

Influence of Advertisement on Buying Decision: Analysis of Automobile Purchase in Rajasthan

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Advertisements are used to inform, influence, or remind the customer about the products or service offered by any Industry and they invest a lot of resources in all kinds of advertisement to capture the largest market share. Advertisement acts as a chief conveyer to attract the attention of the customer. The Vehicle segment (Family Cars) in India with very a vast number of probable buyers is prospering with various of alternatives/ assortments accessible with a combined cutthroat competition where each company is confronting survival challenges. These companies advertise and expect the customer to respond positively to their spur. Thus, the measurement of impact or effectiveness of advertisements is of essential to these companies. The study ponders to comprehend the effect of advertisements; its dynamic with special reference to acquisition of family cars in Rajasthan. The effect of advertisement will be examined based on customer feedback given on the advertisements they experience during their pre and post buy choice of family cars through different modes. The study is completed within the state of Rajasthan through structured questionnaire. Different statistical tools are applied to quantify the effect of Advertisement.

Keywords: Advertising, Automobile Sector, Purchase Decision Making, Consumer Behaviour, Customer Feedback

I. Introduction:

Advertisement as per Oxford dictionary termed as “Any public notice, as a printed display in a newspaper, short film on television, announcement on radio, etc, designed to sell goods, publicize an event etc”.

It is often defined as “It is a common form of non- personal communication about an organization and or its products idea service etc. that is transmitted to a target audience through a mass medium or a specific effort to promote or publicize a specific product or service at a certain cost”. It is a general term indicating efforts at mass appeal or helps a thing or an idea propagated amongst the people. Companies are investing a lot of resources in all kinds of advertisement to capture the largest market share and they

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should get the proportionate outcome in terms of sales.

The automobile sector develops radically over the time of 10 years, and all on account of the expanding contribution of advertisement which is being utilized by various automobile companies to impact the purchasers and make them progressively mindful about their product. The sector offers a wide scope of vehicles in India with a spread that's developing as the economy develops, and the buying intensity of the working classes and lower middle class increases.

II. Objectives:

There is a huge potential for advertisement to influence the decision of customer while purchasing an automobile. Thus, it is considered:

- To understand the influence of advertising/promotion in the automobile (family car) sector.
- To comprehend the impact of advertisement in brand recognition, brand building, brand acknowledgment and lastly the decision of plan while buying it.
- To find out the most effective media for advertisement.
- To determine the relationship between advertising and purchase decision.

III. Scope and Need:

Advertisement cannot just be used for awareness about the product and services rather it also plays a significant job in purchase decision. It is comprehended that all the organizations spend a ton of cash on advertisement to build up the product through advertising and to accomplish the biggest portion of the market. It is likewise significant for the organizations to know whether their advertisements are effective/compelling or not. The current study helps in investigating the effect of advertisement on consumer behavior before buying an automobile (Family Car).

IV. Literature Review:

Companies use advertisements to create a basic understanding about the product or service and build up image in the mind of the potential customer (Morden, 1991). Advertising is a concept used as communication tool and one of the most efficient means which may directly or indirectly effect the market (Xiaoli Nan and Ronald J. Faber, 2004). Customers had (or have) a positive attitude towards advertising by their various perceptions about the use of advertising hence it is a good indication for marketers. Advertisement should be cost effective as it leads to increase the prize of the product or service. (Punniyamoorthy & Parthiban). The impact of advertisements on consumer buying behavior process is considerable. The advertisements become the most powerful communication tool to

accomplish marketing goals of any company, if the negative impact is minimized. (Rao & Rao). Effective advertising has a inordinate influence on the consumer buying decision making process of the customers for which the advertisement must leave a lasting impression on the mind of the customer and encourage them settle on shrewd choices. (Si and Kapoor).

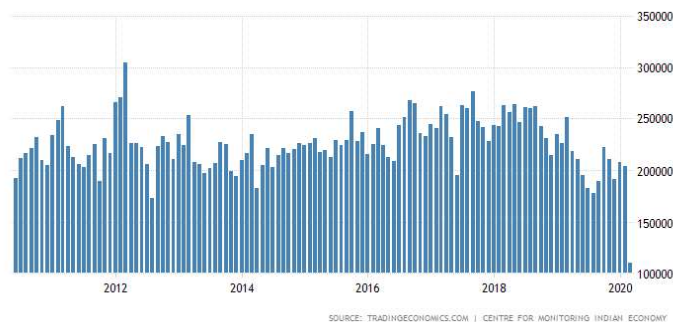
V. Research Methodology:

The study used Descriptive Research Design. The primary data was collected through Structured Questionnaire, and secondary data was collected through references to research papers, marketing journals, social networking sites, and online blogs/forums/articles. The population (may

use a different word instead) taken in this study is the owners of family car or to be owners in the state of Rajasthan. Convenience/ Judgmental sampling approach with 104 (60 male & 44 female) sample size is used. Such consists of University staff, MNCs, Govt. Employees, Self Employed, housewives, etc.

VI. Automobile Sector in India:

In India, automobile industry is one of the largest industries showing rapid growth over the years and the sales are booming from the last 10 Years till 2018 but there was dip in the last one year which shows that there is a higher market potential and many recent studies shows the sale of passenger car has been increased by three folds in the last decade.



Source: Tradingeconomics.com, Centre for Monitoring Indian Economy.

Passenger Vehicle	2015-16	2016-17	2017-2018	2018-2019	2019-2020
	27, 89,208	30, 47,582	32, 88,581	33, 77,389	27, 73,575

Source: SIAM (Society of Automobile Manufacturers)

Between 2014 to 2018, passenger vehicle sales were increased by 8%. In the last five years, the passenger cars, utility vehicles, and vans have grown by 9%, 7 % and 4 % respectively. The table below showing the sales figure of the last five years with respect to Passengers Vehicles in India which is consistently increasing for the first four years, only there is dip in sales in 2019-2020.

Following are the main reasons for the growth of the Indian automobile sector as:

- Surge in disposable income of the consumer as economy is growing.
- Surge in the need of mobility due to development and vacation.
- Auto loan options available at normal rate of interest and length of repayment.
- Availability of service centers, spare parts across the nation in near locality.
- Improvement in road infrastructure which in turns reduce cost of service and time.
- Exposure of Customers to Media through TV, Internet, Radio , Newspaper
- Increase in Advertisement & Promotional activities and Auto Expo.

Over the last few year, advertising in this sector has increased to many folds. Five years back, only a few companies were

advertising their products through various medias, but in the last 5 years it has increased and now each and every company (from Tata Nano/ Hyundai Eon to Audi/BMW/ Mercedes) is investing a huge amount in advertisements and product promotion. The marketers have to be on war foot to achieve the largest market share in this fastest growing and competitive market. For the same purpose, various Automobile Companies are using different advertising strategies which enable their products reach to the masses.

Advertising Plans/ Strategies in Automobile Sector:

- **Television advertising**

The TV commercial is usually considered the utmost effective mass-market advertising format. The T-20 world cup in India and IPL is known as the most prominent advertising event on television. Many Advertisements are shown at prime time, as at this time most of the people watch television to gain maximum coverage. The majority of television commercial features a song or jingle that listeners soon relate to the product. Various special TV shows like 'Raftaar' on NDTV are dedicated to New Car Launches.

- **Radio advertising**

Radio advertising is a form of advertising via the medium of radio. Airtime is bought from

a station or network in exchange for airing the advertisements. With the development of technology, FM is very popular among the youths and this can be used as recall or reminder medium. The penetration of FM is more than the Newspapers. Local dealers use this medium to inform local area/city customers about the latest offers and happenings

- **Digital or online advertising**

Digital marketing is the term used for the various promotion & advertising activities or techniques working to connect to its customers through various digital techniques. Websites, Web portals, Blogs, Social Media, Mobile Apps, e-mails etc are the Digital marketing tools for Automobile sector. The web now-a-days has become the foremost effective tool not only surfing for information or communicating with friends, family and colleagues but also for entertainment. India will see the sharpest growth in Internet users from 2015 to 2020, with almost double users. (will see or has seen because it is 2020) This number further estimated to be increased in both urban and rural areas, indicating active growth in access to internet. India had moreover outperformed the United States in December 2014.

- **Press advertising**

Press advertising defines publicity in a printed form such as a newspaper, magazine, trade

journal, Auto Magazines etc. A form of press advertising is classified advertising, which allows a private individual or business to purchase a small ad for a low fee advertising a product or service. Another form of press advertising is the Display Ad.

- **Celebrity endorsement**

This type of advertising which uses celebrity power, fame, money, popularity to gain recognition for their products and promote specific products or services. Celebrities are often involved in advertising campaigns such as television or print adverts to advertise specific or general products. Shahrukh Khan has been the brand ambassador of Hyundai; Ranbeer Kapoor and Ranvir Singh are endorsing Renault and Maruti Suzuki Ciaz respectively.

- **Sponsoring Events**

To gain exposure, build good will, and connect with a specific audience Sponsoring an event might be the perfect approach. Hyundai sponsored the World T-20 2016. Maruti Suzuki sponsored IPL T-20 2016.

- **Auto Expo**

In auto expo, automobile companies from around the globe comes to display their future vehicles and concept cars. Now-a- days, auto expos are scheduled bi-annually with lots of media coverage, popularity amongst the youth etc. This can be considered one of the finest means to pitch new vehicles.

- **Billboard advertising**

Billboards are generally placed at prominent places within the city, highways, airports etc. Now-a -days, Mobile Billboards vehicle mounted or digital screens are also common. These can be on dedicated vehicles built solely for carrying advertisements along routes pre-selected by clients, they can also be specially equipped cargo trucks or, in some cases, large banners strewn from planes. Poster of Rajnikants' movie Kabali were displayed on Air Asia flights.

Data Analysis and Findings:

Convenience/ Judgmental sampling method is used with a sample size of 104 (60 male & 44 female) these comprise of employees of University, MNCs, Govt. Employees, and Self Employed, housewives, etc. The primary data is collected through Structured Questionnaire and secondary data is collected by referring to Marketing Journals, Research papers, social networking sites, and online blogs/forums/articles.

The study shows that advertisement is very much important for any company or business. Maruti Suzuki is the company which first comes to the mind of the Customer i.e. 42 % whereas others companies are almost divided into equal share i.e. Hyundai 16%, Honda and Volkswagen 15% and Renault is 12%. Hence, it is evident that advertisement of Maruti Suzuki has an impact of on the minds of

customer whereas other companies are far behind. The study clearly determines that advertisement is reaching to its customer and most of them i.e. 85% people have seen the advertisement in Media which could provide them ample information about the Automobile they want to purchase. Internet/ Digital / Online Media wins the battle of the most trusted media of advertisement. Television is the second popular media for advertisement of cars among the all four which also Radio, Newspaper. In newer digital platforms to reach the target audience. Gone are the days when TV advertisement used to yield the desired result. 69% people recall the advertisement of automobile they encounter on day to day basis of the advertisement. It signifies that the content of the advertisements have a lasting impact on the customers' mind which can determine purchase behavior but the content has to be realistic and authentic. 33% recalls the content of Maruti Suzuki, the reason for highest percentage might be this is the most popular brand amongst the population under study or we can say the impact of Advertisement. Renault and Hyundai are 11%. Honda and Volkswagen are 10% and 3 % respectively. 64% of the people agree that advertisement will affect ultimately their decision making regarding the purchase of car 26% differ and 10 % people say they didn't want to comment. So, it can be concluded from analysis that advertising has a great

impact in the purchase decision making of the customer for which the advertising has to be effective so as to leave an enduring effect on the customers' awareness and offer them to make right choices/ decision.

Conclusion and Suggestions:

Now- a- days, car has become a necessity for any individual and advertising is the important stimulating factor. Hence, the companies need to spend more on advertisement and promotions. Research study shows that majority of the consumer inclined and influenced by the advertisements of Maruti Suzuki, so other companies have to re-think about their advertising strategies. In family car, advertisements have a positive impact on customer purchase decision. The study also recommends that customer's approach can be wrought favorably through effective advertising. The Digital/Online media marketing has a positive impact on customers before purchasing an automobile

by knowing its features and reviews through internet from their digital devices. Automobile companies should know that the efficiency of delivery from traditional media has come down and companies need to spend more on Digital/ Online advertising. Traditional Marketing methods may also not be neglected, since digital/online advertisement is subject to only customers who have access to online media and customer have access to businesses or services where they reach customers via newspaper, television, or radio, as in traditional marketing businesses or services. There are cutthroat markets in the automobile sector for best performance, better quality and even low cost product. As Indians consumers are more aware of price and fuel efficiency in the marketing campaigns therefore, the automobile companies need to focus on all the above factors.

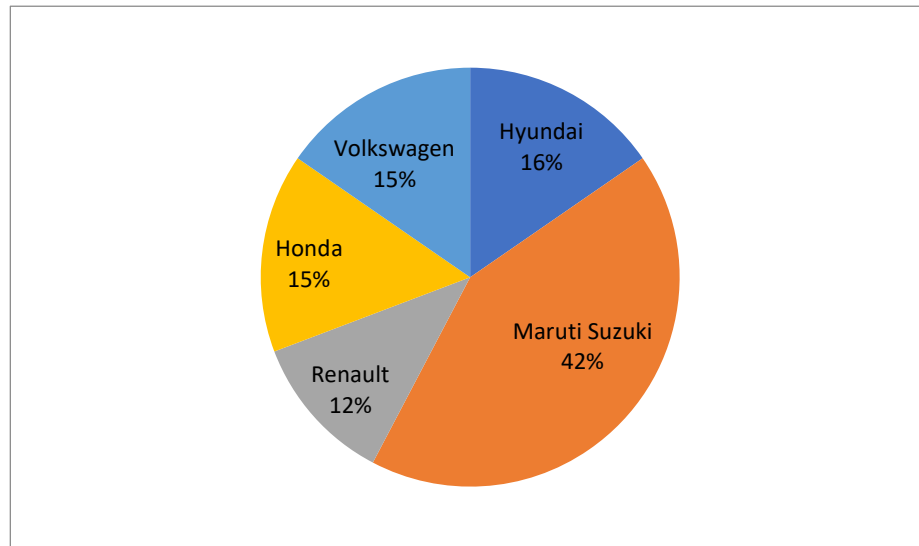
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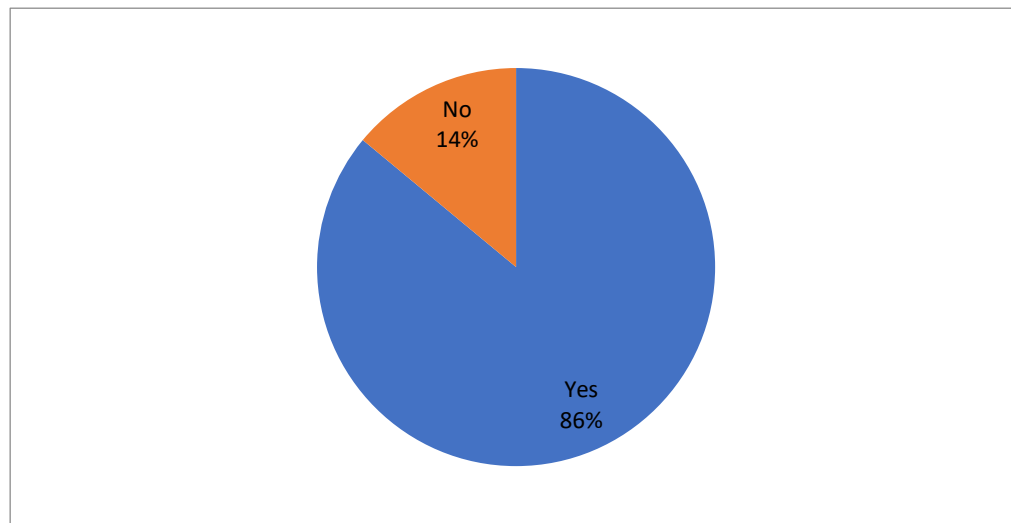
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Annexure

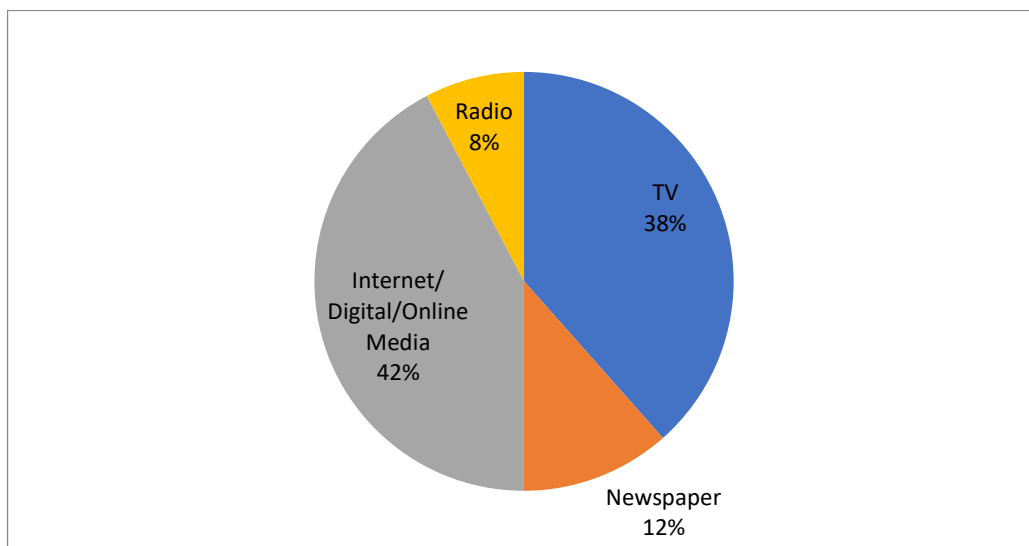
Q-1 Which Automobile Company would first come to your Mind ?



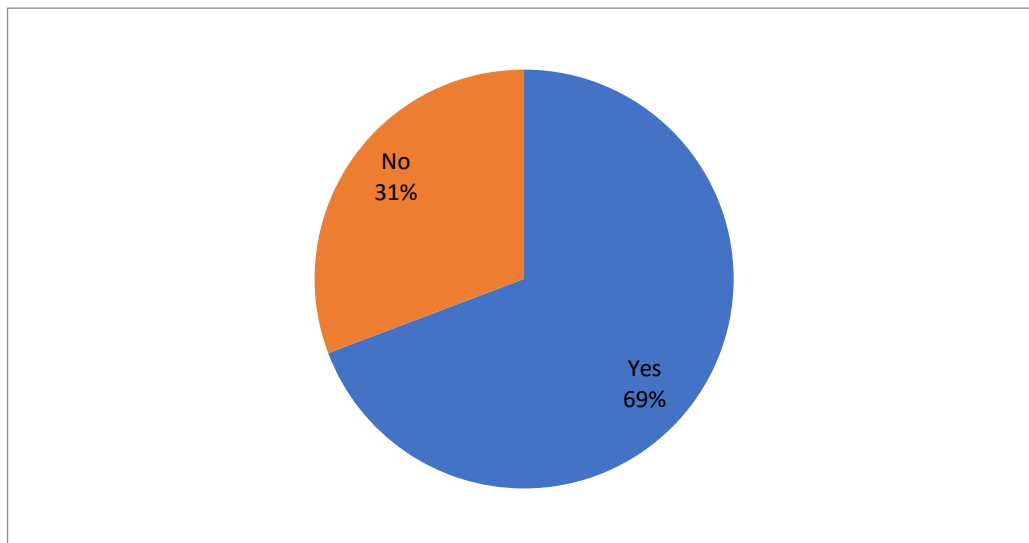
Q-2 Have you seen any Car Advertisement?



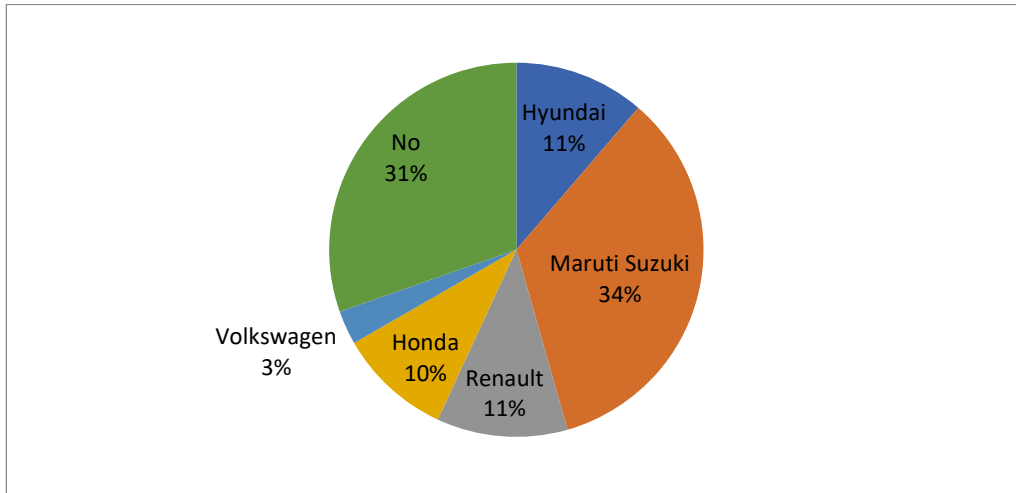
Q-3 Which media you mostly used for information about Cars?



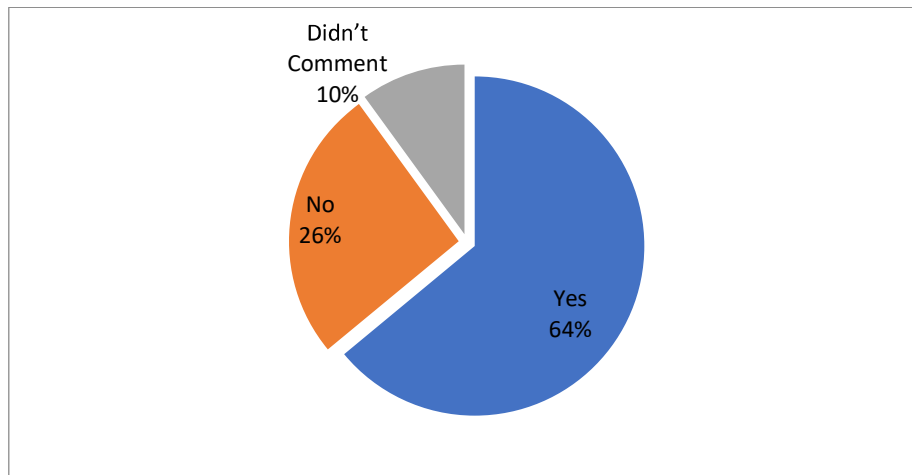
Q-4 Can you remember the content of advertisement of any Automobile Company?



Q-5 If yes, which company?



Q-6 Do you think that advertising effect eventually your purchase decision regarding the purchase of car?



Q-7 Which car do you purchase or plan to purchase?

