



## Impact of advertisement on consumer buying behavior

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### ABSTRACT

This paper examined the impact of advertisement on consumer buying behavior. Advertising plays an important role in the form of communication intended to convince an audience (viewers, readers or listeners) to purchase or take some action upon products, information, or services. This study examined the different media (like the Television, Radios, newspapers, magazines and billboards), advertisement uses to communicate to the consumers. Questionnaires were administered to 150 respondents around some parts of Kaduna town for a period of one month. Findings indicate that advertisement has a significant positive relationship with consumer buying behavior. The study recommends that consumer buying behavior can be enhanced with rich quality and creative advertisements as it creates awareness.

**Key words:** Advertisement, Consumer Buying Behavior, Insurance Companies.

### 1. Introduction

Modern marketing practices have stressed the importance of advertising because it delves into a consumer's subconscious and influence choices of products or services that may lead an organization to the epitome of success or to the diminishing layers of its existence. Once the company knows the psychology of how the consumers make their decision, it can really help improving their marketing strategies. Of all marketing weapons, advertising is renowned for its long lasting impact on viewer's mind, as its exposure is much broader (Katke, 2007). Almost everyone has been exposed to advertisement. The evolution of advertisement dates back into the ancient times. Societies used symbols, and pictorial signs to attract their product users. Over centuries, these elements were used for promotion of products. In the early ages, these were handmade and were produced at limited scale for promotions. Later on this phenomenon used and gained strength more intensively for promotional purposes. In today's modern environment, advertisements have become one of the major sources of communicational tool between the manufacturer and the user of the products. Advertisement can be done through different media. Some

of majorly used are print medium (newspapers, magazines, and brochures), outdoor medium (billboards, events) and broadcast medium (television, radio, the internet). Generally, advertisement is considered the prime factor for the success of any business. It ranges from simple words of mouth to the full-blown marketing campaigns. Enormous efforts and money is invested in composition of a persuasive, compelling advertisement. Any business can get on the road of success when it attracts and retains the consumers with profit and this goal is achieved when company builds a strong consumer perception for its product or service. Advertising, when done in a proper way, is a surefire way to attract a large volume of the target audience in one shot.

The major aim of advertising is to impact on buying behavior; however, this impact about brand changes frequently in people's memories. Memories about the brand consist of those associations that are related to brand name in consumer mind. These brand cognition influence consideration, evaluation, and finally purchases (Romaniuk & Sharp, 2008). The principal aim of consumer behavior analysis is to explain why consumers act in particular ways under certain circumstances. In this light, this study therefore seeks to find out the role advertising play in the consumer buying behaviour of unsought goods with emphasis on insurance companies in Kaduna State. The choice of unsought goods is because these particular types of products are classified as either the consumer does not know about or knows but does not have an interest in purchase.

So, this study seeks to investigate whether advertisement will have any impact on consumer buying behavior of insurance with particular reference to life insurance. The null hypothesis for the study can be formally stated as:

**H<sub>01</sub>:** Advertisement does not have a significant relationship with consumer buying behavior.

## **2. Methodology**

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

## **3. Empirical Results**

To analyze the impact of consumer perception and advertisement on consumer buying behavior data was collected through questionnaires. 150 questionnaires were being filled by people from different sectors which consisted of 41 males (27%) and 109 females (73%). 65% were between the age of 15-25, 29% between the age of 25-30 and 6% between 30-40 or of above age.

Table 1: Results of correlation analysis

|                           |                     | Advertisement | Consumer Buying Behaviour |
|---------------------------|---------------------|---------------|---------------------------|
| Advertisement             | Pearson Correlation | 1             | .709**                    |
|                           | Sig. (2- Tailed)    | .150          | .000                      |
|                           | N                   |               | 150                       |
| Consumer Buying Behaviour | Pearson Correlation | .709**        | 1                         |
|                           | Sig. (2- Tailed)    | .000          |                           |
|                           | N                   | 150           | 150                       |

\*\* Correlation is significant at the 0.01 level (2 -Tailed)

Descriptive statistics shows that 1% change in advertisement brings about 0.709 variance in the consumer buying behavior which equals to 50% (0.709).

Table 2: Regression results

| Model         | Unstandardized Coefficients |            | Standardized Coefficients |        |      |
|---------------|-----------------------------|------------|---------------------------|--------|------|
|               | B                           | Std. Error | B                         | T      | Sig. |
| 1 (Constant)  | .872                        | .328       |                           | 2.64   | .014 |
| Advertisement | .801                        | .067       | .682                      | 10.654 | .000 |

Table 3: Model summary

| Model | R    | R square | Adjusted R square | Std. Error of the estimate | Durbin Watson |
|-------|------|----------|-------------------|----------------------------|---------------|
| 1     | .720 | .514     | .497              | 0.7415                     | 1.965         |

a. Dependent Variable: consumer buying behavior.

a. Predictor (Constant):Advertisement

#### 4. Concluding Remarks

Results show that advertisement has strong influence on consumer buying behavior with  $\beta$  value of 0.682. It can be explained that 68.2% variation in consumer buying behavior is due to advertisement which is significant at .000.

The model summary Table shows the summary of results. R square explains the total variation in dependent variable (the consumer buying behavior) due to impact of the independent variable namely advertisement. It shows the 51.4% influence of the independent variable on the consumer buying behavior which depicts the significant relationship among the variables. Durbin Watson was calculated to observe the type of correlation among the variables either positive, negative or zero. The value of Durbin Watson is 1.965 which shows that positive correlation between the variables under study. In addition this research can be done more accurately and precisely with larger sample size and also for other products or services.

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