

The Impact of Advertisement and Consumer Perception on Consumer Buying Behavior

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Abstract

Advertisement plays an important role in modern era as it shapes the attitudes and perceptions of individuals and society which strikingly influences the customer buying behavior along

with advertisement. This study helps to investigate the impact of advertisement and consumer perception on consumer buying behavior. The impact has been seen by the data obtained from the consumers of Gujranwala, Pakistan. Questionnaire survey was conducted to obtain data from randomly selected University of the Punjab, Gift University, Punjab College for women, Lahore grammar school and common consumers. A sample of about 150 respondents was obtained in a period of one month and their responses were further tested on SPSS software by applying different statistical techniques. The results revealed that advertisement and consumer perception both have a significant positive relationship with consumer buying behavior. The research showed that the impact of advertisement on consumer buying behavior is greater than the impact of consumer perception. Consumer perception has positive but weak influence on consumer buying behavior. Moreover, the study implies that consumer buying behavior can be enhanced with rich quality and creative advertisements and by building positive consumer perception through strong marketing strategies. Practical implications, research limitations and the future study directions also have been given at end of the paper.

Keywords: Advertisement, Consumer Perception, Buying Behavior.

Introduction

In today's era advertisement is of great importance. It is the essence of any product or brand. Advertisement can lead it to the epitome of success or to the diminishing layers of its existence. Advertising, when done in a proper way, is a surefire way to attract a large volume of the target audience in one shot. Only those products or brands become popular who put a brave show of their product. Advertisement can be done through different media. Some of majorly used are print medium (newspapers, magazines, and brochures), outdoor medium (billboards, events) and broadcast medium (television, radio, the internet). On the other hand the consumer behavior research has acknowledged the importance of consumer perception in consumer behavior. Any business can get on the road of success when it attracts and retains the consumers with profit and this goal is achieved when company builds a strong consumer perception for its product or service. Consumer perception plays crucial role in determining the behavior of customers. Consumer perception can be built through a number of ways which include appearance, feel of the product, price, quality and by fulfilling the promise made by the product and previous experience. Moreover perception can also be created through different sessions with the customers, by giving them a platform to express their views, as brands on facebook are perceived better. It all gives the consumers the confidence and they feel good about the product. A persuasive advertisement and positive consumer perception, tempts the customer, and all this momentarily influence the buying behavior of customer.

Internationally, advertisement is considered the prime factor for the success of any business. It ranges from simple words of mouth to the full blown marketing campaigns. Enormous efforts and money is invested in composition of a persuasive, compelling advertisement. On the other hand consumer perception is also deemed as one of the strong marketing tool through which a company can successfully reach its consumers. Once the company knows the psychology of how the consumers make their decision, it can really help improving their marketing strategies. The process of building perception starts with stimuli. Pleasant, unpleasant, surprise and contrast (to surroundings) are some of the marketing stimuli to build consumer perception. Positive consumer perception is believed to be a sure way to increase the buying patterns. Consumer perception is also developed globally by engaging the customers in variety of activities, by creating healthy opportunities for the customers, by fulfilling social responsibilities and by putting the customer needs above all. Through different advertising tools and by developing positive perception the customers are made to

believe that product belongs to them which builds their confidence towards the product and significantly improves the buying behavior.

On national level the scope of advertisement is very bright as it has grown a lot in last ten years. Advertisement is considered as the most imperative instrument to market any company's product. Marketers with the passage of time are becoming more and more responsive towards the medium of advertisement and making substantial efforts to shape affirmative consumer buying behavior by constructing positive perception in mind of consumers through means of effective advertisement policies. Despite the economic recession and financial crises prevailing in country the marketer are not ready to compromise on advertisement budgets and consumer needs.

The selection of advertisement strategy entirely depends on what kind of perception the company wants to build in the mind of consumer. When an affirmative perception is developed the consumers are more inclined to the product. They make efforts to transform the perceived thoughts into action and actually buy and experience the product and if the product goes with customer's perceptions then a long lasting positive value is built with all the products of that brand. Hence effective communication with customer through strong advertisement strategies and through open discussions, social platforms and feedback is the main key to profit in modern age. Persuasive ads give confidence to the consumer and build trust towards the product being advertised. All the big guns have made significant attempts to ensure quality advertisement and fabrication of strong consumer perception through suitable ways that positively affects the consumer buying behavior because people get knowledge about product through advertisement and other promotional tools and develop perception through company's activities and his previous experience with that company and past purchase accordingly. Considering the importance of consumer perception in consumer buying behavior companies are focusing on conducting the research to study consumer perception and preferences more deeply.

Quality advertisements and optimistic perception are main keys to survive in this fast moving era. It doesn't only help in retaining the existing customers but also boosts the profit margin by bringing prospects towards the product. In light of this discussion one can assume that the advertisement and consumer perception have significant relation with consumer buying behavior.

Literature Review

According to Anand et al (2009) every advertisement strategy includes two main characteristics which are targeting and information content of the advertisement. The information is presented to the target audience through firm's selected advertising medium. Furthermore Byzalov et al (2004) revealed that consumer gets enough informed about product when he is more exposed to a product's advertisement and this results in lessening the risk involved with product and this factor is called as advertising role of risk reduction. Moreover Hanif et al (2010) observed that the key to customer satisfaction is when his needs and desires are fulfilled and proper services are provided, moreover fair pricing also leaves impact on customer. According to Hamilton et al (2009, August) when a firm participates in generic advertising programs, it has a significant impact on firm's market performance. According to Shachar, R., & Anand, B. N. (1998) too much expenditures of TV networks on tune-in seem unnecessary but in actual these advertisements really influence the decision of audience for what to watch. De Mooij, M. (2003) also elaborated that the divergence in consumer behavior that leads to variation in consumer's choices is majorly due to cultural difference that usually results in different consumption pattern. Moreover Yang et al (2002) observed that the reliability, personalization, ease of use and access are the factors that are considered by both internet purchasers and non purchasers. So internet based companies must give importance to

these services. Moreover credibility and availability are also important factors to be considered. Ackerberg, D. A. (2001) also argued that advertisement containing product information influences prospect's opinion about product, while advertisement with prestige or image effects influences both prospect's and product users opinion about product. According to Barroso, A. (2008) when the sale of any product increases, it is because the consumer is aware about the product's value and this point is achieved through efficient advertisement about product. Furthermore, Kihlstrom et al (1984) argued that there are cases when advertisements with no product information still reflect quality and this is when market mechanisms create positive association between product quality and advertising expenditures. According to Hoch et al (1986) advertisement plays a significant role in deciding product's quality when the physical evidence provided for the product is somewhat ambiguous. Tsang et al (2004) also stated that mobile advertisement is not so affective medium to convey the message to consumers unless consumer himself has subscribed to any kind of mobile advertisement service. Moreover Weilbacher et al (2003) elaborated that the advertisement only adds value to what customer has perceived and learned about the brand and the main advertisement task is to present the whole advertisement idea in a way that product always stays fresh in mind of customers. Mohr et al (2001) identified a different dimension in consumer perception that consumers prefer those firms or organizations that are socially responsible and make charitable donations. The ethical behavior of organizations increases the inclination of customers towards them. According to Kacen et al (2002) emerging e-commerce has provided consumers so many impulsive purchasing opportunities but some cultural aspects temperate the consumer's impulsive purchasing attitude. Moraga-González (2000) also explained that informative advertising is designed when consumers are capable of evaluating quality of product, and they give consideration to quality of product and cost of advertisement is high. Li et al (1999) analyzed that demographics, channel knowledge, shopping orientations and perceived channel utilities are the important factors that must be taken into account while analyzing consumer online buying behavior. Also the education, convenience and experience are important to confer to while discussing online shopping attitude. According to Elliott et al (1994) country of region is important predictor of product quality as imported product is more preferred when local product is considered of low quality. But consumer pick local product when price, technical features, and brand name are invariant. Raj S. P. (1982) also examined that consumer purchase for a product increases when advertisement for that product increases and this increase is due to high loyalty. While increase in advertisement doesn't affect low loyal customers purchases so much. According to Wogalter et al (1991) product warnings and consumer's willingness to read those warnings is one of the important factors through which customers forms hazard perception about product.

Becker et al (1993) analyzed that the impact on customer utility, the level of competition in the market for advertised goods and the induced variation in prices are some deciding factors to judge whether huge or little advertisement is required. Holbrook et al (1982) also discussed that in order to analyze consumer buying behavior more deeply, one must go through the pattern of experiential aspects of consumer behavior such as fantasies, feeling and fun associated with product because these leave a great impact on consumer buying behavior. Deighton et al (1994) suggested that advertising might result in switching from one brand to another brand but it does not influence purchase rate of consumers. Anderson (1973) suggested that when product actual performance does not meet consumer's high expectations, it generates unfavorable and negative product image. According to Sirgy et al (1982) self concept of consumer about the product is an important predictor to judge consumer attitude and consumer preference about the products. Moreover Petty et al (1983) described that the central and the peripheral routes of the persuasion are equally important to bring effective results from any advertisement but which route to chose to advertise a product entirely depends on the level of the involvement (investment required to get hold on the product). Central route of the persuasion works where product has high involvement as in this case the consumers focus more on the informational content about the product. Peripheral route is

adopted when the product is of low involvement and in such scenario the use of celebrities and common citizens as endorsers in the advertisement has the positive effect on the consumer attitude toward the product. Smith et al (1983) also presented a marketing scenario in which the influence of direct and indirect experience is revealed on the consumer's attitude and behavior consistency. The direct experience in terms of product trial leaves a remarkable impact in shaping attitude and behavior of the consumer towards purchase decision. While the indirect experience which includes advertising a product has comparatively lesser impact on attitude and behavior consistency of consumer. Milgrom et al (1986) proposed a different view in shaping consumer behavior that the importance of camera angle in product advertisement for seeking the attention of audience. Different camera angles have different impact on audience. The camera angle is the most influential factor when the audiences' processing motivation is not very high. In case of low processing motivation the camera angle that makes the audience to look up at the product is highly favorable, moderate results are obtained when angle enables the product to be positioned at eye level and the least favorable results come when audience has to look down at the product. But in case of audience having moderate processing motivation the eye level camera angles work best. Childers et al (1984) acknowledged the importance of picture for any product advertisement and said that it has great impact on consumer memory. The pictorial ads give really incredible results in scenario of immediate and delayed recall tasks where apparent features are focus of processing. While verbal works only in case of immediate recalls and it loses its value when the delayed recall is required.

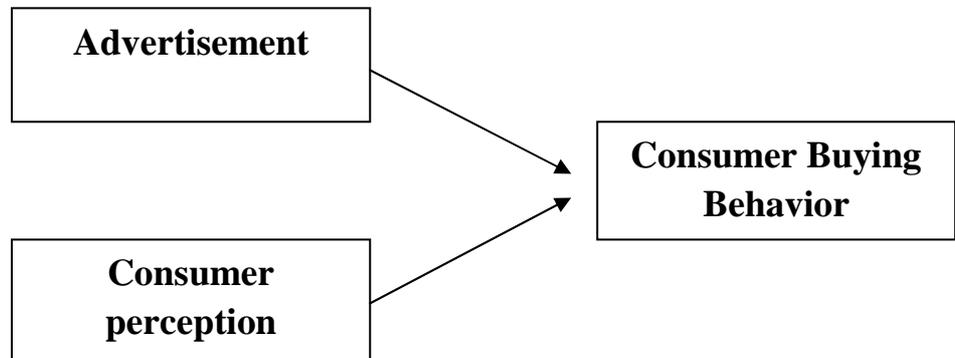
Mela et al (1997) also studied the long term outcome of the advertisement and the promotional activities on consumer choice of brand. The model says that advertisement plays a major role over time in making the consumer less price sensitive while in comparison the promotional activities are one of the important causes of making the consumer more sensitive towards price and the promotion of the product. This pattern is observed in both loyal and non loyal consumers but it is observed more widely in the non loyal consumers. Ackerbergm D. A. (2003) also revealed that advertising is a great source of product learning. This learning process is carried by either information advertisement or prestige or image advertisement but the research shows that the presence of informational content in an advertisement is a primary tool for creating learning about the product and the image content has relatively less significance in creating the learning about the product and this prestige strategy does not work in every product category with same effectiveness to support the purpose of learning. According to Wang et al (2002, August) traditional and the internet marketers both can strategize their advertisement policies more effectively by deeply studying those factors in advertisement through which the audience or the consumers form their perception about the product. Some of these factors are information content presented in advertisement, the degree of focus on entertainment, credibility and the different demographic characteristics presented in advertisement. Moreover, the advertisement with more interactive concept grabs more attention of the consumer. Vakratsas et al (1999) also suggested that in order to know how an advertisement works; it should be evaluated on the basis of three aspects. First of all, the behavioral dimension that includes purchasing decision, brand choice and market share. Secondly the effect on the consumer behavior values and believes. And third the most important cognitive dimension that includes product type, the degree of competition in the market, the development stage of the product and the consideration of the market that needs to be captured. According to Zhang et al (1996) the phenomenon of humor in the advertisement significantly influences the individual's response towards product. And this phenomenon does not equally influence each individual. Presence of humor in advertisement produces favorable results for a person possessing low need for cognition.

Hypotheses

1. **H1:** Advertisement has significant relationship with consumer buying behavior.

2. **H2:** Consumer perception has significant relationship with consumer buying behavior.

Hypothetical Model



Research Methodology

In order to analyze the impact of advertisement and consumer perception on consumer buying behavior in far reaching and inclusive way we used quantitative technique. To obtain more accurate data questionnaires were being filled. It contained two sections demographic section and subjective section. Demographic section is consisted of gender, age, income and occupation while other section includes questions of advertisement, consumer perception and consumer buying behavior. The questionnaire contained 19 items to collect the data from target population. And the items are scaled on 5-points likert scale to compute and assess the responses. 150 questionnaires were filled by randomly selected customers.

Demographics

To analyze the impact of consumer perception and advertisement on consumer buying behavior data was collected through questionnaires. 150 questionnaires were being filled by people from different sectors which consisted of 27% males and 73% females. 65% were between the age of 15-25, 29% between the age of 25-30 and 6% between 30-40 or of above age.

Findings, Tables and Results

Correlations

		Consumer perception	advertisement	Consumer buying behavior
Consumer perception	Pearson Correlation	1	.457**	.353**
	Sig. (2-tailed)		.000	.000
	N	150	150	150

advertisement	Pearson Correlation	.457**	1	.709**
	Sig. (2-tailed)	.000		.000
	N	150	150	150
Consumer buying behavior	Pearson Correlation	.353**	.709**	1
	Sig. (2-tailed)	.000	.000	
	N	150	150	150

** . Correlation is significant at the 0.01 level (2-tailed).

Descriptive statistics table shows that 1% increase in consumer perception brings 0.353 variance in the consumer buying behavior which is 12% (0.353^2) and 1% change in advertisement brings 0.709 variance in the consumer buying behavior which equals to 50% (0.709^2)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.862	.339		2.541	.012
	Consumer Perception	.026	.046	.037	.562	.575
	Advertisement	.801	.076	.692	10.591	.000

a. Dependent Variable: consumer buying behavior

The β study of variables shows the effect of independent variables on dependant variable. Results show that advertisement has strong influence on consumer buying behavior with β value of 0.692. It can be explained that 69.2% variation in consumer buying behavior is due to advertisement which is significant at .000. The second influential variable is consumer perception with β value of 0.037 which is significant at 0.575. Thus H1 is partly supported because it has lesser influence on dependant variable.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.710 ^a	.504	.497	.07215	1.955

a. Predictors: (Constant), advertisement, consumer perception

b. Dependent Variable: consumer buying behavior

Model summary table shows the summary of results. R square explains the total variation in dependant variable (the consumer buying behavior) due to impact of two independent variables namely consumer perception and advertisement. It shows the 50.4% influence of both independent variables on the consumer buying behavior which depicts the significant relationship among the variables. Durbin Watson was calculated to observe the type of correlation among the variables either positive, negative or zero. The value of Durbin Watson is 1.95 which shows that positive correlation between the variables under study.

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.776	2	.388	74.546	.000 ^a
	Residual	.765	147	.005		
	Total	1.541	149			

a. Predictors: (Constant), advertisement, consumer perception

b. Dependent Variable: consumer buying behavior

ANOVA table illustrates that significance level is 0.000 which is less than 0.05. Hence it is acceptable and shows the strong influence of consumer perception and advertisement on the consumer buying behavior.

Conclusion, Limitations and Further Research

The main object of the study is to examine the impact of consumer perception and advertisement on consumer buying behavior. The cross sectional data was collected through questionnaire from randomly selected people. Findings reveal that advertisement has strong positive impact on the consumer buying behavior and consumer perception has positive but weak influence on consumer buying behavior. From the results we can conclude that quality advertisement and positive perception can really play a vital role in improving consumer buying behavior. In addition this research can be done more accurately and precisely with larger sample size as the shortage of time and financial constraints limited the study to province of Punjab only. Other province of Pakistan will also be considered in near future for obtaining more comprehensive results.

Practical Implications

The main purpose of this study is to provide insight that how effective advertisement and positive perception influence the consumer buying behavior. Descriptive statistics table shows that 1% increase in consumer perception brings 0.353 variance in the consumer buying behavior which is 12% (0.353^2).and 1% change in advertisement brings 0.709 variance in the consumer buying behavior which equals to 50% (0.709^2). So advertisers should work hard in making quality advertisement and developing the optimum consumer perception as it gives confidence to consumers to buy the product.

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