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## THE IMPACT OF ADVERTISING ON CONSUMER BUYING BEHAVIOR

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**Abstract:** *This research was conducted to determine the impact of advertising on consumer buying behavior. A sample of one hundred fifty respondents were considered in the study taken from the different sectors of the community in Tuguegarao City.*

*The descriptive research design was used in the study. The questionnaire was the main instrument used to gather relevant data needed in the study and accompanied by personal interviews.*

*Results of the study revealed that among the key indicators affecting the consumer buying behavior, the respondents consider the importance of the product advertised, quality of the products advertised, usefulness of the product and the price of the product as the top 4 key indicators and endorsement by celebrities ranks last. Of the seven features of the product that affects the consumer buying behavior, the overall quality of the product is ranked no. 1 followed by personal satisfaction and economic value while familiarity and popularity of the product ranks last.*

*As to the respondents action on the first entry of a product in the market, the first to purchase the product is their first action taken while the early majority of the purchaser ranks last.*

*With regard to the common techniques used by the seller/advertiser to inform and influence consumers to make their buying decision, the respondents considered emotional appeal, promotional advertising, facts and statistics, bribe and unfinished ads as the top 5 sources of information and the least source considered is endorsements by celebrities.*

**Keywords:** *consumer buying behavior, advertisement, product quality*

### INTRODUCTION

In the business world, advertising has become a necessity for everybody, be it the producers, traders or consumers. Advertising has become part of our daily living. It is a form of communication which simply means to make known to public, to inform, to attempt or persuade a specific group of people or consumers to arrive at a decision whether to buy or not to buy products or services. It has been used as a great tool in raising, developing and molding our standards of living, lowering the unit cost of mass production of goods,



dispersing information and introducing innovations to the public, and helping media corporations, businesses and other independent firms to succeed in the world market. Advertising is considered as a major and important element for the economic growth of the marketers and different companies in competition. (Ryans, 1996). As a promotional approach, it helps in generating product awareness in the minds of the possible consumers to do an eventual purchase decision. In many countries, advertising is treated as a large and important service in the industry (Katke, 2007).

The development of advertising can be traced back into the ancient times. Advertising was introduced by the Egyptians using Papyrus for sales messages and wall posters, billboards, signboards and outdoor advertising as the most ancient form of advertising. According to Kotler and Armstrong, the tradition of wall painting and wall chalking is found in the ancient culture of Greece and Rome as well as in India. At present, it is seen in many parts of the world. Advertisements have become one of the major sources of communication tool between the manufacturer and the user of the products. (Baligat, 2004)

Nowadays, one comes in numerable images and commercials for various products created purposely by commercial agencies. Almost everyone grows up in a world that is flooded with the different advertisements carried by various forms of mass media (Latif and Abideen, 2011). Of all marketing weapons, advertising is renowned for its long lasting impact as its exposure is much broader. As advertising has proved its effects and impact on consumers' buying behaviors and marketers needs all over the world, companies cannot make a well known brand until they invest in promotional activities as mentioned by Hussainy, et.al. The primary objective of advertisers is to reach prospective customers by influencing their awareness, attitudes and buying behavior to elicit or keep their interest to the product, they need a lot of money. To succeed, advertisers or companies need to understand what makes potential consumers behave the way they do and to utilize the best possible way of executing and carrying advertising strategies. They need to know what are the key indicators and features of a product that a particular consumer takes into consideration in influencing their consumer buying behavior. The advertisers' goal is to get enough relevant data to develop accurate profiles of the buyers to find the common group for communications. This involves the study of consumer buying behavior, the mental and



emotional processes and the physical activities of people who purchase and use products and services to satisfy particular needs and wants.

Consumer behavior as defined by Irwin is the study of individuals, groups or organizations and the processes they use to select, secure, used and dispose of product or services or ideas to satisfy needs and the impact that these processes have on the consumer behavior and the society. Most of the time , the consumers buying behavior is influenced by liking or disliking of the consumers towards the advertisement of the product advertised. The advertisements, through all the mediums persuade audiences which may sway individuals' attitude, behavior, lifestyle, personality, and in the long run, even the culture of the country. This research was conceptualized to determine the impact of advertisement on consumer's buying behavior. Specifically it aims to answer the following:

1. To determine the key indicators affecting consumer buying behavior.
2. To determine the product features affecting the Consumer buying behavior
3. To determine the action of the consumers on the first entry of a new product in the market
4. To determine the different advertising techniques affecting the consumer buying behavior.

## **RELATED LITERATURE**

The American Marketing Association simply defines advertising as a form of non- personal presentation and promotion of ideas, goods, and services usually paid by an identified sponsor. Advertising is non-personal because it is directed toward a large group of anonymous people. Second, advertising is typically paid for. This fact differentiates advertising from publicity, which is not usually purchased. Third, for obvious reasons, the sponsor of the ad is identified. In fact, in most instances identifying the sponsor is the prime purpose behind the advertisement. Perhaps the only reason in which the identity of the advertiser may not be self-evident is political advertising (J. Dominick, 1990).

Advertising, in addition, is classified by various types namely national advertising, retail/local advertising, direct-response advertising, primary and selective demand advertising, and industrial advertising. Advertising that is done by a company on nationwide basis or in most regions of the country and targeted to the ultimate consumer market, is known as national advertising. The companies that sponsor these ads are generally referred to as national



advertisers. Another prevalent type of advertising directed at the consumer market is classified as retail or local advertising. This type of advertising is done by major retailers or smaller local merchants to encourage consumers to shop at a specific store or use a local service such as a bank, fitness club, or restaurant. Direct-response advertising is a method of direct marketing whereby a product is promoted through an ad that lets the customers purchase directly from the manufacturers. On the other hand, primary and selective demand advertising is designed to stimulate and create demand for the general or a particular product class or manufacturer's brands or entire industry while industrial advertising targets individuals who buy or influence the purchase of industrial goods or other services (G. Belch and M. Belch, 1993).

Advertising plays a unique and central role in the social and economic system of almost every country around the world. It serves as a marketing function by helping companies in selling their products or services. Its revenue also provides a significant portion of the funding for most privately owned television networks. The vast majority of television advertisements today consist of brief advertising spots, ranging in length from a few seconds to several minutes (as well as program-length infomercials). Advertisements of this sort have been used to promote a wide variety of goods, services and ideas since the dawn of television. Personal selling, sales promotion, and advertising blend together to help market the product. Second, advertising is informational. People learn about new products and services or improvements in existing ones through advertising. Third, advertising plays an economic role. The ability to advertise allows new competitors to enter the business arena. Competition, in turn, encourages product to improvements and can be lead to lower prices. Moreover, advertising reaches a mass audience, thus, greatly reducing the cost of personal selling and distribution. Finally, advertising performs a definite social function. By vividly displaying the material and cultural opportunities available in a free-enterprise society, advertising helps increase productivity and raises the standard of living (S. Wilson, 1992).

Miranda (1990) said that advertising began in ancient times. The criers of ancient Greece and Rome through the streets originally proclaimed the affair of the state. Later they announced also news items, ship arrival cargoes carried on the ship, the names of the merchants having goods for sale and others. In addition, advertisements of commodities



appear in the form of announcement written on walls in public places. Then as economic force expanded with the growth of population and the discovery of new worlds, advertising activities improved. Since the influences of advertising depends much on the strength of the channel of communication, medium being employed, and techniques or designed incorporated, as may be logical to expect, it was until the 17<sup>th</sup> century that advertising began to assume great importance. And with the development of mass media such as newspapers, magazines, radio, television, internet, etc., advertising has acquired the major role in the economy.

For decades, economists and sociologists generally ignored advertising and its influence to economy and society. Until now, there are people who believe that advertisers have not proved their claims of advertising's value to society.

The last part of the advertising industry consists of the mass media. The media serve as the connection between the company that has a service or product to sell and the customers who wish to buy it. The media that are available for advertising include the obvious ones- radio, television, newspapers, magazines, internet- and others that are not so obvious such as direct mail, billboards, transit cards, stadium scoreboard ads, and point-of-purchase displays. Even the slickest and the most imaginative advertising message will fail if it is delivered to the wrong people. To make sure that this catastrophe will not happen, advertisers employ highly skilled media planners to help them place and schedule their ads. With numerous mass media that are available to deliver the message and the hundreds or even thousands of individual media outlets to choose from, it is necessary to study closely what each of the various media can offer.

According to Bennie (1990), known as the father of modern advertising, has supported the view that the image is produced and built up by advertising and promotions. Image constructed by television advertising can add the value to a product, making it more desirable to the consumer.

As for the purpose of advertising as Miranda (1990) cited, which is to inform and persuade, people always believe on what they see on the wide screen. They also tend to imitate and they sometimes do it. To sell goods, to create demands, familiarize the public with the use of the products, introduce new styles and customs to get the consumers to enter a store, to



create a good will, and to prepare the way for the salesman are some of the specific purposes of advertising.

D. McQuail (1983) said that television advertising practices during the first half of the 20<sup>th</sup> century often received complaints from consumers accusing advertisers of making exaggerated claims regarding the features and quality of the products.

Advertising remains “advocacy” for a product. Advertising agencies portray the product in the most favorable light (S. Baran 2006).

To achieve the goals of advertising, advertisers tend to study the buying behavior of the consumers which is called Consumer Behavior. Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioral variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

The study of consumer behavior considers the three distinct roles of customer playing as the user, payer and buyer. Research has shown that consumer behavior is difficult to predict, even for experts in the field. Relationship marketing is an influential asset for customer behavior analysis as it has a keen interest in the re-discovery of the true meaning of marketing through the re-affirmation of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalization, customization and one-to-one marketing.

Consumers make purchase decision when they buy small or big items. After recognizing a need or a want, consumers begin searching for products or services that fit their needs. They evaluate their options, taking note of everything from pricing to a brand's reputation, before making a purchase. The purchase decisions of the consumers whether in different reasons or purposes, are explained in the four types of consumer buying behavior which are impulse purchase, routine purchase, limited decision making, and extensive decision making.



Impulse purchase is a type of consumer buying behavior that results to an unplanned purchase. A consumer may purchase items while at the checkout from a point-of-purchase display. The decision to buy is instant, and usually not based on need. While in routine purchases, consumers procure commonly used products like juice, milk, toothpaste, socks, eggs and bread with little decision involved in making their purchases. It's often as simple as running out of a product and needing to replenish it with their preferred brand. These are usually small purchases, on the lower end of the pricing spectrum. Limited decision making is a mixture of an extensive purchase decision and a routine one. Consumers who participate in this type of buyer behavior typically know what kind of product they want, but they are trying to decide which brand they want. Making a jeans purchase is a good example of how limited decision making works. A customer who needs a new pair of jeans goes into a store looking for jeans, but investigates various brands to determine which the best fit is. The consumer may consult with friends or family, but he won't ask as many questions about the product or service, or take as long to decide as he would with an extensive, high-priced item. Lastly is the extensive decision making. This type of buying behavior typically takes longer to make a final decision to buy and spend more time researching their options. Like purchasing a high-ticket item, such as a vacation package or time share, electronics, a car or a home, they spend time researching their options.

K. Ross (2003) also said that an ultimate consumer is one who makes use of the goods intended to meet his own personal satisfaction. Studies on consumer behavior show that the consumer seldom knows what he wants. Moreover, he is often unable to judge the quality of the products that he buys. He is induced to buy by reason of "follow the crowd" mentality. Thus, consumers by and large act on impulse, consumers act the same way as they acted before following habitual patterns without making decisions.

According to Dickson (1997), experimental choice behavior occurs when benefits we seek from a product are driven by our fantasies and emotions. Fantasies are our wishful thoughts about whom and where we would like to be and what we would liked to own. Emotions are feelings of pleasure, pain, excitement, relaxation, fear and stress among many others. The function of this product is to create feelings, imagery, or fantasies that give pleasure and lift the users to a higher experimental plane. Brands are also often given personality



associations and images whose congruence with the ideal or actual self can motivate users to purchase one brand over another.

In the latest study conducted by Source Dynamic Logic through a survey conducted in 2009 on the consumer behavior to the different types of advertisements for products including Television, Online and Magazines, revealed that advertisements have modified the consumer behavior in such a way so that they only go for brand favorability despite of ad awareness in every type of media. Surveys show that magazine advertisements provide great impact on purchasing behavior of consumers. Most people go for purchasing according to the product value shown in advertisements despite the cost of the product as they spend a lot more than the actual value only due to the influence of advertisements.

#### Methodology

The descriptive method of research was used to describe and interpret the variables used in the study such the key indicators used by consumers in their buying behavior, the features of the product and the action of consumers on the first entry of the product in the market. The study was conducted in Tuguegarao City with one hundred five (105) respondents coming from the different sectors in the community using purposive sampling. The survey questionnaire was the research instrument utilized in the study which were personally distributed by the researcher. To supplement the information gathered, interview was also done by the researcher.

The data were tabulated, analyzed and interpreted using the descriptive statistics like frequency counts, rank, percentage and weighted mean.

#### **RESULTS**

Among the key indicators affecting the consumer buying behavior, the respondents consider the importance of the product advertised, quality of the products advertised, usefulness of the product and the price of the product as the top 4 key indicators and endorsement ranks last.

Of the seven features of the product that affects the consumer buying behavior, the overall quality of the product is ranked no. 1 followed by personal satisfaction and economic value while familiarity and popularity of the product ranks last.



On the respondents action to the first entry of a product in the market. The first to purchase the product is their first action taken while the early majority of the purchaser ranks last.

As to the common techniques used by the seller/advertiser to inform and influence consumers to make their buying decision, the respondents considered emotional appeal, promotional advertising, facts and statistics, bribe and unfinished ads as the top 5 source of information and the least source considered is endorsements by celebrities.

## DISCUSSIONS

Table 1 shows that among the key indicators affecting the consumers' buying behavior the importance of the product advertised to the consumer ranks number 1. This indicates that consumers' consider the answer to their needs and wants in arriving at a buying decision.. Marketers says that business people should always consider the needs of consumers in order that products would be saleable to them. It can be gleaned from the table that the least consideration affecting their buying decision is the entertainment provided by the advertisers/sellers. It is furthered seen that the consumers are witty in coming up with a buying decision. The priority considerations are the importance of the product, quality of the product , usefulness of the product and the price of the product.

**Table 1. Respondents' responses on the key indicators affecting consumers' buying behavior**

Key Indicators	Frequency	Rank
Quality of the product advertised	109	2
Price of the product advertised	87	4
Entertainment provided by the sellers/advertisers	13	8
Persuasion by the advertisers, friends and relatives	26	6
Brand image on the product	55	5
Presence of celebrity endorsement	16	7
Usefulness of the product	104	3
Importance of the product	119	1

The table shows that the number one product feature that affects the consumer's buying behavior is the overall quality of the product followed by personal satisfaction and economic value. The last product features considered is the popularity and familiarity of the product. This implies that the consumers are intelligent as they consider the values or benefits they get from the product in their buying decisions. As stated by Kotler and Keller,



consumers are better educated and informed than ever and they have the tools to verify companies' claims and seek out alternatives.

**Table 2. Respondents responses on the features of the product affecting consumers' buying behavior**

Features	Frequency	Rank
Overall Quality	119	1
Economic Value	80	3
Personal Satisfaction	96	2
Innovation	30	7
Popularity	36	5.5
Familiarity	36	5.5
Practicality	69	4

With regards to the respondents' action on a products first entry in the market, the table shows that the first to purchase ranks number 1. This implies that consumers have different reactions. Some are excited to a new product thus they are the first to purchase in the market. Others would prefer to be the late majority of purchaser. These are the consumers who wants to get feedback from the users before buying the product. The least action taken by the consumer is the early majority of purchaser. This implies that consumers do observation as to those who tried the product before trying the product. This action is strengthened by the saying to try, to see is to believe. This also shows that some consumers are hesitant to try new products hence, their decisions are based on past purchases and feedback of other consumers.

**Table 3. Respondents' action on a products first entry in the market**

Actions	Frequency	Rank
First to purchase	32	1
Early majority of purchaser	16	5
The great majority of purchaser	26	3
Late majority of purchaser	31	2
Last to purchase the product	25	4

Based on the advertising techniques used to inform and influence the consumers' buying decisions, it appears that emotional appeal ranks first and endorsements ranks last. This shows that people buy the products because they need the products. Such emotional needs may include the need for security, the need for getting acceptance, the need to become attractive or for a change. Consumers may also be influenced by their emotional appeal under fear like fear of accident, fear of getting sick or fear of death. As gleaned on the table it shows that different customers get information from various advertising techniques.



However, many makes use of emotional appeal, promotional advertising like buying products from trade fairs, free samples are distributed and tasted and are convinced to buy more. Others consider the facts and statistics provided by the advertisers like citing many physicians using the products. Among the advertising techniques, endorsement ranks last. This shows that people are not easily convince because of the presence of celebrity in making buying decisions.

**Table 4. Respondents responses on the common advertising techniques used by advertisers to inform and influence the consumers' buying behavior**

Advertising Techniques	Frequency	Rank
Emotional Appeal	120	1
Promotional Advertising	118	2
Bandwagon	103	7
Facts and Statistics	109	3
Unfinished Ads	106	5
Weasel words	103	7
Endorsements	76	11
Complementing the customers	86	10
Ideal Family and Ideal Kids	97	8
Patriotic Advertisement	103	7
Bribe	108	4
Questioning the Customers	88	9

## CONCLUSIONS

1. The number 1 key indicator affecting the consumer buying behavior is the importance of the product advertised to the consumers and the least is entertainment provided by the sellers/advertisers.
2. The overall quality of the product ranks first as the feature of the products affecting the consumers' buying behavior and the last is popularity and familiarity of the product.
3. Among the different actions taken by respondents on the first entry of the product in the market, the first to purchase ranks first and the early majority of purchaser ranks last.
4. The top 5 advertising techniques considered by the respondents as a source of information and influence in their consumer buying behavior are emotional appeal , promotional advertising, facts and statistics, bribe and unfinished ads. The use of



endorsements by celebrities is least advertising technique considered by the consumers.

## **RECOMMENDATIONS**

1. The consumers should continue using the different information in their decision-making with regards to the products and services they buy.
2. A copy of the research should be disseminated to the producers and businessmen in order to respond to the needs of the consumers thus creating customer satisfaction and value as well an increase in the revenues of the sellers.
3. Consumers should always keep track on product/service advertisements to be well informed about the products they are buying.

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