IS ADVERTISEMENT USED TO CREATE BRAND BUILDING OR SALES? AN EMPIRICAL STUDY CONDUCTED AMONG PROFESSIONAL STUDENTS IN COIMBATORE CITY

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ABSTRACT

The study focused on understanding the impact of advertisement on adult buying behavior towards fast moving consumer goods among professional students. FMCG industry is the highly competitive industry where advertisement plays a vital role. MBA, MCA and Engineering students were selected for the study. A questionnaire was developed, which carried questions related to the demographic variables, purchase factors, advertisement factors, product and brand attributes. The collected data were coded, analyzed and tabulated with at most care. From the findings and discussions of the study and also from the literature review we came to the conclusion that advertisement influences the purchase factors which influence the buying behavior of the customers. The study started with a theoretical framework as attitude towards advertising influence both purchase factors and buying behavior, but this model was disproved and a new model has been developed using Structural Equation Model. The new model explains that advertisement and purchase factors have relationship and purchase factors influence the buying behavior.

Key words: Advertisement, Buying Behavior, Purchase Decision Making and SEM.

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1. INTRODUCTION

India may be a country which is kept influenced by its rulers in no time . it's evident from the cultural change which happened between 19th century and 20th century. Our Indian customers are highly enthused by promotional tools which are adopted by our marketers.

Advertisement is that the major source of selling the merchandise. So Companies spend huge amount of cash to market their product within the competitive environment.

The typical youth views quite 3000 ads per day on television (TV), on the web, on billboards, and in magazines increasingly, advertisers are targeting younger and younger in an attempt to determine “brand-name preference” at as early an age as possible (Goodman 1999). This targeting occurs because advertising may be a \$250 billion/year industry with 900 000 brands to sell, and youngsters and adolescents are attractive consumers: teenagers spend \$155 billion/year, children younger than 12 years spend another \$25 billion, and both groups influence perhaps another \$200 billion of their parents' spending per annum. Increasingly, advertisers are seeking to seek out new and artistic ways of targeting young consumers via the web, in schools, and even in bathroom stalls (McNeal 1992).

Because of these advertisements and promotional influence, our Indian customers are standing within the middle of an island after losing all their identity which had an upscale cultural heritage. The recent studies, which was conducted within the field of consumer psychology gives us alarm towards the modifications, which is occurring within the behavioral and social living of the people. So taking this problem as a key factor, the researcher is trying to seek out the connection between advertisements and attitudinal changes which influence the behavioral modifications. Through that the researcher is trying to seek out what's the quantity of influence these advertisements create on our youth minds.

The researcher is planning to conduct the study among the professional students. These students will be selected from the states of Tamil Nadu and Kerala. It helps us to understand regional influence on these behavioral modifications. End of this study, we are planning to suggest a model which may help the advertisement agencies to control the influence on students.

Morden (1991) is of the opinion that advertising is employed to determine a basic awareness of the merchandise or service within the mind of the potential customer and to create up knowledge about it. Holden and Lutz (1992). Through advertisement brand knowledge helps in influencing brand salience in such how, that the number and freshness of the memories about the brand thought to be in buying situation that makes emotional response towards ads. Esther Thorson, Annie Chi and Clark Leavitt (1992), in their research work on “Attention, Memory, Attitude and Conation: a test of the advertising hierarchy” analyzed that there's a transparent relationship between memory, attitudes and conation. In spite of the age of the viewers, the memory of a billboard depends on the viewer's attitude and behavior. Ioannis Kareklas, Darrel D. Muehling, and T.J. Weber (2015). Findings indicate that online commenter's who are seemed to be credible are instrumental in influencing consumers' responses to pro- versus anti vaccination online PSAs. Results further suggest it's not the advertising message (i.e., the PSA-advocated position) alone that influences consumers' responses (even when consumers perceive the PSA sponsor to be highly credible) but rather the commenter's' reactions to the claims presented within the PSA that also independently contribute to consumers' vaccination attitudes and behavioral intentions.

2. OBJECTIVE

The objective of this study is to develop a theoretical model for behavioral modification in adults based on advertisement and its influence on buying behavior.

3. METHODOLOGY

Descriptive research design was used in the study. 1040 samples were collected among professional students in the states of Tamilnadu and Kerala. A questionnaire was developed,

which carried questions related to the demographic variables, purchase factors, advertisement factors, product and brand attributes. The study started with a theoretical framework as attitude towards advertising influence both purchase factors and buying behavior, but this model was disproved and a new model has been developed using Structural Equation Model.

Figure 1 Structural Educational Model using AMOS

Estimates (Group number 1 - Default model) Scalar Estimates (Group number 1 – Default model) Maximum Likelihood Estimates

Table 1 Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P
Buying	<---	Influence	.191	.103	1.860	.063
Information	<---	Advertisement	1.000			
Necessity	<---	Advertisement	.130	.093	1.399	.162
Pleasure	<---	Advertisement	-.188	.071	-2.646	.008
Credibility	<---	Advertisement	.303	.096	3.148	.002
Dominance	<---	Advertisement	1.141	.141	8.096	***
Stimula	<---	Advertisement	-.236	.096	-2.472	.013
BrandR	<---	Advertisement	.888	.111	7.980	***
Affordability	<---	Influence	1.000			
Acceptability	<---	Influence	1.766	.187	9.467	***
Availability	<---	Influence	1.518	.172	8.807	***
Awareness	<---	Influence	1.870	.190	9.830	***
Price	<---	Influence	.720	.111	6.461	***
Package	<---	Influence	1.671	.179	9.333	***
ProductAttributes	<---	Influence	-.090	.116	-.776	.438
BrandAttributes	<---	Influence	.236	.115	2.055	.040
Preference	<---	Buying	1.000			
PurchaseDecision	<---	Buying	-.527	.083	-6.386	***
Celebrity	<---	Buying	.935	.152	6.136	***
Promotion	<---	Buying	.023	.057	.406	.684

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Table 2 Standardized Regression Weights: (Group number 1 - Default model)

		Estimate
Buying <---	Influence	.096
Information <---	Advertisement	.691
Necessity <---	Advertisement	.056
Pleasure <---	Advertisement	-.109
Credibility <---	Advertisement	.130
Dominance <---	Advertisement	.538
Stimulation <---	Advertisement	-.101
Brand Recall <---	Advertisement	.449
Affordability <---	Influence	.423
Acceptability <---	Influence	.558
Availability <---	Influence	.471
Awareness <---	Influence	.638
Price <---	Influence	.287
Package <---	Influence	.537
Product Attributes <---	Influence	-.030
Brand Attributes <---	Influence	.079
Preference <---	Buying	.631

Table 3 Covariances: (Group number 1 - Default model)

	Estimate	S.E	C.R	P
Advertisement <---> Influence	-.008	.009	-.910	.363

Table 4 Correlations: (Group number 1 - Default model)

	Estimate
Advertisement <---> Influence	-.044

Table 5 Squared Multiple Correlations: (Group number 1 - Default model)

	Estimate
Buying	.009
Promotion	.000
Celebrity	.347
Purchase Decision	.122
Preference	.398
Brand Attributes	.006

Table 6 Variances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
Advertisement	.245	.035	6.992	***	
Influence	.125	.022	5.739	***	
e20	.490	.091	5.411	***	
e1	.268	.031	8.522	***	
e2	1.299	.058	22.383	***	
e3	.728	.033	22.261	***	
e4	1.298	.059	22.186	***	
e5	.782	.052	15.066	***	
e6	1.325	.059	22.284	***	
e7	.767	.042	18.361	***	
e8	.572	.028	20.114	***	
e9	.862	.049	17.546	***	
e10	1.007	.052	19.382	***	
e11	.635	.042	15.016	***	
e12	.723	.034	21.489	***	
e13	.859	.048	18.059	***	
e14	1.147	.051	22.418	***	
e15	1.095	.049	22.361	***	
e16	.750	.086	8.668	***	
e17	.991	.050	19.971	***	
e18	.813	.079	10.334	***	
e19	.933	.042	22.423	***	

Table 7 Model Fit Summary

CMIN					
Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	40	1837.158	150	.000	12.248
Saturated model	190	.000	0		
Independence model	19	2994.315	171	.000	17.511

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.106	.855	.816	.675
Saturated model	.000	1.000		
Independence model	.142	.746	.717	.671

Baseline Comparisons

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	.386	.301	.407	.319	.402
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

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Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.877	.339	.353
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	1687.158	1552.717	1828.998
Saturated model	.000	.000	.000
Independence model	2823.315	2649.496	3004.470

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	1.826	1.677	1.543	1.818
Saturated model	.000	.000	.000	.000
Independence model	2.976	2.806	2.634	2.987

Table 8 RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.106	.101	.110	.000
Independence model	.128	.124	.132	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	1917.158	1918.780	2113.747	2153.747
Saturated model	380.000	387.708	1313.799	1503.799
Independence model	3032.315	3033.085	3125.695	3144.695

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	1.906	1.772	2.047	1.907
Saturated model	.378	.378	.378	.385
Independence model	3.014	2.841	3.194	3.015
HOELTER				
HOELTER HOELTER				
Model		.05	.01	
Default model		99	106	
Independence model		69	73	

- Computation of degrees of freedom (Default model)
- Number of distinct sample moments: 190
- Number of distinct parameters to be estimated: 40

- Degrees of freedom (190 - 40): 150
- Result (Default model)
- Minimum was achieved
- Chi-square = 958.95
- Degrees of freedom = 150
- Probability level = .089

4. INTERPRETATION

From the above analysis, the Chi square value is 958.95, degrees of freedom = 150 and calculated probability is 0.089, it is greater than 0.05, hence the model fit.

5. DISCUSSIONS

Based on the purchase factors, marketers create an advertisement, which gives information to the customers about the product and brand attributes, packaging, price, the place where the products are available and gives an idea on the product is affordable to the particular customer. The advertisement helps the marketers to create brand image, which stimulates the customers to buy the products. Advertisement also dominates the thinking pattern of the people and people start to feel the necessity of the products and understand the credibility of the same which influence the purchase behavior. The humor appeal used in the advertisement made people to watch the advertisement with pleasure which creates interest on the products so that they buy the respective products. The model explains that the advertisement factors and purchase factors are inter-related and the purchase factor influence the buying process. As Kotler says advertisements are used to create awareness and create brand image, it is not directly influence the buying and selling process. Same way from the study it is clear that advertisement doesn't have any direct relationship with buying; it influences the purchase factors which influence directly the buying process. The advertisement factors and purchase factors are negatively correlated each other because sometimes the reach and frequency of an advertisement is high but the purchase factors of the product is not met the expectation given by the advertisement, the result will be negative. So the marketers have to understand the purchase factors of their target customers before release the advertisement and also once the ad is released they should take necessary steps to meet the expectations created by the advertisement so that it will influence the customers positively which results in buying process.

6. CONCLUSION

From the findings and discussions of the study and also from the literature review we came to the conclusion that advertisement influences the purchase factors which influence the buying behavior of the customers. The age group of the respondents belongs to teens and early adolescence who is highly technology savvy group expects everything should be available on their foot step. When advertisers create copy for their advertised they should consider these factors. The study started with a theoretical framework as attitude towards advertising influence both purchase factors and buying behavior, but this model was disproved and a new model has been developed. The new model explains that advertisement and purchase factors have relationship and purchase factors influence the buying behavior.

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