

# Impact of tv advertisement on youth marketing essay

[Business](#), [Marketing](#)



An old Chinese proverb says: When eating bamboo sprouts, remember the men who planted them. Now that our sprouts are ready to eat, it's time for us to express our deepest gratitude to all those who have made it possible. While presenting this report, I would like to appreciate those who took time to help us in completing this project successfully. I thank those people who have provided their existence, encouragement and enthusiasm. Without them this project would not have been possible. I would like to express our gratitude to all those who have been instrumental in the preparation of the project. I wish to put on paper, my deepest gratitude to my Internal guide Mr. Sunil BI would like to thank Prof Mrs. Maya Chakravati Vishwanathan Director SIMC-B for this opportunity Muthanna K. S. Roll No 328MBA- Communication Management SIMC-Bangalore (2011-2013)

## **DECLARATION**

I hereby declare that the report submitted to Symbiosis Institute of Media & Communication, Bangalore is a record of an original work done by me under the guidance of Mr. Sunil B, and this report work is submitted in the partial fulfillment of the requirements for the award of the degree of Masters in Business Administration (MBA) in Communication Management. The results embodied in this report have not been submitted to any other University or Institute for the award of any degree or diploma. Muthanna K. S. Roll No 328MBA- Communication Management SIMC-Bangalore (2011-2013)

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## EXECUTIVE SUMMARY

It can be seen that the decision making process of any individual is highly depended upon the advertisements that an individual is exposed to it. So it comes it question how a person will an MBA qualification is able to analyze advertising for their purchase decisions when they have studied the subject matter and know what it's all about. Hence an analysis has been done to see as which factors most influence an individual into purchases or if there is no difference between a MBA student to that of a common man. This research will be able to give me a better understanding to the reasons of purchase of an individual. In a nutshell the whole project allowed me to use my communication skills as I have to converse with many individuals to get the results that were required. This was helpful as it was with relevance to the course that I am pursuing as I have already seen a glimpse of what the industry is about

## LITERATURE REVIEWS

### IMPACT OF TV ADVERTISEMENT ON YOUTH

#### PURCHASE DECISION

##### **Journal of Advertising**

| March, 2013 | Swati Bisht Advertising is to create understanding, liking, and

selection of product or services. The most influencing theory in marketing

and advertising research is attitude-towards-the-ad. However, the attitude

that is formed towards the ad help in influencing consumer's attitudes and

perception toward the brand until their purchase intent Shiffman and Kanuk

explain the meaning of " consumer behavior" as the behavior that consumer

behave in the form of acquiring, buying, using, evaluating, or consuming

product, service and idea to fulfill own need, and be the study of the decision

making of consumer in spending resources, both money , time and power for

consuming products and services that included (1) what to buy, (2) why to

buy, (3) how to buy, (4) when to buy, (5) where to buy, and (6) how often to

buy. A study by Sharma finds that nowadays consumer is not easily swayed

by a celebrity in an ad but he needs full fledge information about the product

also, followed by brand name, overall appeal, and music/ jingle.

Advertisements being endorsed by celebrities are found to be less attractive

and that the use of celebrities may not change the buying behavior of

consumers significantly. According to Liebeck (1998) teenagers are now

more knowledgeable. They are truly the internet generation, and get their

news and information primarily from television. The television medium is the

most attractive and important place to advertise. Most of the young people

remain glued to the television and enjoy what they see. As a wide range of products and services are consumed or used by children, many companies tend to target them. According to traditional hierarchy-of-effects models, advertising affect of advertising exposure leads to brand cognition and cognition about the ad, which then leads to the attitude towards the ad and the brand until their purchase intent. Advertisers target teenagers because of their high disposable income, their influence on parental purchases, their early establishment of loyalty to certain brands, and a conventional wisdom that they buy products on impulse. Symbolic value is expected to equate the consumers' self-image, to have an impact on individual preference, where preferences may develop for certain brands because they are perceived as reflecting their own self-image or projecting an image that they aim to possess. If the meaning of a product is not associated with the consumers' self image, it is likely to have little influence on purchasing behavior. Saksena (1990) found that teenagers are influenced by TV advertisement and mostly purchased those brands and products which are advertised more on television. Previous studies also focus their attentions on the psychology side of advertising and they indicate how to use people's emotions to get their attention and increase their recall of the advertisements, in the hope that this will lead to the purchase of that product in some point in time. Heath, Brandt and Nairn in their research reveal that advertising association's attempt to accomplish three things: attention, brand awareness and persuasion.

# THE EFFECTS OF MEDIA CONTEXT EXPERIENCES ON ADVERTISING EFFECTIVENESS

## Journal of Advertising

| September 22, 2007 | Malthouse, Edward C., Calder, Bobby J., Tamhane, Aji

The impact of media context on advertising effectiveness has received considerable attention in the research literature. Context effects have been approached in terms of differences in media content. For instance, compare advertising in entertainment television shows versus news television shows. More generally, media context has been identified with the concept of "involvement." Ads had been inserted in different types of magazine sections and varied the involvement of the sections. It is able to compare participants who were highly involved in a program with those who were not involved. These and other studies point to the existence of media context effects and the need to understand these effects in terms of psychological reaction to the medium. Involvement, however, is a very loose construct when used to describe media contexts. They give an extensive literature review of different ways that the construct has been operationalized. It defines magazine involvement as how disappointed a person would be "should the magazine stop publication." Adapting television involvement scales for magazines and newspapers, three factors labeled informational value, emotional connection, and concentration/diversion. Other streams of research, including work on the Elaboration Likelihood Model (ELM), also offer a variety of different operationalizations. In the most extensive review of such work, it can only conclude that the underlying construct is defined generally as a motivational state that implicates the self-concept in a desired

outcome, in other words, personal relevance. What exactly does involvement mean? Involvement certainly means that you care about the medium--in our case, a magazine--and get something worthwhile from reading it. Perhaps it means getting "caught up" while reading it. But how is this different from saying that you like the magazine or that you read it a lot? We propose that there is an advantage to moving beyond the descriptive and rather loose characterization of media contexts in terms of involvement. To do this, we introduce the term media experiences, and focus here on consumer magazines. The goal is to capture the qualitative thoughts and feelings people have about a magazine--what it means to like and use a magazine from their perspective. Given all of the different operationalizations of involvement, we should expect many such experiences at some level, but the point is that it is the specific experience that defines involvement. Thus, we present our first research hypothesis: Reader experiences with magazines are multidimensional. Collectively, these experiences might be referred to as a person's "involvement" or "engagement" with the magazine, but identifying the separate experiences will provide specificity. Many of the studies mentioned above show that "involvement" affects reactions to advertising. The literature review in Dahlen furthermore proposes three mechanisms to explain this effect. The first is the mood congruency--accessibility hypothesis: "The ad context makes a certain mood or affect more accessible and relieves the processing of stimuli with similar moods or affects". The second is the congruity principle: "The medium and the advertised brand converge and become more similar in consumers' minds". The third is that the context serves as a cognitive prime that "

activates a semantic network of related material that guides attention and determines the interpretation of the ad". All three of these mechanisms apply to our conceptualization of reader experiences. Experiences measure the thoughts and feelings that readers have about a magazine. Along with constituting a mood, they converge with thoughts and feelings produced by an ad and prime additional ad-related information processing. These mechanisms are not alternative theories. It is likely that all three are implicated in media context effects, which leads us to theorize that experiences affect reactions to advertising. More precisely, we hypothesize the following: It's also seen reader experiences with a magazine are related to the attitudes that people have toward advertisements appearing in the magazine after controlling for other relevant factors. In outlining potential future research, we discuss how the experiences identified here provide a foundation for further theoretical work. Relevant to this a typology of approaches for quantifying the effect of media context. Approaches are either direct (based on advertising effectiveness norms) or indirect (based on characteristics " that bear a theoretical and empirical relationship to advertising effectiveness". They are also either specific to a particular ad or generalizable across advertisements. Our approach is indirect because experiences have a theoretical and, as we show here, empirical relationship to effectiveness. The results presented here are generalized, but the experiences identified provide the foundation for future research on message-specific effects.



## **THE REFLECTION OF OUR NATION THROUGH ADVERTISING**

| April 25, 2007| Alex Wallau

There was a time where advertisers aimed at appealing to the main stream, middle class family. Society making media strived to bring people closer together by acting out concerns and connections that people ought to share in the larger national community. For example, one of Coca Cola's 1943 advertisements focused on the notion of the "refreshing rest pause", also known as taking a break and drinking a coke. This message followed into the 50s with slogans like "Thirst too, seeks quality". These ads focused on universal ideas that everyone could relate to. Everyone gets thirsty and everyone wants to take a break while working. Therefore, these ads were part of society making, where the message related to all and all related to the message. Their strategy was to highlight the importance of the nuclear family, the neighborhood and the country as a whole. However, as our free market economy began to flourish, advertisements cluttered the mainstream and made it impossible for an ad to reach its potential influence. Therefore, advertisers began to shift from a "society making" media to a "segment making" media. Their aim is to package individuals, or groups of people, in ways that make them useful targets for the advertisers of certain products, through certain types of media. For example, Subway and Taco Bell are both considered fast food chains. However, Subway has created and attracted a more health conscious audience to target. Whereas, Taco Bell has attracted the "tastes good, so you feel good" audience. They have segmented the fast food eating population into the health-conscious and the taste-conscious. By having

different groups of centralized targets, advertisers can mold their ads to specifically influence that group and therefore increase sales. In essence, segment making media has encouraged small slices of society to associate with one another, whereas society making media unidentifies all those slices and encourages communication among the whole. Through the new segment making media, mainstream conformity becomes obsolete. Different groups emerge and create an appealing environment through their selection of media, and the commodity signs they identify with. It is supported that this claim through three different mechanisms. First, new technology, such as cable, satellite, Tivo and the Internet allow people to select what type of media they want to be a part of. Viewers of any type of media are focused with whether or not the medium reaches people like them, resonates with their personal beliefs and helps them chart their position in the larger world. The television industry has made attempts to search out and exploit differences between consumers, by providing over 400 specialized channels. For example, Nickelodeon, MTV, Food Network or ESPN are all specialized channels that attract a certain type of people. Each group is attracted to a specific type of content, which makes it easier for advertisers to target a specific audience a certain way. Miller Lite can successfully reach their target audience (19-24 yr. old men) through their "Man Law" commercials on ESPN. They create a commodity sign that distinguishes their product with certain values that characterize and attract the right consumer, and alienate other demographics. Therefore, when these consumers buy the beer they also buy with it the label of the young male sports fanatic who hangs out with his buddies and watches sports – the real man. The second mechanism

points out that our media is becoming global, where people all over the world are being influenced by segment making media. People in Japan can be part of the same interest specific audience as those in America. Globalization is creating a broader audience that can be further segmented into smaller slices. For example, people watching ESPN sports in America can watch it in English, whereas those in Japan can watch it in Japanese. They are both sports fanatics but the media is altered to adhere to that specific group. Respectively advertisements can also be changed so that the ads we see in America appeal to us and those they see in Japan appeal to them on the same channel. This way differences are highlighted to the benefit of advertisers who want to appeal to a specific audience. These new interest groups created out of our segmented media are known as the third mechanism, Niche markets. For example, users of social networking website have become an important niche market that advertisers are focusing on. As Abbey Klaassen of AdAge. com noted, there is some value in having a brand or product placed on a Myspace user's page. Rex Briggs, CEO of Marketing Evolution further stated that real value is created when " I take the brand, put it on my profile page and then all the people would develop a deeper meaning for what [the brand] stands for because of where it stands in my own personal story". Social Networking Websites have not only created a new platform for advertising but also allow each user to inherit a brand. They make a choice to identify with the ad, which tells a story about them. This message is then translated to all their " friends" or " buddies". These three mechanisms have paved the way for the growth of advertising companies and consumerism as a whole. Although, many people like the transition from

society making media to segmented media, this transition can result in negative consequences. Segment making media is beneficial because it strengthens individual identities and creates a comfortable setting for minorities and many other special interest groups. However, it has been said that each group exists in their own bubble as self-Indulgent individuals who are only interested with themselves and not the benefit of society as a whole. There has been a shift in society after the baby boomers, where conformity and the mainstream are no longer attractive or satisfying. Therefore, advertisers had to come up with something to attract the new generation. This generation is interested in being different and unique, and consequently interested in segment making media. Segment-making media has created a new definition for community, however some people believe that this new trend has undone our sense of community and has limited our media absorption. Teressa Lezzi of Advertising Age stated that segmented media is taken as an unalloyed good that we can receive only the messages we've already decided we want to see. She suggests that people are limited to only the information they chose to receive in advance. I disagree because not only are all messages available to media viewers but also that people are not limited to only one niche, but can be part of multiple segmented groups. Today's media does a great job of attracting people into certain lifestyles, appeals or other segments. When someone finds a certain message appealing, they automatically become susceptible to that message. However, different messages are available if someone is interested in counter-messages. For example, even if someone hates watching MTV or does not find fashion magazines appealing, the information is still there.

Diverse messages are always available almost simultaneously, whether they be different channels, different magazines or even websites. Therefore, the common belief that our segmented media is limiting our flow of information is invalid.

## **INTRODUCTION: IMPACT OF ADVERTISING**

The known effects of advertising on consumers range from creating an awareness of the product or service to influencing a buying decision.

Advertising can create a shift in thinking by consumers which may take different forms. For example, after viewing an ad, a consumer may decide that his or her usual product either seems better or worse than the one being advertised, without knowing exactly why. Other effects of advertising that create a more conscious shift in consumers' thought processes may be due to a strong informational aspect. In the case of advertising that provides statistics or facts, this information may convince a consumer to switch brands. For example, if the manufacturers of a soup that most children love announce that the soup now has a full serving of vegetables in each portion, this can affect many parents' decisions to switch brands. Other parents who don't typically buy commercial soups, but make their own, may simply get the effect of recognizing that this brand now seems healthier. While these brand awareness effects of advertising on consumers won't likely influence buying of the product immediately, the soup may be on the parents' minds to purchase if at some point they can't make their own. Direct response advertising, such as the infomercial programming often shown late at night on many television stations, works much differently than

ads that have brand awareness or future buying decision effects. Direct response effects of advertising on consumers are designed to create a sense of urgency to order the products immediately. These convincing and compelling ad effects are usually done by using demonstrations, an excited-sounding announcer pointing out unique product benefits and adding incentives for acting immediately. For instance, common ordering incentives include receiving free products or even two sets of products for the price of one. Persuasive effects of advertising on consumers are especially impressionable on children. Advertising sugary cereals, toys and fast food during children's television shows is controversial, as many parents and child advocates argue that kids shouldn't be subject to these ads. Although parents ultimately are the ones who make the buying decisions, the children watching the commercials pushing products that grab their interest typically ask a parent to buy the items. These effects of advertising on consumers can make for annoyed parents, yet at the same time the parents are also likely to purchase at least some of the products being advertised for their kids such as for a birthday gift or special treat. The advertising industry, as a whole, has the poorest quality-assurance systems and turns out the most inconsistent product (ads and commercials) of any industry in the world. This might seem like an overly harsh assessment, but it is based on testing thousands of ads over several decades. In our experience, only about half of all commercials actually work; that is, have any positive effects on consumers' purchasing behavior or brand choice. Moreover, a small share of ads actually appears to have negative effects on sales. How could these assertions possibly be true? Don't advertising agencies want to produce

great ads? Don't clients want great advertising? Yes, yes, they do, but they face formidable barriers. Unlike most of the business world, which is governed by numerous feedback loops, the advertising industry receives little objective, reliable feedback on its advertising. First, few ads and commercials are ever tested among consumers (less than one percent, according to some estimates). So, no one -- not agency or client -- knows if the advertising is any good. If no one knows when a commercial is good or bad, or why, how can the next commercial be any better? Second, once the advertising goes on air, sales response is a notoriously poor indicator of advertising effectiveness because there is always so much "noise" in sales data (competitive activity, out-of-stocks, weather, economic trends, promotional influences, pricing variation, etc.). Third, some of the feedback is confusing and misleading: agency and client preferences and biases, the opinions of the client's wife, feedback from dealers and franchisees, complaints from the lunatic fringe, and so on.

### **Barriers to Great Advertising:**

Advertising testing could provide a reliable feedback loop and lead to much better advertising, but many obstacles stand in the way. The first great barrier to better advertising is self-delusion. Most of us believe, in our heart-of-hearts, that we know what good advertising is and that there is no need for any kind of independent, objective evaluation. Agencies and clients alike often think that they know how to create and judge good advertising.

Besides, once agencies and clients start to fall in love with the new creative, they quickly lose interest in any objective evaluation. No need for advertising

testing. Case closed. Strangely, after 40 years of testing advertising we cannot tell by merely viewing a commercial whether it is any good. Sure, we have opinions, but they are almost always wrong. In our experience, advertising agencies and their clients are just as inept at judging advertising as we are. It seems that none of us is smart enough to see advertising through the eyes of the target audience. A second barrier to better advertising is the belief that sales performance will tell if the advertising is working. Unless the sales response to the advertising is immediate and overwhelming, it is almost impossible to use sales data to judge the effectiveness of the advertising. So many variables are beyond our control, as noted, that it's impossible to isolate the effects of media advertising alone. Moreover, some advertising works in a few weeks, while other advertising might take many months to show positive effects, and this delayed response can confound our efforts to read the sales data. Also, advertising often has short-term effects that sales data might reflect, and long-term (years later) effects that most of us might easily overlook in subsequent sales data. Because of these limitations, sales data tends to be confusing and unreliable as an indicator of advertising effectiveness. Sophisticated marketing mix modeling is one way to measure these advertising effects on sales, but it often takes millions of dollars and years of effort, and requires the building of pristine databases of sales information along with all of the marketing input variables. Few companies have the budget, the patience, the accurate databases, and the technical knowledge necessary to succeed at marketing mix modeling. Even so, marketing mix modeling does not help us evaluate the contribution of a single commercial



but rather the cumulative effects of many different commercials over a long-period of time. Also, marketing mix modeling does not tell us why the advertising worked, or failed to work. Was it message, media weight or media mix that made the advertising effective? Generally, marketing mix modeling cannot answer these types of questions. So, again, sales data is of limited value when you make critical decisions about your advertising. A third barrier to better advertising is a pervasive tendency of many (but not all) advertising agencies to delay, undermine and thwart efforts to objectively test their creative "babies." Who wants a report card on the quality of their work? It's very threatening. The results can upset the creative folks. The results can upset clients. The agency can lose control. Agencies can be quite creative in coming up with reasons to avoid copy testing. Advertising promotes more than mere products in our popular culture. Because images used in advertising are often idealized, they eventually set the standard which we in turn feel we must live up to. Advertisements serve to show us what the ideal image is, and further tell us how to obtain it. Advertisers essentially have the power to promote positive images or negative images. Unfortunately, most of the roles portrayed by women tend to fit the latter description. The irony lies therein since it is these negative images which have been most successful in selling products. It is easy to understand the appeal which these ads hold for men, as they place women in an inferior role; one characterized by helplessness, fragility and vulnerability. Certainly one cannot deny that visual images serve to create the ideal female beauty within the material realm of consumer culture. The problem is that if one strays from this ideal, there's the risk of not being

accepted by men. Advertisers, by setting ideals, not only sell their products, but in fact reaffirm traditional gender roles in mainstream America. Women portrayed in sexual ads are depicted as objects and commodities, to be consumed by men for visual pleasure and by women for self-definition. Any depiction of a woman in scant clothing ultimately makes her look vulnerable and powerless, especially when placed next to a physically stronger man. Studies show that advertisements will concentrate primarily on a woman's body parts rather than her facial expressions. Also, it was proven that over 50% of commercials portraying women contained at least one camera shot focusing on her chest. Men enjoy these images, and sadly, women tend to try to embody them, regardless of the extent to which they degrade themselves. Perhaps one of the most recent, successful, and controversial ad campaigns of the nineties is that of Calvin Klein. Ironically, in contrast to the normal, objectifying advertisements that deface women altogether, Klein focuses on his model's expressions. However, these expressions are similar to those of a scared child. The naked female model in turn looks even more vulnerable than when she was faceless. Here, in this ad Kate Moss is depicted as an innocent scared child. Her fingers touch her lips as if she is not permitted to speak, while her eyes look as if they are bruised. Moss' breast is exposed in this image, but instead of appearing voluptuous, Moss appears to be almost prepubescent. She stares vacantly and helplessly into the camera. Again, women see these images as attractive to men and subsequently feel the need to embody them. Unfortunately, the body of Kate Moss is an unrealistic and unattainable ideal for most women. This distorted " ideal body image" is one of the leading causes for the recent rise of

anorexia in young girls. The " waif" woman image is causing extreme low self-esteem for women in the nineties. The advertisement proves effective because normal women can never, and will never look like Kate Moss. All the hollow attempts will only bring more attention to these marketing strategies and ultimately more business for Calvin Klein. It is difficult to pinpoint the cause for Klein's overwhelming success despite the nature of his advertisements. Before Calvin Klein's waif image developed, it was thought that concentration on a woman's voluptuous physical features was what intrigued men. But this idea of Moss as a helpless child, with no real feminine curves at all, reiterates the argument that the male attraction to certain ads lies in the sexual power it gives them. Women please men in their nudity, their purity, and their body size. Women can never be happy with themselves until their representation in advertising become more reflective of reality. But if the ads become more realistic, then the advertisements aren't able to sell their self-help images. Essentially the world of morals and advertising, if the two can logically coexist, form a constant vicious cycle.

## **INTRODUCTION TO INDUSTRY: ADVERTISING INDUSTRY**

### **INDUSTRY PROFILE**

#### **Overview of Advertising Industry in India**

The structure of the advertising industry in Asia Pacific has been affected by globalization and international alignments creating a smaller number of very large agencies and the growth of independent major media buying houses. Very sophisticated software optimization and planning systems are now

integral to the industry, enabling agencies to offer a unique positioning in the marketplace to attract new business. American companies are discovering the appeal of marketing their products in India. With a population of approximately one billion, and a middle class that's larger than the total population of the United States, there's definitely money to be made. Local retailers in apparel, food, watches and jewellery have all increased their average ad spending by almost 50% in the past two years. Coupled with many other local players big retailing brands are spending to the tune of Rs 12, 000 crores annually on advertising and promotional activities. This figure, according to industry estimates, was less than Rs 400 crores about 3 years ago. This means the growth has been a whopping 40%. The local firms are using all the available advertising tools from electronic to print, outdoor advertising and even models. The advertising and promotional spending by local brands is substantial during the festival season and almost 70% of the spending is done between September to January. The advertising industry in India is growing at an average rate of 10-12% per annum. Over 80% of the business is from Mumbai and Delhi followed by Bangalore and Chennai.

## **NATURE OF THE INDUSTRY**

### **Primary Functions of Advertising Agency:**

The primary functions of advertising agencies are planning and creating advertising campaigns for clients and placing advertisements in various media. Planning consists of researching the market for a given product or service, assessing alternative methods of distribution and choosing the most effective way to reach the market. The agency then creates the advertising

campaign and contracts for time and space with selected media. The ultimate objectives of advertising agencies include helping advertisers attain sales objectives, market share and long-term profitability.

### **Size of the Advertising Industry:**

At present, there are approximately 9,600 advertising agencies in the United States, of which most are small businesses with less than six people. Nearly one-third (3,200) of them are one-person operations and still another third have fewer than five employees. The remaining third is a number of large organizations, some of which employ over 2,000 people. Advertising industry growth has been, and is expected to continue, outpacing the gross national product (GNP). Future expenditures for the advertising industry is expected to be enhanced by the entry of new companies into the marketplace and by the introduction of new products by existing firms. Also because U.S. corporate profits continue to be strong, the number of product introductions has increased, and because deregulation of television has opened up airwaves to commercial time in several European countries, advertising spending is projected to exceed 1987 levels by 8-9 percent (Value Line, pp. 180-182). A unique factor of the advertising industry is that all agencies are independently owned and operated; there are no franchises.

### **Economic Performance of the Advertising Industry and its Future Outlook:**

The historical performance of the industry over the past 16 years has shown great increases in advertising expenditures, agency billings, agency revenue and employment. Both expenditures and billings have tripled, revenue has

increased five times over and employment has nearly doubled. Using the historical performance of the industry, an assumption can be made stating that advertising expenditures, agency billings, agency revenue and number of employees will continue to increase. Furthermore, industry sales were predicted to peak for the 1988-89 year at \$25. 2 billion. Current trends in the industry are important to future expectations. As of this last decade, a smorgasbord of super agencies has emerged, offering a menu of services ranging from the traditional ad creation and placement of advertisements, to market research and total campaign development and execution. All of these activities are being pursued on a national and global basis. In fact, many advertising agencies are on their way to becoming primarily " marketing agencies". Additionally, international (overseas) advertising has been increasing over the years and is expected to continue doing so. For the 1988 fiscal year, spending was expected to increase by 10. 3-12 percent, bringing total sales to \$223. 4 billion. The major functions of a small full service agency include research, planning, creating, production for print and broadcast, trafficking (meeting deadlines on time), media planning, account management and new business development. Personnel are required for each of these functions. Additional jobs that need consideration are those of market researcher, office manager, treasurer, secretary, billing clerk, bookkeeper, sales promotion specialist, film and television commercial producer, personnel manager, art buyer, casting specialist, television business affairs manager and talent reuse specialist

## **Growth and Trends in Media Prices:**

Prices for buying advertising exposure in newspaper, magazines, network TV, spot TV, network radio, outdoor advertising and direct mail fliers have all increased over the past eight years. Newspapers make the largest jump, up by 75%. Sport TV is close behind, up 60 percent (Industry Surveys).

Increased media rates and rising demand for advertising time and space have driven this trend, which has even held true during sluggish economic growth. Several factors have fueled the demand for time and space: the entry of new companies into the marketplace, the introduction of new products and services, greater affluence, the growing number of women in the labor force and growth in numbers of people in their prime buying years (Industry Surveys). Television ad expenditures are expected to rise 11% to \$26.8 billion. Radio ad expenditures are expected to rise 13 percent, to a total of 38.4 billion. Additionally, magazine ad expenditures should grow 6.5%, to \$9 billion, and outdoor advertising should rise 5% to \$1.4 billion.

## **MANAGEMENT**

### **Agency Structure:**

The way in which an ad agency organizes its functions, operations, and personnel varies greatly according to its size; the type of accounts it serves, and whether its scope is local, regional, national or international. In small agencies, daily operations are usually supervised by the owner or president, who may be in charge of new business development as well as the price. Client contact is generally handled by account executives. Account executives also may produce creative concepts or even write copy. The

account executives are generally led by an account supervisor, who is responsible for bringing in new business. Usually an inside art director produces the necessary art work, but work may be purchased from an independent studio or freelance designer. Most small agencies have a production and traffic department or an employee who performs these functions. A small agency may also have a media buyer or the account executives may be in charge of this task.

### **Types of Advertising Agencies:**

Advertising agencies can be grouped by size of receipts or billings. Small agencies send out billings that total \$20 million or less per year. Medium-sized agencies have billings totaling between \$20 million and \$100 million. Large agencies total between \$100 million and \$1 billion while super agencies invoice over \$1 billion per year. Agencies also can be categorized by their specialization. Creative boutiques are often operated by copywriters and art directors who left full service agencies. A creative boutique performs only the creative function, usually for a fixed fee percentage of media expenditure. An in house agency is owned and operated by the advertiser and provides all of the functions of a full service agency. Additionally, an inhouse agency operates at a lower cost than others because the advertiser can save all of the profits that usually go the advertising agency based on the 15 percent media commission. The advertiser also has greater control over agency activities. Full service agencies provide a broad and complete range of marketing services. They are staffed to handle most marketing functions. In addition to providing for its own internal business functions



(accounting, personnel, finance, etc), a full service agency also provides account service, creative services, traffic, media and marketing research.

## **Break-up Of Advertising Sector**

### **SWOT ANALYSIS OF THE ADVERTISING INDUSTRY**

#### **STRENGTHS:**

1. Media and Entertainment is one of the most booming sectors in India due to its vast customer reach. The various segments of the Media and Entertainment industry like television and film industry have a large customer base. 2. The growing middle class with higher disposable income has become the strength of the Media and Entertainment industry. 3. Change in the lifestyle and spending patterns of the Indian masses on entertainment. 4. Technological innovations like online distribution channels, web-stores, multi- and mega-plexes are complementing the ongoing revolution and the growth of the sector. 5. Indian film industry is second largest in the world and the largest in terms of the films produced and tickets sold. 6. The low cost of production and high revenues ensure a good return on investment for Indian Media and Entertainment industry.

#### **WEAKNESSES:**

1. The Media and Entertainment sector in India is highly fragmented. 2. Lack of cohesive production & distribution infrastructure, especially in the case of music industry. 3. The lack of efforts for media penetration in lower socio-economic classes, where the media penetration is low.

## **OPPORTUNITIES:**

1. the concept of crossover movies, such as Bend It like Beckham has helped open up new doors to the crossover audience and offers immense potential for development. 2. The increasing interest of the global investors in the sector. 3. The media penetration is poor among the poorer sections of the society, offering opportunities for expansion in the area. 4. The nascent stage of the new distribution channels offers an opportunity for development. 5. Rapid de-regulation in the Industry6. Rise in the viewership and the advertising expenditure. 7. Technological innovations like animations, multiplexes, etc and new distribution channels like mobiles and Internet have opened up the doors of new opportunities in the sector.

## **THREATS:**

1. Piracy, violation of intellectual property rights pose a major threat to the Media and Entertainment companies. 2. Lack of quality content has emerged as a major concern because of the 'Quick- buck' route being followed in the industry. 3. With technological innovations taking place so rapidly, the media sector is facing considerable uncertainty about success in the marketplace.

## **RESEARCH DESIGN**

The objective of this research is to reach conclusions about how the experiences involved in viewing an advertisement and how it affects the decisions of an MBA student in their purchases. For this reason, we needed to develop an approach to measuring the impact that an advertisement has upon an individual to influence them to purchase decisions on a particular product. At some level, experiences with any advertisement are unique to its

content. But this research postulates and attempts to show that at a more general level, there are experiences that exist across advertisements. In developing this approach, we first had to define a universe of advertisements to study. Research designs can be divided into two parts, mainly being fixed and flexible. In fixed designs the design of the study is fixed before the main stage of data collection takes place. Fixed designs are normally theory-driven; otherwise it's impossible to know in advance which variables need to be controlled and measured. Flexible designs allow for more freedom during the data collection. One reason for using a flexible research design can be that the variable of interest is not quantitatively measurable, such as culture. So these are the two extremes of a research model that has to be looked into and duly selecting a type of analysis to be done.

## **TOPIC**

Impact of advertising on a MBA students purchase decisions

## **OBJECTIVES:**

To find out the factors that influences a consumer to purchase a respective product. To study how an MBA student reacts to advertisements. To find out the purchasing decisions that a consumer takes. To find out how a person who has studied the subject matter reacts to it. To study any changes that are needed to improve advertising

## **RESEARCH QUESTIONS AND HYPOTHESES**

Research questions To what extent can advertising influence purchase decisions? What are the variable factors between different individuals? How advertisements caters to an individual's needs Hypotheses

**Advertising influences the buying behavior.**

**MBA students have better analytical skills.**

## **SCOPE OF ADVERTISING INDUSTRY IN INDIA**

The advertising industry in India has several competitive advantages: India has a rich pool of strategic planning, creative and media services personnel: Indeed, Indian advertising industry has been exporting senior-level talent to many countries, particularly to the Gulf, South-East Asia, China, the UK and the US. Indian talent is recognized and respected in global agency networks. No other country has access to so many trained management graduates who can provide strategic inputs for brand and media planning. Indians are multicultural: we learn at least two languages and that gives us a head start in understanding cultural diversity. Most of the top 20 agencies in India have a global partner or owner, which should provide an immediate link to global markets. Our production standards in TV and print have improved: With a vibrant animation software industry, we have access to this area of TV production. India's advanced IT capabilities can be used to develop Web-based communication packages for global clients. The Indian advertising industry is a very upcoming and promising sector. However there is severe competition and survival is for the fittest and the best. In this sector what matters the most is knowledge and experience of the work and the industry

and its functioning. The more the knowledge you can provide the better the productivity you give.

## **RESEARCH METHODOLOGY**

Methodology can be: The analysis of the principles of methods, rules, and postulates employed by a discipline. The systematic study of methods that are, can be, or have been applied within a discipline. The study or description of methods. Method can be defined as a systematic and orderly procedure or process for attaining some objective. Methodology doesn't describe specific methods; nevertheless it does specify several processes that need to be followed. These processes constitute a generic framework. They may be broken down in sub-processes, they may be combined, or their sequence may change. However any task exercise must carry out these processes in one form or another. Methodology may be a description of process, or may be expanded to include a philosophically coherent collection of theories, concepts or ideas as they relate to a particular discipline or field of inquiry. Methodology may refer to nothing more than a simple set of methods or procedures, and this research project has used the exploratory method of research. Exploratory research is a type simply allows the marketer to gain a greater understanding of something that s/he doesn't know enough about. For example, just because we know that 3G phones exist, it doesn't necessarily mean that we understand how they work. Exploratory research can help in this instance. Differing mainly in design from descriptive research, exploratory research is used principally to gain a deeper understanding of something. The design is far more flexible and

dynamic than that of descriptive research. This genre of research is conducted for a problem that has not been clearly defined. Exploratory research helps determine the best research design, data collection method and selection of subjects. It should draw definitive conclusions only with extreme caution. Given its fundamental nature, exploratory research often concludes that a perceived problem does not actually exist. Exploratory research often relies on secondary research such as reviewing available literature and/or data, or qualitative approaches such as informal discussions with consumers, employees, management or competitors, and more formal approaches through in-depth interviews, focus groups, projective methods, case studies or pilot studies. The Internet allows for research methods that are more interactive in nature. The results of exploratory research are not usually useful for decision-making by themselves, but they can provide significant insight into a given situation. Although the results of qualitative research can give some indication as to the " why", " how" and " when" something occurs, it cannot tell us " how often" or " how many".

## **SOURCES OF DATA**

**PRIMARY DATA:** Primary data is data collected on source which has not been subjected to processing or any other manipulation and that has not been processed for use. There were two main sources of primary data for this project: Questionnaires based on the topic, consisting of 17 questions were given out to 200 individuals out of whom 150 responded.

- SECONDARY DATA: Secondary data is data collected by someone other than the user. For this project the data was mainly taken from the internet, journals and newspaper articles.

## **DATA SAMPLING**

**SAMPLE SIZE:** The amounts of individuals that have been targeted are 150 people. A random group of people were targeted from various locations and their results have been compiled. **SAMPLE METHOD:** This sampling method has been done on a random basis. It allows a clean and effective unbiased result. It will allow a micro study into the market and can later be expanded into a macro study to generate better results. The bar graph is able to show us the attractions that a customer has towards a particular brand's advertisement. The survey was on general advertisements. 90 percent of respondents feel that humor is the strongest factor into a successful advertisement. Smart advertisements have been able to show an importance as well at 68 percent. Love, Sex appeal and simplicity have a small importance in the advertising techniques at similar results. The rest seem to be worthless in the final result.

## **FINDINGS**

We have been able to evaluate the results of the research that has been conducted on the impact of advertising on the decision making process that has been undertaken, it provides us with notable answers that will allow positive feedback for evaluate how a student with the knowledge of the subject matter are able to react towards advertising. The survey was carried

out among people who had done different MBA courses right from that of fulltime to correspondence; I was able to get a variance in the target audience. The data was primary so it allowed me to gain information on a first hand basis. The variety of people who completed the survey were also of different age groups so it allowed me to have a variance of answers. The allowance of gender in the research also played a very big role to the study.

## **FINDINGS:**

It was felt that advertisements were over exaggerated at times just for the purpose of sale. It made the respondents feel that advertisements were mostly fake. It was seen that most MBA students are restricted to indoor activities because of their course hence most of their responses in terms of the medium to which they were able to view advertisements were that of Television and the internet. A mass number felt that the success of a TV commercial was down to the storyline and the celebrity endorsements. While factors like music and graphics didn't have so much importance. This is something showing that imagery plays a big role into a customer's decision process. A large amount of the MBA students who were constantly making impulse buys were that of a higher monthly allowance. This shows that the importance of purchase decisions very low as the affect on their income was not of the same importance as that of someone with a lower one. We are able to see that the theme of the advertisement is mainly surrounded that of humor. Customers in today's serious lifestyle situation seem to enjoy a humorous advertisement to attract them to a product. Humor is something



that is able to be generally accepted by all age groups. Factors such as love, sex appeal, etc. are able to follow close behind.

## **CONCLUSION**

The present study investigated on the impact of advertising on a MBA student's decision making process has been able to open a lot of insights. Before discussing the results of the present study, it should be noted that it is difficult to determine the effectiveness of advertising, because many things happen simultaneously in a real life situations, the present study, however, revealed many interesting effects advertising in today's competitive advertising industry. Storyline and celebrities are effective in attracting consumer's attention in television programming and both animated and real-life characters draw people's attention to advertising. Characters attract positive responses when youth identify features about the characters they like or identify emotionally with characters, with consumers in different life stages of cognitive development being drawn to different character traits. Research also indicates that the use of characters in advertisements is positively associated with memory and attitudes toward products. Owing to their cognitive under-development, younger children fail to differentiate between Animated and real-life characters. Further, cognitive development research demonstrates that consumers slowly but progressively develop the ability to distinguish advertising from programming content, therefore the use of characters in advertisements has the potential to confuse consumer about the distinction between advertising and informative content. In conclusion it can be seen that advertising has

been understood by students but impulse buying decisions will still happen cause this is human nature. QUESTIONNAIRE

## **IMPACT OF ADVERTISING ON A MBA STUDENTS PURCHASE DECISIONS**

Gender Male Female Type of MBA studied Executive Full

time Correspondence Monthly Allowances < Rs. 5000 Rs. 5000-10000 > Rs

10000 In your spare time, you enjoy Watching TV Reading newspapers and

magazines Browse the web Listen to the radio Visiting stores Other What do you

think about advertising? Useful Useless I have no opinion Do you think

products are advertised to seem better than they actually are? Yes No Not

Sure Do you think a good product needs advertising? Yes No Not Sure What

most encourages you to try a product or service?

Price Need Advertisement Availability Brand Other How often do you feel

advertisements help a product? Very often Often Sometimes Never In your

opinion, the greatest influence is Radio Advertising Television advertising Mail

Advertising Advertising on the Internet Promotional gifts Advertising on

vehicles Advertising in the press Outdoor Advertising Advertising at exhibitions

and fairs In your opinion: Advertising is the truth Advertisements provide

important information of the Advertisements contain many inaccurate facts I

have no opinion

Do you agree that advertising is beneficial to consumers because it provides

information about the products and services? Yes No Not Sure How often do

you become a victim of advertising and purchase unnecessary items? Very

often Often Never Sometimes In your opinion, what makes up a good TV

commercial? You may tick more than one option. Graphics Music Celebrity  
Endorsement Storyline/ Concept The more times I watch a certain TV  
commercial, the higher the chances of recollection are  
possible Agree Disagree Neither What theme of an advertisement will attract  
you? Humor Simplicity Sex appeal Smart Friendship Love/ relationship Other How  
do you react to the type of advertising? Interests Annoying Take note of  
importance Disregard Radio advertising Television advertising Print  
advertising Outdoor advertising Advertising at exhibitions/ fairs Mail  
Advertising Online advertising