

Impact of Advertisements towards Customer Purchase Decision: A Study with reference to Cosmetic Products

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Abstract: *In the current era of information explosion and the world of media, advertisements play a major role in changing the behavior and attitude of consumers towards the products shown in the advertisements. The advertisements not only change the way of product is consumed by user but alter the attitude with which they look at the product. All over the world, advertisements have been used since ages for a wide variety of brands. For over the last two decades, a sharp increase in advertisements can be witnessed. Advertisements have great influence in purchasing decision of customers for particular brands. It is a ubiquitously accepted fact that advertisements can bestow special attributes upon a product or service that it may have lacked otherwise. The study focuses on identifying the influence of advertisements on the consumer behavior and attitude with special reference to the cosmetic products on youth between 15 to 24 years of age. In order to seek answers to the research problem a descriptive mode of research was employed. The information was collected from the primary as well as the secondary sources. The study was conducted in Bangalore City with a sample size of 100 respondents with main focus on the youth through random sampling method. The data collected was analysed using various statistical techniques through SPSS. The study went on to prove that there is a strong relationship between the cosmetic advertisements and customer purchase decision. The result of the study would help various stakeholders to act cautiously and responsibly.*

Keywords: Advertisement, Consumers, Behavior, Purchase Decision, Youth

Introduction

An Advertisement is one of the topical strategies of many brands for the promotion of their product. The purpose of mass advertisements is to gain attention for the product, ensuring prolonged association with consumers, or for the purpose of recall of their product in customers' mind. For the purpose, it proceeds to analyze the impact of advertisements in influencing the consumer's attitude to purchase the cosmetic products like skin-care creams, lotions, powders, perfumes, lipsticks, fingernail and toe nail polish, eye and facial makeup, permanent waves, coloured contact lenses, hair colours, hair sprays and gels, deodorants, hand sanitizer, baby products, bath oils, bubble baths, bath salts, butters and many other types of products.

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Today, most of the advertisements come with 'celebrity endorsements' which act as a credible means of spending money. This could be for the reason of their social standing. People want to wear the "right" clothes, drink the "right" beverages and use the "right" fragrances and buy "right" durables. Studying the attitude of consumers, it can be stated that if a consumer observes messages for two different firm's products, one product's message containing a better advertisement and the other not, believes the better advertisement's product will definitely have more features and so be of higher value.

A young age group of 15-25, youngsters in India is a regular viewer of various advertisements. They spend most of their free time in front of television, watching programs and channels of their choice. The majority of young generation believes advertisements to be informative and most of them respond to them favorably. Marketers, who take advantage of young people's power to influence family purchase, choose various forms of advertisements that reach the youth.

Statement of the Problem

India's retail beauty and cosmetics industry, currently estimated at \$950 million, is likely to almost treble to \$2.68 billion by 2020. Annual growth in the Indian beauty and cosmetics markets is estimated to remain in the range of 15-20 per cent in the coming years, twice as fast as that of the US and European markets. Massooma, Editor at New Age Salon & Spa magazine and knowledge partner for 'International Beauty Mart' (IBM) 2014, believes awareness in India of the latest global beauty trends and the numbers are prompting more international players to set up shop and increase their presence in India.

By creating advertisements with unrealistic images of beauty, it has resulted in anxiety, low self-esteem, and low self-confidence in many women. Most of these negative emotions stems from unhappiness among body and appearance. Therefore this study is an effort to understand how the cosmetic advertisements have an impact on the behaviour and attitude of the consumer.

Review Literature

Advertising serve to inform consumers about a product. They add that, advertising increases the demand elasticity for a product and this happens because, it is believe by these scholars that, as information of a product is given, it is assumed the product is of high quality and this can even increase the demand for products which is of low quality in general (Ozga 1960).

Advertising makes demand for a product inelastic and thus ensures increase in the price of the product and this effect might lessen as a result of scale economies. The view also adds that, consumers are unwilling to try new products especially those of unknown quality and this may deter entry of new producers. These scholars agree that, this view of advertising will only work in the presence of scale economies in production (Comanor, 1967).

There is a simultaneous relationship between advertising and consumption but not a unidirectional. Thus, advertising and consumption seem to work on each other (Weiserbs, 1972). The principal aim of consumer behaviour analysis is to explain why consumers act in particular way under certain circumstances. The study tries to determine the factors that influence consumer behaviour, especially the economic, social and psychological aspects which can indicate the most favoured marketing mix that management should select. Consumer behaviour analysis helps to determine the direction that a consumer's behaviour is likely to take and to give

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preferred trends in product development, attributes of the alternative communication method etc. (Proctor, 1982).

A firm's primary mission is to reach prospective customers and influence their awareness, attitudes and buying behaviour. They spend a lot of money to keep individuals (markets) interested in their products. To succeed, they need to understand what makes potential customers behave the way they do. The firm's goal is to get enough relevant market data to develop accurate profiles of buyers to find the common group for communications. This involves the study of consumer behaviour (Arens, 1996).

The Relationship between Advertising and Consumption in India: An Analysis of Causality made use of unit root test, cointegration and error correction model and found out that, fluctuations in advertising expenditure positively impacts consumption expenditure (Philip, 2007).

A consumer would like to attain some status in society and using a certain product is capable of achieving this. What this view means is that, the consumer, in his quest to achieve this social status will be influenced by this advertising (Bagwell, 2001).

Advertising has been a subject discussed over centuries ago, but prior to the 20th Century, this subject was not as important as it seems now. The reason been that, in the 19th century, economist were busy trying to develop the theory of perfect competitive markets, this theory assumed that, there was perfect information in the market and that, consumers had fixed preference for their products which were homogenous in nature. It was then thought of as a waste of resource and an increase in cost of production for one to advertise on products because consumers were not in any way going to respond to that (Bagwell, 2001).

There was no large scale production until the late 19th century when numerous inventions cropped up. The advancement in transportation and technology, made producers rethink their decision to improve their capacity and thus, ensure publicity of their products. (Bagwell, 2011)

Advertising might be useful in providing information to consumers which will help them satisfy their wants. He termed this as a constructive role played by advertising. The second role he calls a combative role played by advertising may provide less information to consumers leading them to shift among products. Marshall gave an insight to the role of advertising but less can be said of its fusion to microeconomics. (Bagwell, 2011)

A market structure in which there are many firms producing and selling similar but not identical products. In this market, Chamberlin believes that advertising may provide consumers with information about their wants but also adds that, it can be persuasive and alter one's demand for another. Advertising when informative makes consumers responsive to price changes and thus increases the demand elasticity for the product but a persuasive advert will create brand loyalty making the demand for a good inelastic (Bagwell, 2011).

Scale economies play a central role in Chamberlin's work and he believes that, such economies may exist in production and advertising as well. Chamberlin then concluded that, the effects of advertising cannot be determined by theory alone, thus where a firm's demand curve is tangential to its U-shaped average cost of production and selling, but by also considering the extent to which advertising is whether informative or persuasive and also whether scale economies exist (Bagwell, 2011).

Advertising and consumer buying behaviour with special reference to Nestle Limited, India found that, advertising and sales promotion together with the image of a company

influence the consumer buying decision. They added that, the quality and price of a product also influences a consumer's purchase of a good (Kumar, 2011).

The rise of companies after trade and liberalisation in the 1990s saw most cosmetic firms enter India with local ones gaining grounds from partnerships. Consumers have since then increase their demand for products of these cosmetic firms. It is in this steady growth that the Associated Chambers of Commerce and Industry in India, estimated the Indian cosmetic market to be valued at \$50 billion. The high demand in cosmetic products has been a great deal for firms and the Indian market has also benefitted from the products provided by these firms (ASSOCHAM, 2013).

There is increase in the buying behaviour among the youth in India especially with regard to personal care products. They attributed the increase in female spending on cosmetic products to an increase in female employability and females being bread winners in their families. They also found out that, men on average spend more on cosmetic products than women, with the men spending averagely about Rs. 1000 - Rs. 5000 on cosmetic products monthly. This, they attributed to men's demand for decent hair care, deodorants and razor blades. The high increase in the spending on cosmetic products is as a result of the youth in India being conscious of their bodies and looking for products to enhance their physical appearance (ASSOCHAM, 2013).

This high growth in demand for cosmetic products makes it worthwhile researching this area to know the motives behind consumers purchase and factors associated with their purchase (ASSOCHAM, 2013).

There is a high increase in the consumption of cosmetic goods among the youth. They added that, men on average spend more on cosmetic products than their female counterparts and attributed this increase to the awareness created on the products (ASSOCHAM, 2013).

As income of females increase, their purchase of cosmetic products also increases. They also, added that, this increase in expenses on cosmetic product is made possible by the advertisement made on them (Junaid, 2013).

Objectives

- i. To analyse the cultural influences of cosmetic advertisement on customer purchase decision.
- ii. To find out cosmetic advertisement influences the customers purchase decision.
- iii. To determine the impact of advertisement towards customer purchase decision.

Methodology

- a. **Study Area:** The study area for the research was Bangalore, which is the capital city of Karnataka State. It is in the Southern part of India.
- b. **Sample Size:** The sample size for the study was 100 youth respondents who reside in Bangalore.
- c. **Sampling Technique:** The sample techniques selected in administering the questionnaire was random sampling.
- d. **Source and Type of Data:** The sources of data were primary data, collected from respondents in the study area and interviews conducted with respondents.
- e. **Research instrument:** Questionnaire was the main device used in the collection of data. Primary data were used. Primary data are the pieces of information elicited from respondents which were directly related to the research topic.

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- f. **Data Collating/Processing:** The collected data was then collated and analysed using SPSS.

Hypothesis

H₀ – There is no significance difference between culture and purchase decision

H₁ – There is a significant difference between culture and purchase decision

H₀ – There is no significance difference between advertisement and purchase decision

H₁ – There is a significant difference between advertisement and purchase decision

H₀ – Advertisement will serve as significant predictors and explain the variance in customer purchase decision towards cosmetic advertisement

H₁ – Advertisement will not serve as significant predictors and explain the variance in customer purchase decision towards cosmetic advertisement

Findings:

Table 1: Explained that 95% of respondent were in the age group of less than 20. Further it shows that teenagers are more attracted towards cosmetics

Age		
Options	Frequency	Percent
Less than 20 years	95	95.0
Above 20 years	5	5.0
Total	100	100.0

Table 2: Explained that 93% of respondents were undergraduate i.e., they are pursuing their graduation and 7% of respondents were completed their graduation

Education		
Options	Frequency	Percent
Undergraduate	93	93.0
Graduate	7	7.0
Total	100	100.0

Table 3: Explained the respondents family income in that 47% of respondent's family income was between Rs. 25,000 – Rs. 50,000, 32% respondent's family income was below Rs. 25,000, 13% respondents family income was between Rs. 50,000 – Rs. 1,00,000 and 8% respondents family income was above Rs. 1,00,000

Family Income		
Options	Frequency	Percent
Below Rs. 25,000	32	32.0
Rs. 25,000 to Rs. 50,000	47	47.0
Rs. 50,000 to Rs. 1,00,000	13	13.0
More than Rs. 1,00,000	8	8.0
Total	100	100.0

Table 4: Explained the respondent's religion of which 53% were Hindus, 10% were Muslims and 37% were Christians

Religion		
Options	Frequency	Percent
Hindu	53	53.0
Muslim	10	10.0
Christian	37	37.0
Total	100	100.0

Table 5: Explained the respondent's Mother tongue of which 75% were speaking Malayalam 13% was speaking Kannada and 12% were speaking Hindi

Mother Tongue		
Options	Frequency	Percent
Kannada	13	13.0
Hindi	12	12.0
Malayalam	75	75.0
Total	100	100.0

Table 6: Explain the spending behavior of the respondents towards cosmetics, of which 77% respondents were spending Rs. 500 per month, 18% respondents were spending between Rs. 500 to Rs. 1,000 per month and 5% respondents were more than Rs. 1,000 per month

Spending per Month		
Options	Frequency	Percent
Less than Rs. 500	77	77.0
Rs. 500 - Rs. 1,000	18	18.0
More than Rs. 1,000	5	5.0
Total	100	100.0

Table 7: ANOVA analysis was used to know the influence of religion towards customer purchase

Variables	Religion				F	Sig.	Mother Tongue				F	Sig.
	Hindu	Muslim	Christian	Total			Kannada	Hindi	Malayalam	Total		
Ad influences	3.1081 (1.20064)	2.2182 (1.43817)	3.3489 (1.15838)	3.1082 (1.23887)	3.441	.036	3.4476 (1.05852)	3.7727 (1.29757)	2.9430 (1.22550)	3.1082 (1.23887)	2.997	.055
Customer attitude	3.1803 (1.18779)	2.3667 (1.47503)	3.4084 (1.15442)	3.1833 (1.22872)	2.941	.058	3.5299 (.97727)	3.8148 (1.26627)	3.0222 (1.23066)	3.1833 (1.22872)	2.849	.063

Decision in cosmetic products. The mean level of purchase decision dimensions were compared with respondent's religion and their mother tongue. An independent sample ANOVA proved that, Advertisement influences towards purchase decision with reference to religions (F= 3.441, P= .036) p value is less than .05 therefore at 5% level there is a significance differences between influential advertisement towards religion. And with reference to mother tongue (F= 2.997, P= .055) even at 5% level there is no significance differences between mother tongue towards purchase decision. The ANOVA results proved that religion was influenced by the advertisement whereas; mother tongue has no influence towards advertisement.

With reference to customer preferences, p value is greater than .05 therefore null hypotheses is accepted. Hence, at 5% level there is the no significance differences towards religion (F = 2.941, P = .058) and mother tongue (F = 2.849, P = .063). Further it shows,

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religions and mother tongue was not influenced in customer preference towards cosmetic products.

The above table shows the model summary of influence of advertisement (Predictor) with the correlation of 99.5% and it also explains the 99.0% of customer purchase decision towards cosmetic products ($R^2 = 0.990$, $F = 10120.990$, $p < 0.01$).

Table 8:

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.115	.033		3.519	.001	.050	.181
	ADINFTOTAL	.987	.010	.995	100.603	.000	.968	1.007

a. Dependent Variable: CPTOTAL

Table 9:

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df 2	Sig. F Change	
1	.995 ^a	.990	.990	.12194	.990	10120.990	1	98	.000	

a. Predictors: (Constant), ADINFTOTAL

b. Dependent Variable: CPTOTAL

The above table explains the coefficient and correlation of independent variable (influence of advertisement) with customer purchase decision as the dependent variable. Influence of advertisement predictor variable customer purchase decision was explained ($\beta=0.995$, $t=100.603$, $p<0.01$). Influence of advertisement (x) is predictor then dependent variable Customer perception (y) $Y = -.115 + .987x$.

The minimum value in this case 1.1025 and maximum value was 5.0506. It shows customer who ever attain the minimum value shows that they were moderately influenced by cosmetic advertisement towards their purchase decision and those who ever attain maximum value shows that they were very much influenced by cosmetic advertisement towards their purchase decision. Hence, there is a strong positive relationship between the cosmetic advertisement and Customer purchase decision. Therefore, it statistically proved at 1% level that there is a very strong positive relationship between the cosmetic advertisements and customer purchase decision towards the selection of cosmetic products.

Conclusion

To conclude, there is a strong relationship between the cosmetic advertisements and customer purchase decision. The study also revealed that advertisements influence the customer towards their cosmetic brand selection. The study also reveals that religion impacts the purchase decision of the individual, but whereas the mother tongue does not have an impact on the purchase decision.

Authors' Note

This manuscript is the authors' original work, has not been published and is not under consideration for publication elsewhere.

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