

# Impact of Advertisement on Consumer Buying Behavior for FMCG products

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## ABSTRACT

Advertising is a powerful communication tool that is used to convey message to the target customer for promotion of product. Communication through advertisement is much faster than any other form of communication. It allows companies to truly bond with their customer; it gives marketers a chance to build up an ongoing association between the customer and the brand. Advertising creates awareness about the product among customer. It describes the feature of the product so that attention or action can be taken by the customer. The important aspect is how you can connect your customers to watch that creative challenge you took with the blend of style. Advertising plays a vital role in marketing of the product. This study is conducted to find out the impact of advertisement on consumer buying behavior for FMCG products in Indore city. A self structured questionnaire is used to evaluate the effect of advertisement. The results revealed that advertisement persuades the consumer to buy the product.

**Keywords:** Advertisement, Consumer Buying Behavior

## INTRODUCTION

In today's highly competitive business environment, organizations are more concerned about minting profits (long term and short term) by searching and applying new ways to sale their services and goods. Advertising is all about communication of the existence of product to customers, it has been tool that generates sales for most organizations ultimately to earn the profit. A good advertisement works as armor to the products and services under many circumstances even in today's cut- throat competition. It is perceived as a major tool that goes all the way in changing customers' impression about the product and persuades them to purchase.

In Addition, customers have lots of choices for advertisement avoidance now a day. This evokes the need of customers' opinion regarding advertisements without losing the credibility of the real message of the advertisement.

Thus, it is needed to study the impact of creative advertisement on customer buying behavior on various parameters so that marketer can develop appropriate strategy(s) to respond competitive business environment.

## LITERATURE REVIEW

**Bashir, A., & Malik, N. I. (2009).** Revealed that advertisement influence the consumer to at least buy the product one time in a lifetime. Celebrity used in advertisement prejudiced the consumers more to compare the product. Results also exposed that advertisement is used as source of knowledge to compare the product. Advertisement is having influence on different demographic group, some times. It is found in the research that consumers were influenced by the celebrity and personality used in the advertisements.

**Bishnoi, V. K., & Sharma, R. (2009).** There is a comparative study made to find out the preference of between rural teenager and urban teenager and it is found the rural teenager like tv commercial more than urban teenagers. TV advertisement plays a significant role in influencing the buying behavior of customers.

The TV ads do not influence the buying behavior of urban teenagers until and unless they are in need of the brand. They feel that if product is on ad then it would be a good product. In comparison to female the male teenagers are more predisposed towards television advertisements.

**Ghose, A., & Todri-Adamopoulos, V. (2016)** found that the increasing availability of individual-level data has raised the standards for measurability and accountability in digital advertising. The study focused effectiveness of advertisement on consumer behaviors. Two unique features of our data set that distinguish this paper from prior work are (1) the information on the actual view ability of impressions as on average 55% of the display ads are not rendered viewable and (2) the duration of exposure to the display advertisements, both at the individual-user level. Sometimes information is viewable only if it is related to the interest of consumer that affects the consumer interest.

**Jianqing, C., & Stallaert, J. (2014)** studied that online publishers and advertisers have recently shown increasing interest in using targeted advertising online. This practice is known as behavioral targeting. This behavioral aspect plays an important role in online advertising. Behavioral targeting is studied in this paper to evaluate the impact of advertising on consumer buying behavior. Consumer turnout is not guaranteed all the time in this advertising method, depending on the degree of competition and the advertisers' valuations. We identify two effects associated with behavioral targeting: a competitive effect and a propensity effect.

**Malik, M. E., Ghafoor, M. M., Iqbal, H. K., Ali, Q., Hunbal, H., Noman, M., & Ahmad, B. (2013).** studied that brand image and advertisement is the main aspect which influence Consumer buying behavior. People perceive the brand image with positive attitude. Study depicted that teenagers are more conscious towards brand that is the reason that they prefer the product which is advertised in the television to maintain their status symbol.

**Nabi K., Pani L.K., Mohapatra R.R.(2016)** analyzed the impact of advertisement effectiveness on the behavior of the consumers towards fast moving consumer goods in Bhadrak district. The sample for study chosen was 200. A questionnaire was thoroughly prepared to measure the advertisement effectiveness. The study aimed to generate the perception and awareness of people about the (FMCG) detergent brands. 5 brands of detergent powders were selected in our present study. For a better analysis ChiSquare test was used. The results proposed that people change their brand for to try the new brand. It is also found that male were more accessible to advertisement in comparison to female. The behavior of the consumer can be changed through advertisement.

**Rasool, M. S., Rafique, Y., Naseem, M. A., Javaid, S., Najeeb, M., & Hannan, M. (2012).** Analyzed that advertisement do not affect consumer behavior there are other factors also like price and income affects the buying behavior both male and females. Sometimes advertisement also affects for those products whose products are available.

**Wann-Yih, W., & Chen-Su, F. (2010)** This study examines how to increase the persuasiveness of advertisements by eliminating the disparities between marketer perceptions of the product and consumer cognition regarding the product. A means-end hybrid segmentation model (MHSM) is proposed based on means end chain (MEC) theory and a multi-segmentation approach to deduce the literal contents of advertising design for a homogenous consumption group. Contextual segmentation variables were combined with attribute/benefit/value (A/B/V) preference hierarchies to formulate the literal contents of advertising design. The analytical results indicate that MHSM can simultaneously explore consumer product cognitive hierarchies of different product category selections in different consumption situations.

## OBJECTIVE OF STUDY

- To study the impact of Advertisement on Consumer Buying Behavior for FMCG products.

**RESEARCH METHODOLOGY**

The study is an exploratory cum descriptive research design. Primary data related to advertisement and consumer buying behavior the data has been collected to know the opinions of the respondents towards impact of Advertisement on consumer buying behavior for FMCG products. Primary data is collected in self structured questionnaire in five point likert scale. The study used population of Indore region for drawing sample. The study considered individual members of population as sampling elements. Non-probability convenience sampling method was used to draw the required sample. The study had a sample size of 100 respondents. The Statistical tools used are Frequencies and graphical representation, Reliability test and Regression.

**REGRESSION MODEL**

Consumer buying behavior is dependent variable and advertisement is independent variable.

Regression analysis has been applied using SPSS 21 to assess the effect of advertisement on the consumer buying behavior. The following OLS regression model has been used.

$$Y_i = \beta_0 + \beta_1 X_i + \epsilon_i \dots\dots\dots 1$$

- $Y_i$  = Consumer buying behavior
- $\beta_0$  = Intercept of different independent variable
- $\beta_1$  = Coefficient of variables
- $X_i$  = Advertisement
- $\epsilon_i$  = Error term

**HYPOTHESIS FRAMED**

$H_0$ : There is no significant relationship between Advertisement (independent variable) and Consumer buying behavior (dependent variable).

$H_1$ : There is a significant relationship between Advertisement (independent variable) and Consumer buying behavior (dependent variable).

**DATA ANALYSIS & INTERPRETATION**

**Reliability analysis**

First of all researcher analyzed the reliability analysis of the questionnaire .The researcher has used Cronbach's Alpha reliability test to evaluate the reliability of the questionnaire for the survey study. The analysis was done using SPSS 21.

**Table: 1 Cronbach's Alpha Reliability Statistics**

Case Processing Summary		
	N	%
Valid	100	100.0
Cases Excluded <sup>a</sup>	0	.0
Total	100	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.813	10

(Data Compiled by using SPSS 21)

As statistics tells more the Alpha value near to 1 more will be the reliability. The above table-1 reveals that the calculated Cronbach's Alpha value = .813. If value of Cronbach's Alpha is more than .70 then questionnaire is reliable. Therefore based on the calculated Alpha value it can be concluded that the framed questionnaire is more reliable and the feedback survey can be organized by using the questionnaire.

**Regression Analysis**

Step-wise regression analysis was conducted to comprehend the relationship between Advertisement and Consumer buying behavior. Advertisement was put in the model as independent variable and Consumer buying behavior was put as the dependent variable. The equation which emerged after the process is as follows. Table- 2 summarizes the determinants of the equation.

$$Y_i = \beta_0 + \beta_1 X_1 + \epsilon_i \dots\dots\dots 1$$

$$Y_i = 2.162 + 0.386 X_1 + \epsilon_i$$

Where,

- $Y_i$  = Consumer buying behavior
- $\beta_0$  = Intercept of different independent variable
- $\beta_1$  = Coefficient of variables
- $X_1$  = Advertisement
- $\epsilon_i$  = Error term

**Table- 2**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.791 <sup>a</sup>	.585	.580	.27080	.590	74.910	1	98	.000	2.829

a. Predictors: (Constant), Advertisement

b. Dependent Variable: Consumer buying behavior

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	5.493	1	5.493	84.610	.000 <sup>b</sup>
1 Residual	3.813	98	.073		
Total	9.307	99			

a. Dependent Variable: Consumer buying behavior

b. Predictors: (Constant), Advertisement

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.162	.164		12.262	.000
Advertisement	.386	.042	.768	8.655	.000

a. Dependent Variable: Consumer buying behavior  
 Significant at .05 level

*Source: Primary data Confidence level: 95%*

The value of R is 0.791 and the value of adjusted R square is 0.580 in the equation it states that 58% of consumer buying behavior is influenced by advertisement. It should be noted here, that the dependent variable in the equation is the consumer buying behavior and independent variable namely advertisement is positively correlated. There is a direct positive relation between consumer buying behavior and advertisement. Coefficient of advertisement is 0.386. From the above linear regression model it can interpreted that one unit increases in advertisement causes 0.386 unit increases in consumer buying behavior for FMCG products. The Regression result as in Table 2 shows that the calculated F value is 84.610 which is greater than the table value 4.03 which is significant at 5 % level of significance and the intended P value is 0.000 which is lower than 0.05 so the null hypothesis H<sub>0</sub> is rejected. Hence, it is inferred that the advertisement has influenced the consumer buying behavior for FMCG product. Thus, the alternate hypothesis H<sub>1</sub> is accepted. So it can be said that there is a significant relationship between Advertisement (independent variable) and Consumer buying behavior (dependent variable).

**FINDINGS**

Findings related to relationship between advertisement and consumer buying behavior for FMCG products in Indore.

In this section linear regression analysis is used to analyze the relationship between advertisement and consumer buying behavior for FMCG products in Indore.

- It is found that the dependent variable in the equation is the consumer buying behavior and independent variable namely advertisement is positively correlated. There is a direct positive relation between consumer buying behavior and advertisement. Coefficient of consumer buying behavior is 0.386. From the linear regression model it can interpreted that one unit increases in advertisement causes 0.386 unit increases in consumer buying behavior for FMCG products.
- Celebrity used in advertisement influenced the consumers more to buy the product. Results also revealed that consumers considered advertisement as a trustworthy source of knowledge.

**SUGGESTIONS**

This study was conducted to find the impact of advertisement on consumers' buying behavior with reference to their fast moving consuming goods (FMCG's). There are different types of media is available by which marketer goes for advertisement of the product like television, radio, newspaper and social media are frequent medium's through which advertisement reach to their target customer. Advertiser and marketers should find out consumer's motives and their purchasing pattern in order to use different advertising strategies to influence their consumer behavior for FMCG product.

## CONCLUSION

The result revealed that advertisement has strong positive impact on consumer buying behavior. After these results and findings we can summarize this research that awareness can be increased only through advertisement. Brand perception loyalty and association can be influenced by advertisement which can further leads to influence consumer buying behavior. In the light of the study we can say that now a day's advertisement is a big marketing tool to attract the customer and to create space in the mind of customers.

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