As the number of brands are increasing in the market, consumers have become choosier, forcing marketers to adopt various strategies to woo target consumers with large investments in advertising/publicity, offering discounts and luring them with freebie schemes. These have only ended up in giving those short-term gains in terms of increasing their turnover and improving their brand equity.

Both producers and marketers are concerned about the consumer market in India, which is related to demand, consumer composition, consumer habits and supply-side factors that include promotion aspects. The market boom of the 90's was due to the latent demand and the process of tapping such aspirations efforts for the supply side of the market are for two reasons. Firstly, the requirement of improving, the product availability was facilitated more by process of economic reforms. Secondly, it was the increased levels of incomes that led to affordability. This is evident in the case of durables as well as expandable product markets.

During the late 90's markets witnessed the heat of competition due to erosion of growth in the size of latent demand and the growth in household incomes. Millions of Indians who attained higher standards of living are making efforts to acquire new habits and experience luxurious life styles. With access to foreign TV channels and increase in foreign travel for business as well as pleasure, more Indians today are gaining international exposure. Indian consumers have always been open to the idea of trying new
products. With the socio-economic changes taking place and the increase in the number of nuclear families and well as twin-income families, there is a dramatic increase in household as well as disposable incomes. To cater to their need marketers are introducing new and advanced products, and positioning them to attract target customers.

Globalization of the Indian economy resulted in cut-throat competition in consumer products with the advent of quality branded products from countries as diverse as Korea, Japan, US and China competing with their Indian peers. As a result, Indian manufacturers and marketers of consumer durable and non-durable products face stiff competition. To survive and win market share, they are focusing attention on improving/upgrading their products, cutting costs and prices, and winning customer/brand loyalty through advertising and improved after-sales service.

1.5 SCOPE OF THE STUDY

The purpose of the study is to highlight “the impact of advertising on consumer behaviour with reference to selected consumer durable and non-durable goods”. The study seeks to provide the ability to visualize how advertising strategies are formulated and perceived by consumer segments. The study explores various related issues like - the influences on purchase decision, product features, celebrity endorsement, public endorsement, precise/short advertisements, lengthy and detailed advertisements, ads with product price and discounts, decent ads(without violence and vulgarity), reality ads and product demonstrations to influence the buying process. The scope of the study is restricted to selected consumer products.

The study seeks to offer key indicators of effective advertising strategies over consumer behaviour. In this context the scope of the study also covers the influence on broader area of consumer purchase decision by utilizing celebrity endorsements, due publicity for product features, competitive pricing and discounts, reality shows and other advertising strategies.

Advertising in the mass media i.e., press, T.V. and radio on these goods/brands were taken into account. In this thesis, an attempt has been made to study the impact of advertising on consumer behaviour with reference to durable and durable goods. For this
purpose, advertisements in the print media, radio and television has been taken into consideration.

1.6 OBJECTIVES OF THE STUDY

The main objective of the study is to assess the impact of advertisement on consumer behaviour with reference to consumer durable and non-durable goods. The media selected is mass media, i.e., Press, T.V, Radio and Outdoor media (bill boards).

Primary Objective

1. To know the impact of advertisements on buying behaviour of the consumers belonging to diverse demographic segments in respect of consumer durable and non-durable goods.

Secondary Objectives

1. To study the response of consumers to advertisements in different media vehicles.
2. To study the impact of advertisements through different media while making decisions related to consumer durables and non-durable goods.
3. To ascertain advertisement preferences among consumers for various product categories and the role played by advertisements in making informed decisions.
4. To know the impact of brand, celebrity endorsements and pricing factors in influencing the consumer buying decision-making process.
5. To discern the factors in advertisements that lead to consumer satisfaction.

1.7 HYPOTHESES OF THE STUDY

The purpose of the present study is to evaluate the critical elements in impact of advertising on consumer behaviour and various marketing techniques applied for strategies in Hyderabad and Secunderabad. The following hypothesis have been chosen to achieve the stated objectives of the study.

1. Consumer behaviour is not significantly affected by various measures of advertisements.
2. There is no direct relationship between consumer behaviour and advertising.
3. There is no significant difference in advertisements sourced through different media vehicles with regard to demographic factors like age, income, education or occupation.

4. There is no significant difference between impact of advertising through different media related to consumer durable and non-durables.

5. There is no significant difference between the factors of celebrity endorsement and other advertisement means in influencing the consumer purchasing decision.

A number of sub-hypotheses are constructed from the above hypothesis and they have been tested using Pearson’s Chi-square test about the effectiveness, consistency and accuracy of the research findings.

1.8 METHODOLOGY OF THE STUDY

‘Research’ means a scientific and systematic for pertinent information on a specific topic. Research is a careful investigation or inquiry especially through search for new facts in any branch of knowledge. Research comprises defecting and redefining problems, formulating hypothesis or suggested solutions, collecting and organizing and evaluating data; making deductions and reaching conclusions; and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis.

‘Methodology’ is defined as “the study of methods by which we gain knowledge, it deals with cognitive processes imposed on research by the problems rising from the nature of its subject matter.

1.8.1 Type of the Research

A descriptive research is a study that seeks to “portray an accurate profile of persons, events or situations”. It involves formalizing the study with definite structures in order to better describe or present facts about a phenomenon as it is in reality. So the present study undertaken by the researcher is descriptive in nature.

1.8.2 Data Source

1.8.2a Primary data

The present research being descriptive in nature mainly depends upon on primary and secondary sources of data. Structured questionnaire method is used to collect from the consumers of durable and non durables goods.
1.8.2b Secondary data - is taken from the materials (relevant documents) provided by various websites, industry reports. All possible existing literature is obtained by going through various journals e-journals, online repositories, magazines and publications. The study mainly presents primary data collected from the buyers of consumer durable and non durable goods, selected by a sample survey in the twin cities of Hyderabad and Secunderabad.

1.8.2c Field Analysis

Field analysis is done by survey method to ensure that collected data is factual and doesn’t differ from the real life situation.

1.8.3 Research Instrument

The questionnaire is fully structured. Before finalizing it, a pilot survey was conducted to pre-test it and the views of the respondents were considered in finalizing the questionnaire. The residents were contacted directly by the researcher for collecting the relevant data. Proper care has been taken to maintain the heterogeneity of sample. The field work is carried for a period of 150 days. The approximate time taken to fill one questionnaire is 30-40 minutes. Due care has been taken in selecting the consumers goods and their brands. The Primary data on advertising and consumer goods collected through the questionnaire was scientifically tabulated and analyzed while interpreting.

To study the opinion of the respondents towards advertisements, a five point Likert’s scale (Likert’s scale is adopted for measuring the degree of satisfaction against each statement) comprising strongly disagree, disagree, neither disagree nor agree, agree and strongly agree is adopted to study the respondents attitude and perception. A five point verbal scale is adopted to find out the respondents level of satisfaction. A five point efficiency scale is adopted to study the present effectiveness of advertising and respondents expectations on the same. A blank format of questionnaire is annexed with the report.

1.8.4 Pilot study and finalizing questionnaire

The questionnaire pertaining to customer’s data collection is pre-testing. The Questionnaire was framed after incorporating suggestions and improvements from
various sources. For the purpose of the pilot study, a field survey was conducted among the customer's questionnaire is tested on a sample size of 39 (10% of Sample Size). The pre-testing has helped to modify some questions and alternative answers as some of the respondents were based on the feedback from the respondents covered in the study and suggestions of supervisors, academicians and professors from different universities, the following changes were made in the questionnaire:

1. Certain questions and statements are included and reframed to make it more understandable and specific to generate data relating to the objectives of the present study.
2. Verbal scales are placed in the numerical cum verbal form to study the impact of advertising on consumption patterns on Durable and Non-durable goods in Hyderabad and Secunderabad.
3. Efficiency rating scale is used in order to find out the opinion of respondents regarding Media habits, Consumption levels based home appliances.

1.8.5 Sampling Unit

The sample unit consists of consumer of durable and non-durables were selected from twin cities of Hyderabad and Secunderabad. The respondents were both males and females in the age group of 18 years and above.

1.8.6 Sampling Procedure and sample size

The sampling method chosen for the study is multi-stage sampling, where consumers of durable and non-durables, were selected from twin cities of Hyderabad and Secunderabad. (The reason for using Cluster Sampling Technique is that apart from providing reliability, it also confers economic advantage in the form of lowest per unit cost per selected clusters.) A sample of 385 respondents was taken for the study. The population is taken from the residents comprising of 18 years and above from census calculation of Government of A.P.(i.e., No. of voters in Greater Hyderabad municipal corporation election during October, 2009 with 95% confidence level out of 56,99,016 voters).

The sample selected covers the following areas in the twin cities of Hyderabad and Secunderabad.
A sample survey of three hundred and eighty five buyers of consumer durables and non-durable goods has been selected for the study, with nearly equal representation of 187 male and 198 female buyers. As stated earlier, while selecting the sample of consumers, due importance was given to demographic variables like gender, age, income, education and occupation.

1.8.7 Research approach

The choice of qualitative research is based on our intent to gain a deeper understanding of the consumer behaviour and the influence of advertising on it. The information collected from the respondents will give us a possibility to gain an understanding of what the population covered think and what influences their decisions.

The life styles in metropolitan cities have undergone significant transformation the last decade. Many middle class citizens prefer to stay in Apartments/Flat as residing in such places offers better security and access to educational institutions and employment places. The selection of flats as a cluster for study is made in this direction the following illustration explains the position a more logical fashion.

1.8.8 Validity and reliability of the research Instrument

Before administering the questionnaire the instrument was subjected to a validity and reliability test. The questionnaire has passed the required validity test, results indicating .806 or (81%) validity for the 158 variables covered in the questionnaire. This is also in tune with Cronbach’s Alpha statistical measure which helps in checking the relationship between two variables and also helps in confirming whether the research findings are really about what they appear to be about.

Quality of this study was enhanced by defining the concepts used for construction of frame of reference based on established literature. This provided the base for developing the checklist for data collection.
1.8.9 Reliability

Cronbach's Alpha Statistics indicates that reliability exists if, if the measures yield the same results on other occasions, with similar observations by other observers from the raw data. This in effect means, if later investigator followed exactly the same procedures as described by an earlier investigator and conducted the same case study all over again, the later investigator should arrive at the same findings and conclusions.

1.8.10 Data processing and analysis

The data preparation is the important job after the data is collection from the respondents. Data preparation includes editing, coding, and data entry and is the activity that ensures the accuracy of the data.

1.8.11 Editing – is the customary first step in analysis of the raw data. Using this process, errors in the data furnished by the respondents are corrected and seen that maximum data quality standards are achieved. The purpose of editing is to guarantee that data are:

1. Accurate
2. Consistent with the intent of the question and information in the survey.
3. Uniformly entered.
5. Arranges to simplify Coding and tabulation.

However it may be stated that as all the necessary care is taken while collecting data there is a little chance of these errors occurring. The questionnaires with incomplete, inaccurate and inconsistent data are rejected.

1.8.12 Coding: Coding is done next once the editing is complete. Coding involves assigning numbers to answers given by the respondents. It was not really complex as most of the questions are close ended. The following rules are kept in mind while coding data.

1. Appropriate to the research problem and purpose.
2. Exhaustive
3. Mutually exclusive.
4. Derived from one classification principle.
1.8.13 Data entry

Data entry converts information gathered by primary methods to a medium for viewing and manipulation. Keyboarding is the mainstay to created data file immediately and stores it in a minimal space. After codifying the responses, a Microsoft Excel spreadsheet is used and data is entered into it. Each row is a record and each column is a variable measured in the survey. After keyboarding all questionnaires data into the spreadsheet, it is imported into SPSS data sheet. Now applying tools of SPSS on the data, the frequency tables and cross-tabulations are prepared. And Pearson's Chi-Square Test is applied on the cross tabulation table to check the independency of the variables.

1.8.14 Statistical Technique used for Analyses

The data is analyzed by using SPSS package. This study makes a demographic comparative analysis of buyers of consumer's goods in urban areas by demographic variables. The methodology adopted for collecting the primary data is through questionnaire method. Questionnaire is designed using objective type questions mostly of multiple choices, keeping in view the time availability at the disposal of the decision maker. Questions designed are simple and specific, to generate response according to the objectives.

Questionnaire is arranged in a logical order, logical to the respondent and proper care has been taken to avoid ambiguity in responses and at the same time enabling the respondents to answer the questions easily and quickly with the time available at their disposal. For analyzing the data and testing of hypothesis the tool of Pearson's Chi-Square test is used in this study for statistical analysis.

1.8.15 Period of study

The period of the study is more than 3 years. The field work was carried out for a period of 8 months from June 2009 to January, 2010. The period includes time spend for review of literature, identifying the research problem, data collection, analysis and interpretation and report writing.
1.9 LIMITATIONS OF THE STUDY

➢ Some of the respondents may be biased towards the responses given. Some of the responses given may not be indicative of true preferences and influences on the consumer. This can happen as the questionnaire is highly structured, and there is a possibility of the respondents choosing one of the alternatives at random mechanically without applying much thought.

➢ This study is limited to Twin cities of Hyderabad and Secunderabad only hence, the results of the study cannot be generalized and may not be equally applicable to other parts of the country.

➢ Due to time and cost constraint, the study is restricted only to certain select consumer products only.

➢ The sample respondents are all educated. Consequently illiterate buyers have not found place in the sample.

In view of these limitations, the generalization for different regions, products, and other demographic characteristics in this study may or may not be made. However, the generalizations made may provide an empirical basis about the strategic components for formulation of advertising strategies in marketing selected consumer products in urban markets of India.

1.10 CHAPTRISATION OF THE THESIS

The Study is structured into five chapters organized to present the study from a basic introduction to findings and conclusion. Each of the chapters is sub-divided into parts for convenience, clarity, and lucid presentation. The following table displays the scheme of chapterization of the study

CHAPTER – I INTRODUCTION

This chapter introduces the study, Review of literature, Need for the study, Statement of the Problem, Scope of the study, Objectives of the study, Hypothesis of the study, Methodology of the study, Limitations of the study, and Plan of presentation of the thesis. The first chapter also deals with the review of related concepts and earlier research studies.
CHAPTER – II CONCEPTUAL FRAME WORK OF ADVERTISING

The second chapter starts from History of Advertisement, Types of Advisements, Media and advertising approaches, Criticism of advertising, Advertising Budgets, Advertising Growth Projections, Top Five Advertising Trends, Top Advertising Trends for 2010, Top Advertising Companies, Advertising is misleading and Global Advertising.

CHAPTER – III BRANDED CONSUMER GOODS

The third chapter starts from the meaning of Consumer goods, origin, Indian consumer market, growth, and classification of consumer goods, strength and weaknesses of consumer goods and, profile of durable and non-durable goods.

CHAPTER – IV ANALYSIS AND INTERPRETATION

Chapter four deals with the analysis and interpretation of profile of the respondents, classification of advertising exposure by media and demographics, classification of consumer products (durables & non-durables) and classification of data and opinion about advertising of respondents with hypothesis testing.

CHAPTER – V SUMMARY OF FINDINGS, SUGGESTIONS & CONCLUSION

In this chapter, Summery of findings, suggestions of the research study are presented one by one. It concludes by setting out the study’s contribution to knowledge. And directions for future research as stated by the researcher for the benefit of future researchers.
1.11 REFERENCE


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