A Study of Impact of Advertising on Non-Durable Goods of Household Consumer in Sivagangai District

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Abstract: *The tough competition in the global and national markets and new trends in consumerism resulted in an increase in the volume of advertisements. Sometimes advertisers are successful in achieving their intended objectives with a particular advertisement and sometimes they are not .These factors contributed a lot towards the decision making problems of advertising agencies with regard to the selection of appropriate advertising strategies and tactics. The tough competition and large volume of advertising make the consumers confused and this even created doubts in the minds of consumers about the genuineness and reliability of manufacturers and products. These factors caused a query regarding the active role of credibility element in advertising. The proposed study examines the effects of advertising credibility in consumer non-durable product advertising on communication effect, purchase behavior and ad skepticism. This paper examines the need for the study of advertising credibility and reviews the advertising- consumer behaviour- credibility – healthcare theories which form a basis for the study. It identifies the different components and dimensions of advertising credibility and the importance of communication effect, purchase behavior and ad skepticism. It also studies the relevance of credibility in the non-durable goods advertising and suggests a Theoretical Framework for the proposed study.*

I. Background of the Study

Marketers continue to spend large amounts of money on advertising because it is one of the most important and visible marketing tools. Advertising is one the way of promoting products, services and ideas in various ways. Advertising influences consumers' attitude and purchase behaviour in a variety of systematic manner. Advertising is essential to manufacturers, wholesalers and even to the retailers and it assist to excel the sales of products and services. The degree of effectiveness of advertising is determined by the satisfaction of consumers.

Advertising is generally thought to have a current period influence on sales, called the current effect, and a long-term influence beyond the current period, called the long-term or carryover effect (Tellis and Weiss, 1995). The advertising influences to the consumer buying behaviour which is the study of how individuals make decisions to spend their available resources like time, money and efforts etc. Advertising consists of activities involved in presenting to a group of a non-personal, oral or visual, openly sponsored message called as advertisement, is disseminated through one or more media and is paid for by identified sponsor (Stanton, 1967).

Every rational buyer has some reasons behind their every purchase. Reasons which induce them to buy any products are called as buying motives. Buying motives is motivating the buyers to buy certain product. A producer should have knowledge of buying motives of consumer before manufacturing their products. Buying motives is the thoughts, feelings, emotions and instincts that arises a desire in the buyer to buy a product.

Media has a vital role in the process of advertising communication. Effective advertising is possible only if suitable media are available. Here, advertising media are the means delivering sales or buying message. Every producer seeks to keep in touch with the customers as well as to attract prospects through advertisement media (Chunawalla and Sethia, 2001).

Non-durable consumer products have relatively longer life than perishables, but their quality is reduced if stored for longer period of time. Non-durable consumer products have short marketing life span as these are consumed by the buyer in a shorter duration. Examples of non-durable products are soap, shampoo, cosmetics, bottled or tin packaged food and drinks.

There are number of media available to the advertiser to select and get benefited. Newspaper is the oldest, powerful and the most popular media available to advertisers. It gives news, views, interpretations, opinions, comments and explanations, regarding current events, social, economic, political educational developments and the like newspaper provide a wide coverage of local and national market. Newspapers are usually published daily, circulated once a day and some are published weeklies. Advertising cost varies to different newspaper, depending on their circulation and specialties (Khadka, 2008).

II.   Objectives of the Study

The main objective of the study is to analyze the impact of media to the consumers for the sake of non-durable goods. However, some other specific objectives are as follows:

1. To identify the strength and directions of the advertising media for the buying habits of non-durable goods of consumers.
2. To evaluate the effectiveness of advertisement media on the buying behavior of household consumer with respect to non-durable goods.

III.   Rationale of the study

The 21st century is the age of marketing on which advertisement on media plays significant role to sell the product to the consumer. Advertising is a new and growing industry in Nepal and non-durable products or direct consumer goods have become a prominent of advertising. Non-durable goods like soap & shampoo, cosmetic items, noodles etc advertisement are featured dominantly in mass media well as the public displays.

The decision, without accessing the consumer's needs or wants, the investment in advertisement will worthless. So, it is the major issue, which media is appropriate for advertising of non-durable goods like soap & shampoo, cosmetic items and noodles effectively.

Without advertising, the sale of products and services is not meaningful because the advertisers do not know the effect of advertising towards the sale of the products. Advertising is essential to inform, persuade and remind to the consumers. Nowadays, various media are used but Television, FM/Radio and Daily Newspaper are popular among the various media. So, this study is valuable to advertisers/marketers to improve their advertising policy. As advertising involves cost and every cost should be allocated for expecting the good return. Every year, many manufacturing and trading organizations have been investing millions rupees only for advertising of their products. Unfortunately, a proper research regarding advertising media has not been properly analyze and evaluated. Therefore, this study focuses to analyze the present situation of advertising media such as television, FM/ radios and newspapers. Being Nepal is underdeveloped country, there is less impact of consumer related advertising media. Most of the people in remote areas they have no time for watching TV and reading newspaper. So, they enjoy listening FM/radios. The advertiser should be further analyzing the viewer's attitudes, their comments and suggestions through different sectors of viewers which would help to both the advertisers and the viewers in futures.

Research Hypotheses

This research has set following null and alternative hypotheses:

*   Null hypothesis (H_{0a}): The relationship between spend on non-durable goods and overall advertisement is insignificant.
*   Alternative hypothesis (H_{1a}): The relationship between spend on non-durable goods and overall advertisement is significant.
*   Null hypothesis (H_{0b}): There is no significant impact expressed by household consumers due to overall media (i.e. TV, FM/Radio and Newspapers).
*   Alternative hypothesis (H_{1b}): There is significant impact expressed by household consumers due to overall media (i.e. TV, FM/Radio and Newspapers).
*   Null hypothesis (H_{0c}): There is no significant impact on the buying behaviour of household consumer with respect to soap & shampoo when advertisement shown on TV, FM/Radio and Newspaper.
*   Alternative hypothesis (H_{1c}): There is significant impact on the buying behaviour of household consumer with respect to soap & shampoo when advertisement shown on TV, FM/Radio and Newspaper.
*   Null hypothesis (H_{0d}): There is no significant impact on the buying behaviour of household consumer with respect to cosmetic items when advertisement shown on TV, FM/Radio and Newspaper.
*   Alternative hypothesis (H_{1d}): There is significant impact on the buying behaviour of household consumer with respect to cosmetic items when advertisement shown on TV, FM/Radio and Newspaper.
*   Null hypothesis (H_{0e}): There is no significant impact on the buying behaviour of household consumer with respect to noodles when advertisement shown on TV, FM/Radio and Newspapers.
*   Alternative hypothesis (H_{1e}): There is significant impact on the buying behaviour of household consumer with respect to noodles when advertisement shown on TV, FM/Radio and Newspapers.

IV. Literature Review

The purpose of literature review is to find out what research studies have been conducted in one's chosen filled of study, and what remains to be done. It provides frameworks from which hypothesis can be developed for testing (Wolf & Pant, 2003).

For this research purpose, the review of literature has been categorized into two groups:

1. Conceptual review
2. Review of previous studies

V. Conceptual Review

Advertising creates awareness in the market place and may be repeated several times to acquaint and remind the target market. Thus advertising is designed to create an image of, or to carry a sales message about a product or service to the consumer, while sales promotion is an activity and used to generate and immediate sales of the product or service (Koirala, 1991).

In other hand, consumer behaviour is a function of a complex process. So, it is difficult to say that advertising is only one variable that influences the behaviour of consumer. Advertising objectives can also be classified as per their objective in terms of informing, persuading or reminding. Example of information type objective includes making prospective consumer aware of a new product, announcing a new price, and explaining how a product works. Persuading objectives includes attempting to build brand preference and loyalty and changing a consumers' attitude about particular brand characteristics. Objectives having to do with reminding includes communications telling consumers where and when to buy the product (Boyd, Westfall and Stasch, 2002).

There is no rule of thumb or set formula for solving this selection problem. Each advertising situation presents its own unique set of circumstances. Each type of medium has its own character and each specific medium, in turn, differs from the next. There is no single "best" medium for all advertising situations. Each media decision must be made in light of particular requirements of a particular situation. Each competitor selling the same products to nearly the same markets use different media strategies (Sandage, Fryberger and Rotzoll, 1996).

Review of Related Studies
Summary of related previous studies

Researchers	Topic of the Study	Main Objectives	Major Findings
Pandey, 1980	Advertising in Nepal	(i) The existing patterns and brands. (ii) The constrains hindering the use of advertising as an effective methods of promotion.	(i) The advertisement programmes are not well co-ordinate with the other elements of marketing and promotional strategy. (ii) Publication media, Radio and cinema are the most used media for commercial advertising. (iii) Advertising has favorable impact on their customers, sales and profit
Upadhyaya, 1981	Radio advertising and its impact on purchasing act in consumer goods	(i) Impact of radio advertising on customer purchase behaviour. (ii) Comparative cost of different forms of advertising in Nepal.	(i) Both consumers and advertisers recognize the need of advertising especially radio media is ranked top in the list. (ii) Out of advertising media available in Nepal Cinema advertising is the cheapest.
Shrestha, 1997	The Role of Advertising in brand choice and product positioning with soft drink.	(i) Effectiveness of advertising on brand of consumer product. (ii) Role of advertising in product positioning for the consumer prospective. (iii) Consumers importance to advertisement and other promotional tools while making decision.	(i) Advertising has been established as important promotional tools. (ii) TV is the mostly favourite medium for advertisement and radio stands in second position. (iii) The major reasons of brand switching the test of the product.
Shrestha, 1998	The marketing of cold drink in Narayangadh	(i) The popular media of advertising for the cold drinks which can easily attract the potential consumers. (ii) The relationship between the brand preference and advertising. (iii) The best choice of consumers on cold drinks.	(i) NTV is the most popular media and radio Nepal holds the second position in Narayangadh (ii) Coca-cola advertisement on NTV is more attractive than the Pepsi-cola. (iii) Advertisement of coca-cola is getting much more attractive with cinema house in Narayangadh city.
Aryal, 2000	An examination on female role portrayal in print advertising.	(i) The noticing behaviour of individuals on product categories be advertised portraying female models in print advertisement. (ii) The attention of individuals over the roles and activities played by female models in print.	(i) Female feature print advertisements regarding the product of food/ snacks; soft drink/ water; personal and beauty care, household appliances and alcoholic beverage were noticed by all levels of individuals of the society. (ii) The female artists and ramp models under the age of 25 or below as female models being portrayed in print advertisements were linked by the individuals of the society.
Ghimire, 2000	Advertising through television: impact &	(i) What kind of advertisement people generally preferred?	(i) Mostly children, young and old age people prefer musical advertisements where as others

	consumers behaviour.	(ii) How the different groups of people perceive the advertisement from television and their reactions about advertising.	prefer good wording advertising. (ii) Repetition of advertisement of advertisement attracts peoples' attention and they prefer to choose advertised product, if the price and quality of both products are same.
Giri, 2001	The Communication effect of Advertising and Brand Preference of Instant Noodles	(i) Popular media of advertising. (ii) Advertising appeal and relation between brand performance and advertising qualities.	i. Radio is the most leading media to create awareness in customer about advertised product. ii. Educated people are aware of brand because of advertisement but uneducated were found unaffected by advertisement. iii. Newspaper advertisement also influences people to buy instant noodles.
Thakur, 2001	The Role of Advertising in Brand Loyalty with Reference to Soft Drink	(i) Effectiveness of advertising on brand loyalty. (ii) Consumers' importance to advertising and other promotional tools while making decisions.	(i) Most of consumers like entertaining advertisement. (ii) Advertisement has a great contribution for purchase. (iii) Effective advertising in time as the best tool for brand loyalty. (iv) Most of the consumers have given first preference to the test of the product
Mool, 2003	A comparative study on the effectiveness of promotional tools on sales	(i) What promotional tools are more acceptable by the customers? (ii) What made is more wisely used by the marketers as sales promotional tools are best to attract the customers.	(i) People are aware of advertising as a promotional tool rather than other promotional tools and the people watch/ listen/ read advertisement to get information and entertainment. (ii) Price discount and cash price are two major sales promotions that attract the customer towards products or services.

VI. Research Methodology

Research Design

The research design of this case study is analytical as well as descriptive in nature. The study collects information relating to the media habits of the population and their attitude towards the different media. The questionnaire has been prepared in such a way that helps to find the role of media in consumer buying behaviour. The questionnaire contained both the objective type and open ended questions.

Sample Size

This study has taken the selected consumers of 32-56 years of age. The respondents are classified in terms of educational level only. This case study research work is based on primary data.

The taken sample has been classified on the basis of their level of education (highly literate and illiterate). There were altogether 60 household females in a sample.

Sample Size of Population

Level of education	Source of Sample	Selected sample number
High	Working class	30
Low	House wives)	30

Selected Sample of Media and Non-durable Goods of Household Consumers

S.N.	Media of Advertising	Non-durable Goods of Household consumer
1	Television	Soap, Surf & Shampoo
2	FM/ Radio	Cosmetic
3	Newspaper	Noodles

Sources of Data

Data may be obtained from the primary source. The case study based on primary data that are collected by field survey from working class and House wives of Sivaganga district and there is no hard and fast rule to use data so as per the need of need of this case study research work.

Analytical Tools

Models of Econometric (Statistical & Mathematical) Tools

There are so many tools used to get the result of the research work. Normally percentage, pie-chart, correlation and regression analysis are used for the analysis of data collected from the field. Among these analytical models or tools, this case study type of research work uses correlation and regression. SPSS and EXCEL software are used for the results of correlation coefficient and regression analysis.

Correlation

Correlation analysis is primarily concerned with measuring the direction and strength of linear relationship among the variables. Measurement of the strength of relationship between the two quantitative variables and it is usually carried out by simple correlation coefficient, denoted by r.

Regression Model

For the decades, researchers have used econometric models to estimate the effects of advertising to have the firms set advertising budgets (Tellis & Weiss, 1995).

The cause and effect relationship is clearly indicated through regression analysis than by correlation. In other words, regression analysis is a mathematical measure of the average relationship between two or more variables in terms of original units of data.

All of our measures of advertising were based on the questionnaire and respond of respondents about TV, FM/Radio and Newspapers. Following regression models were developed for the study of impact on non-durable household consumers' goods of total advertising, TV, FM/Radio and Newspapers.

(i) $T_{ND} = \alpha + \beta X_A + U$ (1)

(ii) $T_{S \& S} = \alpha + \beta_1 X_T + \beta_2 X_{F/R} + \beta_3 X_N + U$ (2)

(iii) $T_C = \alpha + \beta_1 X_T + \beta_2 X_{F/R} + \beta_3 X_N + U$ (3)

(iv) $T_N = \alpha + \beta_1 X_T + \beta_2 X_{F/R} + \beta_3 X_N + U$ (4)

Where,

T_{ND} = Total expenditure on Non-Durable goods.

α = Constant

β = Co-efficient or slope

X_A = Impact of total advertising

$T_{S \& S}$ = Total expenditure on soap and shampoo

T_C = Total expenditure on cosmetic

T_N = Total expenditure on noodles

X_T = Impact of television

$X_{F/R}$ = Impact of FM/Radio

X_N = Impact of Newspapers

T_E, $T_{S \& S}$, T_C & T_N are the dependent variables

X_T, $X_{F/R}$ & X_N are the independent variables or total explained variables

U = Error or residual terms or unexplained variables

Presentation And Interpretation Of Data

Table 1: Buying Decisions of Household Consumers

Decision Basis	No. of Respondents	Percent
Effect of advertisement	10	17
Effect of family discussion	20	33
Effect of friends and others	0	0
Self discretion	30	50
Total	60	100
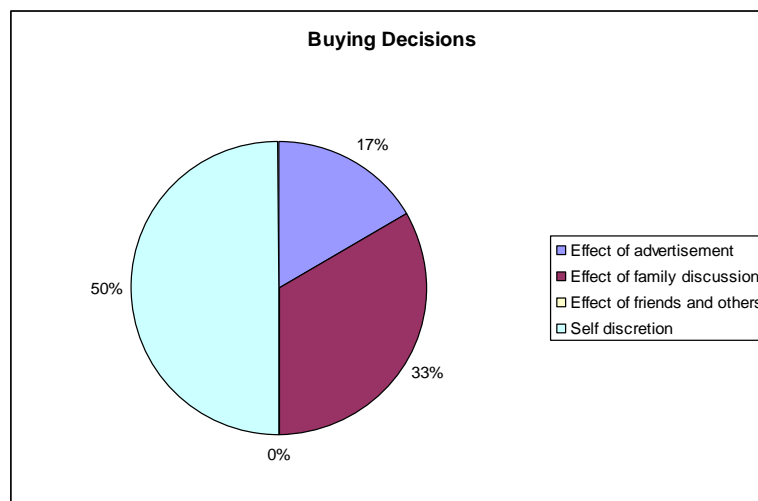
Simple Correlation Coefficients

As per our stated objective, to see the strength and direction of advertising media for the buying habits of non-durable goods of consumer, following result have been found as a result of simple correlation.

Table2: Correlations Between Spend on Non-durable Goods and Advertisement on Media

Spend on Selected Non-durable Goods	Advertisement on TV		Advertisement on FM/Radio		Advertisement on Newspaper	
	r	P-value	r	P-value	r	P-value
Spend on soap & shampoo	0.2	0.704	-0.565	0.765	0	1
Spend on Cosmetic	-0.293	0.573	-0.463	0.355	-0.218	0.678
Spend on instant Noodles	0	1	0	1	-0.577	0.230

Table 2 shows that there is very low degree of positive correlation coefficient between spend on soap & shampoo and watching advertisement on TV. Likewise, there is moderate degree of negative correlation coefficient between spend on soap & shampoo and listening advertisement on FM/Radio. But, results shows there is no correlation coefficient between spend on soap & shampoo and reading advertisement on Newspaper. Similarly, there is low degree of negative correlation coefficient between spend on cosmetic and advertisement on TV, FM/Radio and Newspaper.

Above result shows that there is no correlation between spend on instant noodles and advertisement on TV and FM/Radio but there is moderate degree of negative correlation coefficient between spend on instant noodles and advertisement on newspaper.

Null hypothesis is accepted because all the P-values are greater than 5 % level of significance. It means, the relationship between spend on non-durable goods and overall advertisement is insignificant. So, there is no strong strength between spend on non-durable goods and advertisement on media because results either positive or negative were lies between low degree and moderate degree only. Mostly, there is negative direction between spend on non-durable goods and advertisement on media.

Regression Results and their interpretations

To satisfy the second objective following second hypothesis has been stated in the introduction.
After running first regression model we obtain following results.

$$T_{ND} = \alpha + \beta_1 X_A \quad \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots(1)$$

$$35.694 + 0.087 X_A$$

$$t \quad (1.443) \quad (0.083)$$

$$F \quad 0.007 \quad \text{P- value} = 0.938$$

$$R^2 = 0.002 \quad R = 0.041 \quad N = 60$$

Interpretation:

From the first regression findings, it can be concluded that one rupee additional increases in advertisement of non-durable goods leads to increase rupee 0.087 in total expenditure of household consumers. Here, Null hypothesis is accepted because the P-value of F test is greater than 5 % level of significance (i.e, 0.938>0.05). It means there is no significant impact expressed by household consumers due to media (i.e., TV, FM/Radio and Newspapers).

- To satisfy the second objective following third hypothesis has been stated in the introduction.
After running first regression model we obtain following results.

$$T_{S \& S} = \alpha + \beta_1 X_T + \beta_2 X_{F/R} + \beta_3 X_N + U \quad \dots\dots\dots\dots (2)$$

$$38.728 - 0.207 X_T - 0.347 X_{F/R} - 0.315 X_N$$

$$T \quad (6.248) \quad (-2.436) \quad (-1.975) \quad (-2.610)$$

$$F \quad 3.242 \quad \text{P-value} = 0.245$$

$$R^2 = 0.829 \quad R = 0.911 \quad N = 60$$

Interpretation

The findings of second regression equation shows that the buying behaviour of household consumers on soap & shampoo are not positively affected with the application of different advertisement media. One rupee increases in TV, FM/Radio and Newspaper advertisement would lead to decrease spend on soap & shampoo by Rs. 0.21, Rs. 0.35 and Rs. 0.32 respectively.

Here, Null hypothesis is accepted because the P-value of F test is greater than 5 % level of significance (i.e., 0.245>0.05). It means There is no significant impact on the buying behaviour of household consumer with respect to soap & shampoo when advertisement shown on TV, FM/Radio and Newspaper.

- To satisfy the second objective following fourth hypothesis has been stated in the introduction.
After running first regression model we obtain following results.

$$T_C = \alpha + \beta_1 X_T + \beta_2 X_{F/R} + \beta_3 X_N + U \quad ....(3)$$

	-7.539	+ 0.165X_T	+ 0.563$X_{F/R}$	+ 0.425X_N
t	(-1.403)	(-2.242)	(3.699)	(-2.610)
F	39.520	P-value = 0.025		
R^2 =	0.983	R = 0.992	N = 60	

Interpretation:
The findings of third regression equation shows that the buying behaviour of household consumers on cosmetic items is positively affected with the application of different advertisement media. One rupee increases in TV, FM/Radio and Newspaper advertisement would lead to increase spend on cosmetic items by Rs. 0.17, Rs. 0.56 and Rs. 0.43 respectively.

Here, Null hypothesis is rejected because the P-value of F test is less than 5 % level of significance (i.e., 0.025<0.05). It means there is significant impact on the buying behaviour of household consumer with respect to cosmetic items when advertisement shown on TV, FM/Radio and Newspaper.

To satisfy the second objective following fifth hypothesis has been stated in the introduction.
After running first regression model we obtain following results.

$$T_N = \alpha + \beta_1 X_T + \beta_2 X_{F/R} + \beta_3 X_N + U \quad ....(4)$$

	10.577	+ 0.138X_T	+ 0.022$X_{F/R}$	− 0.028X_N
t	(0.937)	(0.894)	(0.069)	(-0.128)
F	0.513	P-value = 0.713		
R^2 =	0.435	R = 0.659	N = 60	

Interpretation:
The finding of fourth regression equation shows that the buying behaviour of household consumers on cosmetic items is positively affected with the application of different advertisement media like TV and FM/Radio but negatively affected with the application of Newspaper. One rupee increases in TV and FM/Radio advertisement would lead to increase spend on noodles by Rs. 0.14 and Rs. 0.02 respectively. In other hand, one rupees increase in Newspaper advertisement would lead to decrease spends on noodles by Rs. 0.03.
Here, Null hypothesis is accepted because the P-value of F test is greater than 5 % level of significance (i.e., 0.713>0.05). It means There is no significant impact on the buying behaviour of household consumer with respect to noodles when advertisement shown on TV, FM/Radio and Newspaper.

Major Findings and Conclusions
The results or findings of this case study research work have been summarized as follows:
➢ The buying decision of highly literate and highly illiterate consumers is not mainly by the cause of advertisement on media. In other words, their buying decision about non-durable goods is based on self discretion (Table 1 & Figure 1).
➢ There is low degree of positive correlation coefficient between spend on soap & shampoo and watching advertisement on TV. Similarly, there is moderate degree of negative correlation coefficient between spend on soap & shampoo and listening advertisement on FM/Radio but there is no correlation between spend on soap & shampoo and reading advertisement on Newspaper. Likewise, there is low degree of negative correlation coefficient between spend on cosmetic items and watching advertisement on TV, FM/Radio and Newspapers (Table 2). It means, the overall advertisement should not be targeted only on highly literate and highly illiterate household consumers because calculated P-values indicate that the relationship between advertisement and spend on non-durable goods is insignificant at 5% level of significance.
➢ The findings of stated first regression model shows that there is no strong evidence on the effectiveness of overall advertising media towards spend on non-durable goods because the effectiveness is insignificant at 5% level of significance.

➢ The results of stated second regression model indicate that the buying behavior of household consumers on soap & shampoo is not influenced positively by the advertisement media and the effectiveness of media is insignificant at 5% level of significance.

➢ The results of stated third regression model depict that the buying behavior of household consumers on cosmetic items is positively influenced by the different advertisement media and the effectiveness of media is significant at 5% level of significance.

➢ The results of stated fourth regression model shows that the buying behavior of household consumers on noodles is positively affected with the advertisement media like TV and FM/Radio but negatively affected by the Newspapers. The overall effectiveness of media is insignificant at 5% level of significance.