Impact of advertising on consumer and buyer behaviour

[Economics](), [Consumer]()

\n[toc title="Table of Contents"]\n

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Introduction

Advertising used properly is a major tool in the hands of marketing managers which helps enable them to sell products, services and ideas. The idea is to sell products to the consumers. This has been proved by the fact that companies are investing a lot of time and resources into developing ad campaigns for their products

Advertising has gone through many phases. The first era was production-oriented. Here mass production was seen as a means to selling products by pumping in huge volumes into the market place. As a result demand exceeded supply; hence there was no need to advertise products (Holt, D, 1983). They sold themselves.

However with the passing of time and due to rising competition, surplus goods were available. As a result of this companies were required to sell their products using a sales oriented mechanism. This typically involved pitching in their products, highlighting their USP's, so as to convince customers to buy their products rather than their competitors. As a result products became de linked to the volumes in which they were being produce (Belk, Russell. 1974).

To better approach the problem of selling companies tried many techniques. These techniques combined with the support activities of marketing can be called as advertising. Advertising has been considered important since the time when trade started, then was the time for advertising by mouth, now we have different media platforms for the same purpose. But still the traditional word of mouth holds the best appeal inrespectto all advertising platforms.

In its initial phases advertising was limited in both time and space. Broadcast commercials are generally 10 to 60 seconds in length. Print ads are generally no larger than two pages, and often much smaller. Advertising therefore needed to do its job in an effective manner. Its primary tasks were to capture the consumer's attention, identify itself as being aimed at meeting the needs of that consumer, identifying the product, and delivering the selling message.

Elements of marketing

Marketing generally consist of advertisements to the target audience. This is in the form of:

1. Copy

This consists of words, either spoken or printed that carry a message thereby helping the reader to form an opinion about the subject.

2. Illustrations

Copies can be augmented with the use of pictures, photographs or diagrams. The aim here is to convince the reader to buy the product.

Most ads have a mixture of copy and illustration, in size and scope, depending upon how the advertiser wants to convey his sales message. It also depends upon the nature of advertising and the budget for advertising.

How sales messages are presented through Advertisements

There are two basic ways of presenting a sales message: intellectually and emotionally. An intellectual presentation depends on logical, rational argument so as to convince a consumer to buy the product or service. For example, for many television purchasers, buying doesn't depend on what the case looks like or what effect the machine might have on their social life. What they're looking for is technical information, what is its resolution, whether it has HDMI, whether it supports USB functionality. The most important part is that of the sales message. This message must encapsulate all the benefits, features of the product and capture all the unique benefits that a consumer might have if he purchases this product vise vie the competitors product.

The second basic way to present a sales message is emotionally. In an emotional presentation, here there is a concentration on other aspects of the consumer's bundle of values: social, psychological, economic. Here they are clubbed together with core " bundle of values".

For example, the presentation shows how the product or service enhances the audience's social life by improving their snob value or self-esteem, or how it will increase their earning power.

Behavioral targeting and the psychology of marketing

Model for buying behavior: Sandhusen, Richard L.: Marketing (2000, S. 218)

Decision making plays a huge role in the purchase behavior of consumers. Behavioral marketing can be used to target consumer segments based on the following parameters:

1. Individual factors

These include intrinsic factors such aspersonality, lifestyle, age and income of the individual.

2. Group Influencers

These include all those factors that inadvertently help an individual identify himself with a certain class or standing in the society. These could include peer groups, friends, familyandculture.

3. Physicalenvironment

Factors such as geographical proximity, location climate etc, which vary from place to place.

The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as how

Consumers think, feel, reason, and select between different alternatives i. e. brands, products, and retailers.

The behavior of consumers while shopping or making other marketing decisions.

Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome.

How consumermotivationand decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer

How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer

Research on factors affecting Consumer Behavior

Based on P. Kotler’s framework for consumer buying process

The advent oftechnologyhas helped us in mapping the factors that influence consumer buying behavior. These can be grouped as:

What brand in a given product category was bought during the last, or a series of past, purchase occasions

Whether, and if so, how many times a consumer has seen an ad for the brand in question

Whether the target brand is on sale during the store visit

Whether any brand had preferential display space

The impact of income and/or family size on purchase patterns

Relationship marketing has come up in a big way in influencing consumer behavior.

Relationship managers have come to symbolize the increasingly blurred line between marketing and selling by establishing a purchase-exchange process with a by providing a more holistic, personalized purchase, and uses the experience to create stronger ties (Young, Charles E, 2002).

Other major factor that contributes in consumer buying behavior is:

Market segmentation

A market segment is a sub-set of a market made up of people or organizations with one or more characteristics that cause them to demand similar product and/or services based on qualities of those products such as price or function. A true market segment meets all of the following criteria: it is distinct from other segments (different segments have different needs) (P. Kotler, 2003), it is homogeneous within the segment (exhibits common needs); it responds similarly to a market stimulus, and it can be reached by a market intervention.

Models used for influencing Consumer Behavior

Advertising models used for co relating consumer buying behavior and advertising use the following variables as part of their studies. Depending on the type of model used, these variables are assigned different weight ages, which are ultimately used to compute the final result.

StageDependent variable of interestTypical model used for research

Need ArousalPurchase (category choice)

Purchase timingBinary choice modelsInformation Awareness (aided/ unaided)

Consideration revoked set

Choice set

Belief dynamicsIndividual awareness models

Consideration modelsEvaluationProduct perceptions

Product preferencesPerceptual mapping/

multidimensional scaling

model

Attitude models:

Compensatory

Non-compensatoryPurchaseBrand choice

Store choice

Quantity choiceDiscrete choice models

Hierarchical modelsPost PurchaseBrand

satisfaction/satiation

Word-of-mouthSatisfaction models

Variety-seeking models

Communications network

From John H. Roberts and Gary L. Lilien: Explanatory and Predictive Models

of Consumer Behavior

The most common of the models listed above consist of the following:

1. Preference formulation basis

Beliefs about products (perceptions) can be measured directly by asking consumers how much of a feature they perceive a certain product to contain, or they can be inferred, by asking consumers how similar certain products are and then inferring what discriminates between different products (Bass, Frank M, 1973).

Here the strategy is to align the consumer preferences with that which is being offered by the company.

2. Compensatory/ Evaluation model

In a compensatory model, the weakness of a brand or product on one dimension can be compensated for by strength on another, and those strengths or weaknesses are combined to determine an attitude toward the brand (Bhagat and Jagdish N. Sheth 1974). In non-compensatory models, usually only a small number of attributes (two or three. say) are wed to evaluate a brand, and shortcomings on one attribute cannot be overcome by favorable levels of another.

Here products are complemented against one another so as to augments each other’s strengths and cancel out their weaknesses.

3. Model of awareness

Once a consumer recognizes a need, he enters a state of heightened awareness in which he seeks more information about brands or products that could satisfy that need. Evaluation and brand choice take place based on the information resulting from this search.

Here the main goal is to make the maximum number of target audience aware about the product and its offerings.

4. Satisfaction models

The modeling of consumer satisfaction is based on the confirmation / disconfirmation paradigm. Confirmation occurs when the consumer’s perception of how the product performs after purchase matches the expectation the consumer had prior to purchase. Positive disconfirmation occurs when product performance exceeds expectations; negative expectations occur when the product falls below expectations (Stuart, Ewen, 2005).

Here we try to find out if the product is fulfilling the need gap perceived by the customer and what is offered by the company in the form of its product offering.

5. Brand Attitudinal model

The model proposed attempts to predict behavioral intention toward a particular brand within a product class across situations. The situational variables included consider the conditions necessary for a particular situation to affect the choice of a particular brand. The individual must first encounter the situation and then the product must be suitable for use in that particular situation. If these conditions are met, the likelihood of the individual using a particular brand in a situation can be assessed.

Here emphasis is given to the consumer preference or non-preference of a certain brand, compared to its competitors

6. Innovation diffusion model

Diffusion is the process by which a new idea or new product is accepted by the market. The rate of diffusion is the speed that the new idea spreads from one consumer to the next. Adoption is similar to diffusion except that it deals with the psychological processes an individual goes through, rather than an aggregate market process. In economics it is more often named " technological change"

Conclusion

In a field as vast and diffuse as that of consumer behavior and consumer markets, it is difficult to develop a single best synthesis. We have drawn from developments in the literature of the behavioral sciences, economics, marketing, statistics, and the like and have categorized according to the stage or stages in the decision process to which those developments appear most applicable. Previous models overlap these processes and stages but this integrating framework provides a useful way of organizing this large, diverse literature.

Most of the models and theories postulated above have been able to identify many cognitive, intensive and psychological factors which eventually go into the buying process for any individual. These are such as Purchase Awareness, Belief dynamics, Product perceptions, Product preferences, Brand choice, Store choice and Quantity choice.

The future of consumer behavior modeling is bright; newer models are richer, more flexible, and more closely attuned to modern data sources. Yet many phenomena are poorly model at the moment. Many modern areas such as modeling consumer purchase heuristics, modeling consumers psychological processes, matching models to market segment, and modeling preferences can serve as fruitful areas that deserve intensive attention in the future.

And so we can say with far more probability and accuracy that advertising do affect consumer behavior and also helps us to register our brand in their subconscious or conscious minds thereby helping the organization boost sales.

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