CHAPTER I

INTRODUCTION

Consumer preferences are defined as the subjective (individual) tastes, as measured by utility, of various bundles of goods. They permit the consumer to rank these bundles of goods according to the levels of utility they give the consumer. Preferences are independent of income and prices. Ability to purchase goods does not determine a consumer’s likes or dislikes. One can have a preference for Porsches over Fords but only have the financial means to drive a Ford\(^1\).

Consumer preference is used primarily to mean an option that has the greatest anticipated value among a number of options. This is an economic definition and doesn’t tap in to wishes or dreams, but for all practical purposes is an appropriate definition. Preference and acceptance can in certain circumstances mean the same thing, but, it is useful to keep the distinction in mind with preference tending to indicate choices among neutral or more valued options while acceptance indicating a willingness to tolerate the status quo or some less desirable option\(^2\).
Therefore, to design and evaluate new product or service strategies, managers require an understanding of how consumer form preferences and how they would behave if a new product or service is launched. Accurate predictions on consumer response coupled with models of production costs, tax rates, cash flow and product line considerations could lead to more successful products and could reduce the risk of failure.$^3$

Two important managerial problems addressed by marketing research are 1) explaining how consumers form preferences and 2) predicting their purchase behavior. Explanatory models provide diagnostic information to managers, so that, they could modify demand by altering product characteristics, advertising appeals or other aspects of the marketing strategy. Predictive models provide information to managers, so that, they could easily evaluate alternative strategies or plan production, inventory and sales force.$^4$

Four distinct streams of research in marketing and economics have addressed certain aspects of these problems. Consumer behaviorists have postulated and tested models which
identify the process by which consumers form preferences. The Von Neumann – Morgenstern utility theorists have axiomatically studied models to prescribe rational behavior. Both sets of models study behavior deterministically and at the level of the individual consumer\textsuperscript{5}.

Stochastic modelers have postulated and tested models which identify the structure of a market and the distribution of preferences across the population. These models explain consumer behavior stochastically and at the aggregate level\textsuperscript{6}.

Econometricians have too postulated and estimated models based on observations of past behavior in an attempt to predict future behavior. These models explain behavior stochastically and at an intermediate level\textsuperscript{7}.

The multi-attributed preference theories have been devoted to models which predict preference or attitude toward a product preference or weighted sum of consumer perceptions of the levels of the attributes describing that product\textsuperscript{8}. This model implies that
consumer should deterministically select the product with the highest preference value. Additive, multiplicative, and pair wise interactive models estimate consumer preference from consumers’ perceptions of a product’s attribute levels and their choice levels. In 1974, Bass postulated and tested empirically a theory of stochastic preference and brand switching that tries to predict aggregate stochastic behavior while making no claims about a specific individual’s behavior. Bass’ model does not try to measure, model, or predicts preferences as a function of the perceived levels of product attributes recognizing that, for practical purchases, it is impossible ever to measure fully a utility function; econometricians have also postulated that the true utility function can only be partially observed. Mcfadden had put this concept in to operation in his research by postulating that the true ordinal utility of product consists of an observation portion plus an error term.

**Measures of consumer preference:**

Many researchers have investigated the twin problems of understanding consumer preferences and predicting consumer choices. Some techniques estimate consumer preference functions
by representing consumer utility as a function of the products’ attribute levels\textsuperscript{12}. These techniques assume either 1) the product with the largest utility is chosen or 2) the higher the utility of a product, the more likely a consumer is to choose that product\textsuperscript{13}. Such techniques are useful in the product design because they indicate the relative effects of changes in the attributes of that product. Other techniques measure interval or ratio scaled preference directly based on consumer products prior to test market or national introduction\textsuperscript{14}. These techniques are useful in the evaluation of new products because they are based on actual products and on strong direct preference measures.

In this respect, conjoint analysis\textsuperscript{15} is one effective technique to measure preference functions. Conjoint analysis has been quite successful in marketing\textsuperscript{16}. In conjoint analysis, the consumer task can be quite tedious, often requiring each consumer to rank order 20-40 products in terms of preference. The products can be real or represented by attribute levels. The number of products is usually kept at minimum with a fractional factorial design\textsuperscript{17}. Furthermore, many measurements estimate ordinal preferences of consumers by rank order correlation over products, rather than intensity of preference, i.e., how much a product is preferred over another.
Finally, because the conjoint measurement task can be tedious, it is difficult to ask further questions to checkup behavioral assumptions underlying the preference measurement.

But, it is possible to use a form of conjoint analysis called trade off analysis\textsuperscript{18} which reduces the consumer task by having consumer’s rank order the products where only two attributes vary at a time. Preference measures are still ordinal and assumptions still difficult to check. Therefore, the present study attempted to employ intensity measures of consumer preferences.

Consumer preference pattern is ordinal; however, the preference function can handle products with certain attributes. The consumer task, indifference measurement, provides more information per question and the axiomatic theory allows the measurement of more complex preference functions\textsuperscript{19}.

Another form of preference intensity measures is Constant Sum Paired Comparisons (CSPC). With CSPC, consumers are asked to allocate fixed sum of points or chips between pairs of actual products or product concepts in proportion to their preferences for those products. Ratio scaled preference scales are developed from
analyses of these responses. Silk and Urban\textsuperscript{20} report ease of measurement and excellent predictive capability in over 10 product categories.

Intensity measures ask respondents normally for more information about their preferences\textsuperscript{21}. Therefore, CSPC measures provide the potential to estimate more accurate preference functions and to do so using fewer questions.

Third form of preference intensity measures is Graded Paired Comparisons (GPC). With GPC, consumers are asked to choose between two ranges of stimuli and to indicate the intensity of their preference between the stimuli. In marketing, Huber and sheluga have used GPC measures to estimate consumer preference functions and/ or functions mapping product attributes to perceptions.

**Need for the Study**

The study on the perceptions of consumers is attempted on the sensitive issue like consumer buying behaviour, consumer preference, attitude of consumer towards advertisement, marketing strategies and advertisement value, which will help to
develop a general profile on the consumer attitude and mindset of customers. The present study is an attempt in this direction

**Scope of the study**

In the present state of growing mobile phone corporate entities in India, with import new technology, social net work and new cultures due to the entry and presence of customers, it is believed that the study of influence of advertisement on consumer perception.

In this respect a comprehensive analysis of consumers’ mindset related outcomes like personal characteristics, advertisement value, consumer choice and perceptions are considered to understand their implications on advertisement on consumer perceptions with special reference to mobile phone in Chennai city.

**STATEMENT OF THE PROBLEM:-**

Advertising has been emerging with great prominence as the potent tool on the marketing of goods and services by both the industrial and non-industrialized nations. It is regarded more as
an investment than expenditure in the developing nations too. It has now been acknowledged as a major business function in India. The attitude towards advertising has been ever changing at a rapid pace with diversifications and dynamism. The advertiser, the agency, the media and the consumers view advertising according to their desires, expectation and opportunities. Hence advertising is no longer viewed as a secondary business activity, but has come to be accepted as a supportive service and a contributory input for diversified growth. The goals of advertising have been changed, modified, adjusted and re-defined over the years in India.

Presently, the economic, social, cultural, political and business environments of the country have tremendously changed and these changes have brought about a significant change in the attitude of the people towards advertising. Advertising is being used not only for economic and business gains but also for political, social, cultural, religious and governmental motives and objectives. The parameters for judging advertising have witnessed a sharp change in India and the quality and performance of advertising agencies in our country have also improved. Gradually, advertising has been maturing itself as a profession in the country. This has influenced significantly the psychology, sociology and
economics of the advertiser, the agency and the media. Thus, advertising in India, which was considered as an unnecessary evil during the 1960’s, had become a necessary evil by 1980’s and is now being viewed as an absolute necessary.

In India, growth of advertising industry is phenomenal. In 1974, the amount spent in India for advertising was as low as Rs. 75 crores. In 1990, it jumped to Rs. 1504 crores and in 2003, it reached the height of Rs.15000 crores, which indicates the increased relevance of advertising in Indian economy\textsuperscript{22}.

Advertising in India has been gaining sophistication during recent years. Besides, there has been a considerable increase in sales promotion activities of incentive merchandising schemes which have been increased considerably in the past decade. Most of these were naturally for low prices mass consumer non-durables such as Soaps, toiletries, tooth pastes, herbal products, curry powders, confectionaries, cigarettes etc. Readymade garments, ready to eat items, mobile phones, two wheelers, television sets, washing machines, mixies, fridges, fans, ovens
have also become as popular in India consequent upon the emergence of T.V as a powerful media of advertising.

From a scenario in the seventies where options were limited and the print medium was the single most dominant medium, there has been a sudden proliferation of options in 1980’s with T.V overridding all other media in the country. In 1984, press constituted the single largest media of advertising which accounted for 77 percent of the total media in the country while the relative shares of T.V, outdoor media, radio and cinema represented 7 percent, 6 percent, 5 percent and 4 percent respectively. But, by 1989, the relative shares of press, radio and cinema has declined to 67 percent, 3 percent and 1 percent respectively. During the period, the relative share of T.V, in Indian media, has showed a tremendous increase from 7 percent to 19 percent and the outdoor media to 10 percent of the total.

The boom in electronic media commenced with the introduction of colour transmission of television in 1984 to coincide with the Asian games hosted by India. Major developments like the growth in Doordarshan’s network, Hindi films being legalized on
the video circuit in 1987 and the invasion of satellite TVs in to the Indian media scene since 1991 have spurred this boom. Consequently, a dramatic increase in home entertainment options was seen in the Indian society in general and in Tamilnadu particularly.

Most of the people to spend a substantial part of their leisure hours in front of Television. Moreover, there is a steady increase in usage of internet due to the explosion of information technology by the end of 1990’s. Consequent upon these factors, the lifestyles, paten of consumption, tastes and preference, purchasing behavior etc. of an average Indian have also been undergoing a drastic change and are being dictated at present by television programming advertisements and online (internet) advertisements. Therefore, it is essential to study about influence of advertisements on consumer perceptions with special reference to mobile phones in chennai city.
OBJECTIVES OF THE STUDY:

➢ To find out the impact of demographic variables of consumers on purchase perception and advertisement value.

➢ To analyze factors influencing of buying perception of consumers and consumer attitude towards advertisement.

➢ To examine the impact of advertisement on buying behavior, attitudes and perceptions of consumers’ in Chennai city

➢ To analyze the relationship between advertisements value on consumers’ buying behavior and their demographic variables.

➢ To find out and analysis of media advertisements influences of their mobile phone purchasing behavior.

➢ To suggest measures to develop a positive state of behavioral and attitudinal outcomes of consumer perceptions with respect to their mobile phone purchase.
OPERATIONAL DEFINITIONS:

Consumer:

Consumer is the study of the processes involved when individuals or groups select, purchase use or dispose of products, services, ideas, or experiences to satisfy needs and desires. In the marketing context, the term “consumer” refers not only to the act of purchase itself, but also to patterns of aggregate buying which include pre-purchase and post-purchase activities. Pre-purchase activity might consist of the growing awareness of a need or want, and a search for and evaluation of information about the products and brands that might satisfy it.

Post-purchase activities include the evaluation of the purchased item in use and the reduction of any anxiety which accompanies the purchase of expensive and infrequently bought items. Each of these has implications for purchase and repurchase and they are amenable in differing degrees to marketer influence. The sample population taken for this study is consumers living in Chennai city. They belong to the categories of housewife, students, salaried people, business and professional consumers.
Attitude, Opinion, Belief and Value:

Attitudes are usually associated with a notion of liking or disliking someone or thing. Attitudes are said to be resulting from a combination of beliefs, values and opinions. Gardon Allport, a psychologist, has given a classic definition of attitudes which says “attitudes are learned predispositions to respond to an object or class of objects in a consistently favorable or unfavorable way\(^2^4\).”

Martin Fishbein has defined attitude in a way that it can be useful in predicting behavior. As per his definition a person’s overall attitude towards an object is said to be the function of  a) the strength of each of a number of beliefs the person holds about various aspects of the object and b) the person’s evaluation of each of the belief’s held by him as he relates it to the object\(^2^5\).

Attitude are said to be resulting from a combination of beliefs, value and opinions. Terms opinion and belief are often used quite closely with attitudes. Attitudes tend to be generalized predispositions to react in some way towards objects or concepts, whereas opinion tends to be focused on more specific aspects of the object or concept.
Earnest J. McCormick and Joseph Tiffin have opined “the measurement of attitudes is generally based on the expression of opinions. But, we should distinguish between attitude scale which, like a thermometer or barometer, relents the generalized level of individual attitudes towards some object or concept, and opinion surveys which typically are used to elicit the opinions of towards specific aspects\textsuperscript{26}.”

Krech and Crutchfield defined belief as “as enduring organization of perceptions and cognitions about some aspects of an individual’s world\textsuperscript{27}.” Simply stated beliefs are the body of knowledge one holds about the world.

Value is often viewed as an attribute possessed by an individual and considered to be desirable. Milton Rokeach, a psychologist, says that “values are centrally held and enduring beliefs which guide actions and make judgments in specific situations. They may induce one to respond (or adopt specific behavior) which can help or come in the way of attainment of some values\textsuperscript{28}.”
The differences between attitudes, opinions and beliefs and values exist only on a conceptual basis. The relationship between them is a complex one. It is usually said that people have thousands of beliefs and opinions about the world, hundreds of attitudes although probably fewer than fifty values.

**Advertising:**

Advertising is a form of communication intended to persuade an audience (viewers, readers or listeners) to purchase or take some action upon products, ideas or services. Arenes says that, “The non-personal communication of information usually persuasive in nature, about products (goods and services) or ideas by identified sponsor through various media.”

**Consumer buying pattern:**

It is defined as “a typical manner in which consumers purchase goods or service in terms of quantity, frequency, timing etc.”

**Locale of the study:**

This study was confined to Chennai city of Tamilnadu state, India. Chennai is the capital of Tamilnadu and the fourth largest metropolis in the country. The city has been growing both in size
and population. Chennai’s boundaries were expanded to an extent of 424.45 sq kilometers, till 25-12-2009 they were only 174 sq kilometers, by amalgamating 9 municipalities, 8 town panchayats and 25 village panchayats adjacent to Chennai\textsuperscript{30}.

Chennai city, at present, covers Chennai district, 7 municipalities, 3 town panchayats and 13 village panchayats of Thiruvallur district and 2 municipalities, 5 town panchayats and 12 village panchayats of Kancheepuram district. The present study was conducted in the Chennai city’s modified new boundaries.

**Justification for choosing Chennai city as locale of the study:**

Tamilnadu has the total population of 7,21,38,958 out of which 3,61,58,871 are males and 3,59,80,087 are females as per census of India , 2011 (provisional)\textsuperscript{31}. Chennai city covers Chennai district and certain areas of Thiruvallur district and Kancheepuram district. These districts have the population of 46,81,087,37,25,697 and 39, 90,897 respectively and these three
districts are listed in top four more populated districts of Tamilnadu\textsuperscript{32}.

In the view of the researcher, Chennai city has the population of around 85, 00,000. Moreover, Chennai district of Tamilnadu has been rated as the second district in India having higher population density (26,903 persons / sq. kilometer) next to north east district of Delhi (37,346/Sq. kilometers) \textsuperscript{33}. These are the reasons for which the researchers have selected Chennai city as locale for the study.

Apart from the population point of view, Chennai city has accommodated all kinds of people like poor, middle and rich class people, male, female and trans gender, educated people and uneducated people, people whose origin is Chennai and people from other parts of Tamilnadu, India and foreign countries and people from different caste and religion. These things have brought uniqueness to Chennai city and it has made the researcher more interested on Chennai city.
Justification for Choosing Advertising for research in the Study:

The function of communication is performed quickly and efficiently through advertising. Business people all over the world approach millions of consumers through different media of advertising like newspapers, magazines, radio, television, internet etc.

Advertisements influence the consumers’ behavior to a large extent and play vital role in turning the audiences in to the consumers of particular product or service. Impact of advertisements on consumer behavior has been researched for quite long time.

The researchers have chosen advertisements for the research, among various media of advertisements; particularly visual media advertisements are much popular in this globalized era than any other media of advertisements. The popularity for visual media advertisements has come due to sudden proliferation of Television viewers and internet users. Moreover, DTH (Direct to
Home) has brought about a paradigm shift in TV viewing as it can penetrate even the remotest corners of the country without any difficulty. Internet usage in India keeps on going up and up by every year. The Indian online population is likely to increase to 42 million by March 2007 as per IMRB – IMAI study$^{34}$.

India is one of the few global markets where the media including the internet is booming$^{35}$. According to TRAI’s (Telecom Regulatory Authority of India) figures, on connections, the internet reaches about 50 million people, making it one of the largest in the world$^{36}$. The broadband connections have grown to 10.30 million by the end of September 2010$^{37}$. The cumulative annual growth rate (CAGR) of the broadband in India for the period from 1$^{st}$ April 2005 to 31$^{st}$ March 2010 is about 117%$^{38}$.

**METHODOLOGY:**

This study involves an influence of advertisements on consumer perceptions with special reference to mobile phone in chennai city.
**Measurement of impact of advertisements on consumers’ buying behavior:**

Impact of advertisements on consumers’ buying perceptions has been examined in relation to four variables apart from demographic characteristics of sample. The variable selected are

1. Measurement of Consumer choice
2. Factors influence to purchase the products
3. Advertisements influences while making purchasing decision.
4. Measurement of impact of advertisements on buying behavior of the respondents.
5. Measurement of advertising value

Methodology adopted to measure these variables and the techniques of analysis used to examine the associations of these four variables with impact of visual media advertisements on consumers’ buying behavior which is one of the core themes of the study are discussed below.
Part – A

i) Demographic variables

The present study has adopted survey data based approach and data are collected from the respondents through traditional paper and pencil questionnaires to measure consumer choice. The researcher has presented eleven questions, which are of close ended type, in the questionnaire (Questionnaire: Part A – Questions 1 to 6) dealing with demographic variables like, age, sex, salary etc.,

ii) Measurement of consumer choice:

The present study has adopted survey data based approach questionnaires to measure consumer choice. (Questionnaire: Part A – Questions 7 to 11) to measure the respondents’ preference of consumers.
Part - B

i) Factors influence to purchase the particular products of brand

Eleven questions are presented in the questionnaire (Questionnaire: Part: B – Questions 1 to 11) to measure of media advertisements on buying pattern of the respondents.

It contains Likert’s five point scales representing three major variables selected for the study to measure consumer’s perceptions towards advertisements.

1. Factors influenced to select a particular brand - Statement items 1 to 11

ii) Advertisements influences while making purchasing decision.

Consumers are finding it harder to recall individual advertisements. Studies by the US Newspaper advertising Bureau between the 1960’s and 1990’s traced a decline in people’s ability to recall commercials, they (people) had only just been exposed
to: where 20 percent could correctly recall a message in 1965, only 6 percent could do by 1990\textsuperscript{39}.

Literature in advertising and information system suggests that advertising in both traditional media and internet is either easily ignored by the audience or is perceived to have little value. Bogart (1985) argued that chances of careful processing of advertisements are lowered by the high number of ads competing for individuals’ attention on daily basis. Limited time and mental resources make it difficult for the audience to dedicate sufficient attention to most ads. The development of the internet is resulting in great growth of online advertising. This makes the competition for attention more intensive \textsuperscript{40}.

\textbf{Speck and et al study} found that perceptions of ad clutter influenced the likelihood that people would actively avoid advertising\textsuperscript{41}. Television is perceived more negatively in this light than other media because viewers usually can’t control the advertising broadcast to them \textsuperscript{42}.

Taking cue from various studies, the present study incorporates recall and recognition of media advertisements while
making buying decision by the respondents. Thirteen questions are presented in the questionnaire (questionnaire: PART-B (II); Questions 1 and 13) to measure recall and recognition of media advertisements while making buying decision.

iii) Measurement of impact of advertisements on buying behavior of the respondents.

Since the late 1960’s, there have been concerns regarding the portrayal of in the media\textsuperscript{43}. Bardwick and Schumaan analyzed the portrayal of in television commercials and concluded that “to an amazing extent are preoccupied with dirt, the television women (in commercials) is shown housebound “.\textsuperscript{44}

In India, advertisers often treat with disdain portraying them as if they have been created only to attend to man’s creature comforts. They are often shown to be exceedingly anxious about their looks, weak, foolish, incapable of looking after themselves and utterly dependent on man\textsuperscript{45}.

Particularly troublesome is the focus on women as sex objects\textsuperscript{46}. Advertising’s defenders like O’Toole and et al asserted that, in an open society, everyone is free to ignore an ad or refuse
to buy a product that is deemed offensive or unattractive. It is the consumer who acts as the ultimate arbiter of advertising ethics\textsuperscript{47}.

Hence, six questions are presented in the present study (Questionnaire: PART-B (III); Questions 1 to 6)

Part – C

i) Measurement of consumers’ attitude towards advertisements:

Now a day, many studies related to advertising in a various way. Advertising can reach huge audiences with simple messages that present opportunities to allow receivers to understand what product is, what its primary function is and how it relates to all other similar products. This is the main function of advertising: to communicate with specific audiences\textsuperscript{48}.

The object of advertising is usually to change or influence attitudes. It aims to persuade people to buy product A instead of product B, or to promote the habit of continuing to buy product A\textsuperscript{49}.
Twenty five statements are presented in Likert type five point scale, (Questionnaire: Part-C; Question 25; statement items 1 to 25) to represent the selected constructs except demographic variables for measuring consumers’ attitudes towards visual media advertisements. They are

- Informativeness - items 1 to 5
- Credibility - items 6 to 10
- Creativity - items 11 to 15
- Social responsibility - items 16 to 20
- Effectiveness - items 21 to 25

Part – D

Measurement of advertising value:

Advertising value is a measure for advertising effectiveness and serves as an index of consumer satisfaction with communication products of organisations. It is defined as “a subjective evaluation of the relative worth or utility of advertising
to consumers\textsuperscript{61}. A value can be described as an enduring belief that a specific conduct or state is personally/ psychologically or socially/ culturally preferable to a converse mode of conduct or an opposite end state of existence\textsuperscript{52}.

Value potentially derives from the expectations about an offering itself, from experiences accompanying the exchange and from the residual of having engaged in behaviors necessary to achieve the exchange. Hence, value can reflect the worth of the element itself as well as the experience associated with the transaction\textsuperscript{53}.

Values are the basis of actions, attitudes and judgments in advertising as well as in other aspects of social life\textsuperscript{69}. Therefore, the present study incorporates measurement of advertising value to judge the attitude of the respondents towards visual media advertisements.

In order to measure the advertising value perceived by the consumers, \textit{Alderfer’s ERG model} has been adopted for the
present study. **Clayton Alderfer’s**\(^{54}\) modified need hierarchy design collapse Maslow’s \(^{55}\) five hierarchical levels in to three “i.e.” Existence, Relatedness and Growth (ERG).

**Physiological and safety needs: Existence needs**

Needs required to preserve human life. They include all of what Maslow termed as physiological needs relating to material safety.

**Social needs: Relatedness needs**

They refer to all socially intended needs “i.e.” how people relate themselves to their surrounding social environment. These include the need for meaningful social and interpersonal relationship.

**Esteem and self-actualization needs: Growth needs**

They reflect the individuals’ desire to be self-confident, productive and creative. In other words, the desire to engage in
tasks that require full utilization of abilities and to develop additional capabilities and skills indicates growth need.

This ERG model of Alderfer was born out of reality that all the needs are prescribed by the values and values in turn operated as a boundary for the needs. The value dimensions considered for the present study are:

1. Product quality
2. Product price
3. Product packaging - Existence
4. Product performance
5. Product reliability
6. Product style
7. After sales service
8. Freebies’ information

9. Guarantee

10. Warranty

11. Genuinely of information in ads

12. Brand image

13. Celebrity in ads

14. Fair treatment

15. Ads which don’t mislead Children and Adults

16. Socially responsible

17. Non-offending advertisements

18. Creativity in ads

19. Quality of ads

20. Better value for money from Advertisements
Method of research:

The quality of data is invariably tied to the method and technique used for data collection. Hence, survey method through structured questionnaire was adopted for this study as it was found to be suitable for this research.

Sampling frame:

Primary data needed for the study were collected through questionnaires issued in Chennai city who are the sample for the study. Sample consists of Chennai city belonging to different occupations like salaried, business persons and professional. Housewives were also taken as respondents for this study.

Convenience sampling was adopted considering the availability and approachability of the purpose of data collection effort.

Questionnaire design:

The questionnaire used for data collection is a structured one and has four parts.
Part – A:

This part contains 11 questions representing demographic variables and consumer preference considered for the study.

Part-B:

It contains Likert’s five point scales representing three major variables selected for the study to measure consumer’s perceptions towards advertisements. They are

1. Factors that have influenced to select a particular product - Statement items 1 to 11
2. Factors have influenced you to buy - Statement items 1 to 13
3. Degree of satisfaction - Statement items 1 to 6

Part-C:

It contains Likert’s five point scales representing two major variables selected for the study to measure consumer’s perceptions towards advertisements. They are

1. Advertisement influences in buying decision - Statement items 1 to 8
2. Marketing strategies - Statement items 9 to 16
This part contains 25 questions representing four major variables considered for the study. They are

1. Consumer buying pattern:

Four questions incorporated in the questionnaire (Questions 17 to 21) to measure role of visual media advertisement on consumers buying pattern.

2. Recall and recognition of media advertisement:

Two questions were presented in the questionnaire (questions 22 and 23) to measure recall and recognition of visual media advertisement by the respondents while making purchase decision.

3. Portrayal of image of media Advertisement:

Two questions were presented in the questionnaire (questions 24 and 25) to measure impact of portrayal of image of visual media advertisements on the buying behavior of the respondents.
Part-D:

This part contains advertising value scale representing Alderfer’s Existence, Relatedness, and Growth model. A total of 20 variables were considered to cover the five dimensions of advertising value scale. They are

A) Product quality, product price, product packaging, product performance, product reliability, product style, after sales service, freebies information, guarantee, warranty and truthfulness of information in ads.

B) Brand image, celebrity in ads, fair treatment of advertisements which don’t mislead children and adults, socially responsible advertisements and non-offending advertisements.

C) Creativity in ads, quality of advertisements better value for money from advertised brands
**Scoring pattern:**

**Part-B**

It contains 3 major variables, in 5 point Likert type scale starting from strongly agree to strongly disagree covered in 30 statements. Following weights are assigned to calculate the global score on each variable.

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<tr>
<th>Score points</th>
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<tr>
<td>Strongly agree with the statement</td>
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<td>Agree with the statement</td>
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<td>Neutral with the statement</td>
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<td>Disagree with the statement</td>
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<td>Strongly disagree with the statement</td>
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**Part-C:**

It contains 5 major variables “i.e.” Informativeness, credibility, creativity, social responsibility and effectiveness, in 5 point Likert type scale starting from strongly agree to strongly disagree covered in 25 statements. Following weights are assigned to calculate the global score on each variable.
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<tbody>
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<td>Neutral with the statement</td>
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<td>Disagree with the statement</td>
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<tr>
<td>Strongly disagree with the statement</td>
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Statements 3, 6, 8, 11, 14, 17, 19, and 23 are negatively worded to test the accuracy and conscious responding of questionnaire by the respondents of this study. Therefore, the scoring was reversed to measure the correct score for the above mentioned negative statements.

Average mean score is calculated on the basis of dividing the total score each variable by the number of statement represented in each variable.
Part – D:

This part contains advertising value scale measured in 20 dimensions. Two separate 5 point scales were designed to analyze the importance of advertising values and the extent of fulfillment of these values by visual media advertisements. Respective scoring pattern for advertising value scale is,

A) To measure the importance of advertising values for the respondents:

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<tr>
<td>Not important</td>
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<td>Somewhat important</td>
<td>3</td>
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<td>Important</td>
<td>4</td>
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<tr>
<td>Very important</td>
<td>5</td>
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B) To measure extent to which these values are fulfilled in visual media advertisement.

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<th>Score Points</th>
<th>Description</th>
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To get the total advertising value score of each respondent, the scores on importance and fulfillment of values are multiplied with respect to each of 20 dimensions presented in the scale. Therefore, the maximum score will be \((5 \times 5 \times 20)\) 500 points and maximum will be 20. To arrive at the global mean score, it was further divided by number of variables multiplied by the maximum score of five each dimension.
Pretesting of the Questionnaire:

The study used a structured questionnaire. To understand the communicability of the questionnaire and content validity, a pilot study (Preliminary Survey) was conducted. A draft questionnaire was given to 100 respondents in Chennai city belonging to different categories like salaried person, business person, housewives, students etc. The draft questionnaire was also given to academicians in the field of commerce and management to obtain their views on the design and dimensions considered for the study.

On the basis of the comments received from academicians, questionnaire was revised to accommodate few variables and to make it easily understandable by all kinds of respondents. The structure of the questionnaire gets improved.

Then, the questionnaire was pretested by administering it to 90 respondents in Chennai city. The data obtained was verified for the reliability of the questionnaire by computing Cronbach’s alpha co-efficient.
The results are as follows:

1. Measurement of Consumer choice. - 0.830
2. Factors influence to purchase the products. - 0.860
3. Advertisements influences while making purchasing decision. - 0.765
4. Measurement of impact of advertisements on buying behavior of the respondents. - 0.720
5. Measurement of consumers’ attitude towards advertisements. - 0.890
6. Measurement of advertising value - 0.870

The above reliability co-efficient may be considered satisfactory. Then, the final version of questionnaire was prepared and used for the study.

**Data collection procedure:**

A total of around 1200 questionnaires were issued in Chennai city through personal contacts and through the assistance obtained from friends and colleagues. Out of which, 1178 questionnaires were finally received from the respondents. 26
questionnaires were discarded because of incomplete answering as they will not be useful for statistical purposes. Finally, 1152 completed questionnaires were taken up for the study. The response rate is 96%.

**Data collection period:**

Questionnaires for sample survey of consumers were distributed during June to August 2013 and data collection work was extended up to February 2014. Hence, it took approximately nine months for distribution of questionnaire and collection of data from the respondents.

**Framework of data analysis:**

The data collected through the questionnaire were analyzed by using the following statistical tools.

- Mean scores, median, percentages and standard deviations were calculated for overall analyses of consumers’ buying preferences and consumers’ buying patterns

- One way ANOVA (F test) and students’ “t” test were used to identify the significant differences in the perceptions of
consumers’ buying behavior on the basis of their demographic variables, to identify the significant differences in the perceptions of consumers’ attitudes towards advertisements on the basis of their demographic variables and to identify the significant differences in the perceptions of consumers on advertising values.

- Chi-square test was applied to identify association between consumer references and demographic variables of sample consumers.

- Pearson’s correlation analysis was used to identify the intercorrelation among basic variables of this study namely consumers’ buying behavior, consumers’ attitudes towards advertisements and advertising values and to identify correlation among consumers’ buying behavior, Multiple regression analysis was used to identify the factors influencing consumers’ buying behavior of mobile phones.

- Factor analysis was used to examine further whether certain basic variables could differentiate between consumers’ buying behavior and other variables.
Cluster analysis was used to examine the existence of distinct unknown groups among consumers.

Limitations of the study

Besides the usual limitations that may occur in any behavioral study, the present study has the following limitations.

1. This study is confined to consumers in Chennai city of Tamilnadu, India only.

2. There are many variables that influence consumers’ buying behavior, but, the study is confined to the selected variables only.

3. Social, cultural and religious settings of consumers have not been considered for this study.

4. Though the study of value system is complex in nature, an attempt is made in this study to examine the influence of selected advertisement related values only, on consumers’ buying behavior.
CHAPTER ARRANGEMENT

This study is presented in five chapters. The contents of these chapters are as follows.

Chapter – I: Introduction

This chapter introduces the subject matter of this study with general overview on consumer behavior, advertisements and attitudes of consumers and the need for the study. The main objectives and methodology are discussed in detail including limitations of this study within which this study is carried out.

Chapter – II: Review of literature

In this chapter, a comprehensive and exhaustive review of this study related literatures are presented to find out research gap. Further, a detailed review of the core variables of this study has been done synthesizing previous research studies.

Chapter – III: Analysis of consumers’ buying behavior

This chapter puts forth the empirical analysis of consumers’ personal characteristics, consumers’ preferences, consumers’ buying patterns, impact of advertisements on consumers’ buying
behavior, differences in consumers buying behavior, differences in consumers’ attitude towards advertisements, differences in consumers’ perceptions on advertising values, association between consumers’ demographic variables and consumers’ preferences, associations between demographic variables and impact of medium of advertisements on consumers’ buying behavior and finally, associations between demographic variables and advertisements.

Chapter – IV: Analysis of consumers’ attitude towards advertisements

This chapter deals with analysis of correlation among core variables namely consumers’ buying behavior, consumers’ attitudes towards advertisements and advertising values. Further, analysis of correlation among core variables and demographic variables and analysis of relationship among core variables are presented.

Chapter – V: Summary and Conclusion

Major findings of the study are presented in a comprehensive manner in this chapter. It concludes with implications and suggestions for future research.