Media Advertisement: Does it Really Influence the Purchase Intention?

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ABSTRACT

Marketers use a variety of information channels to sway consumer behavior. Every advertisement using different media has a unique mix that engages consumers in a unique way. Consumer media habits have shifted as a result of digitalization. As a result, a better understanding of advertisements on various media platforms and their implications for CB is required. The goal of this study is to check how advertisements affect consumer purchase intentions in the Sri Lankan smart phone market. It reflects how people react to different types of advertisements. The study employed the survey method, with data collected from 250 participants. The data was analyzed using statistical tools such as Cronbach’s alpha, correlation, and regression tests. According to the R Square value, media advertisements accounts for 34% increase in purchase intention. Radio commercials, billboard advertisements, and newspaper advertisements, on the other hand, all have a negative impact. The purchase intention of Smart phone is positively influenced by TV, online and social media advertisements. Marketers must use social media to promote their devices. Marketing managers can learn from this study and engage in suitable media to achieve the objectivity of their commercial advertisements.

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1. Introduction

In today’s business world, mobile phones have become one of the most powerful devices. Companies are attempting to attract a growing number of customers while also attempting to keep them on their network for as long as possible. New customers benefit from better word-of-mouth recommendations from existing customers. As a result, the operators provide more benefits to their current customers. In general, advertising has the ability to influence consumer purchase intent in a variety of ways (Anjum et al., 2015; Kumar & Raju, 2015). It has now become the most effective tool for attracting new customers (Mishra & Vashiath, 2017). The goal of advertising media is to reach the intended audience. Companies can use a variety of methods, but they must be powerful enough to influence consumer decisions. It should persuade customers to switch from one product to another (Pongiannan & Chinnasamy, 2014). Furthermore, in today's world, mobile phones have evolved into highly personalized devices. Other than the owner, it is rarely used by anyone else. The advancement of technology allows for more advanced features to be added to the devices. It will aid in the recruitment of new customers. The mobile phone has evolved into a multipurpose device in recent years. Advertising gives you a better chance to get all of your messages across to your customers (Ishar Ali & Siraji, 2021).

Consumer attitudes can be influenced by effective advertising. The ultimate goal of the advertisers is to sell their goods. One of the most important factors in consumer decisions is the customer's environment. Companies can use advertising to motivate customers (Ishar Ali & Siraji, 2021; Logan et al., 2012).

In comparison to other regional markets, Sri Lanka has the fastest penetration of smart phones, which is growing around the world, according to global telecommunication officials. Customers in Sri Lanka who have had 3G, 4G (and now 5G) for a long time know how to get the most out of their smartphones. In Sri Lanka, approximately 63 percent of the population now owns a mobile phone. Despite being higher than South Asia (42%) and the developing world (67%) in terms of mobile ownership, Sri Lanka is still far behind mature markets, where rates of 60-80 percent are common. Subscriber growth in Sri Lanka has been fueled by a combination of three factors over the last five years: rising household incomes, rising GDP per capita, and rising consumer confidence. Expanded mobile network coverage, with 2G networks now covering up to 90% of the population and 3G and 4G networks covering 70%-75 percent of the population, and increased competition between mobile operators, which has resulted in lower prices for consumers.

People are more willing to purchase a brand new smart phone these days. However, there are more competitive brands that offer a variety of smart phone options. The fact is that different people spend different amounts of money on the same type of mobile phone. For example, both Huawei and Samsung smart phones are made in China, and their quality is similar in most cases. People, on the other hand, spend varying amounts on various smart phones.

In the mobile phone industry, Apple phones have a unique concept and approach. They are constantly attempting to transform the mobile phone industry through new technology. Vivo, Redmi, and Xiaomi use a variety of marketing strategies. As a result, there are some advertising influence factors to consider. As a result, the researcher decided to investigate the advertising factors and their impact on the Sri Lankan smart phone industry. The purpose of this study is to determine the impact of advertising on consumer purchase intentions in the Sri Lankan smart phone industry. It reflects how consumers respond to various types of mobile phone advertising.
2. Literature Review

2.1. Theories and models relevant with advertising

The communication process model was developed to demonstrate that communication is made up of several different elements that are constantly in contact with one another (Rai, 2013; Tsui, 2012). The sender, message, receiver, feedback, channel, context or setting, and noise or interference are said to be the seven main elements in this process model. This group of seven is equally important in the communication process, and without one of them, the process would be incomplete. Advertisers must be aware of how their message may be received by customers on the market in order for advertising to be effective (Tsui, 2012).

Academics and professionals have spent a long time trying to come up with theories and models that can show how customers respond to the advertising they are exposed to in order to make this easier (Tsui, 2012; Pongiannan & Chinnasamy, 2014). The advertiser can create a message that meets all requirements and is thus effective by understanding the different behavioral levels that customers pass through (Ishar Ali, 2020). The communication process can be linked to these models. The communication process model was developed by Mc Guire (1999). Professionals in the advertising industry are still searching for the ideal model that can be applied to the real market and its customers. Models and theories are difficult to apply in real life at the moment. AIDA is a behavioral model developed by Strong in 1925 with the goal of ensuring that an advertisement raises awareness, stimulates interest, and leads the customer to desire and, eventually, action (Kumar & Raju, 2013).

Every day, more than 80% of Sri Lanka's population watches television. Advertisers need sophisticated data on viewer habits and audience profiles to ensure their TV commercials reach the right people at the right time, which has become more difficult due to the proliferation of channels.

Radio advertisements are transmitted through the air via radio waves from a transmitter to an antenna and, ultimately, to a receiving device (Petersen, 2018). In exchange for airing the commercials, a station or network sells airtime. Despite the fact that radio is limited to sound, proponents of radio advertising often tout this as a benefit. Radio is a growing medium that can be found both on the air and online (Petersen, 2018; Rai, 2013; Tsui, 2012).

Social network advertising, also known as social media targeting, is a term for various types of online advertising that target social networking sites (Alalwan, 2018; Logan et al., 2012). One of the most significant advantages of advertising on a social networking site (e.g., Facebook, WhatsApp, Instagram, Myspace, Friendster, Bebo, Orkut, etc.) is that advertisers can use demographic information about users to better target their ads (Ishar Ali, 2020; Lim et al., 2017; Logan et al., 2012).

Social media targeting combines existing targeting options (such as geotargeting, behavioral targeting, socio-psychographic targeting, and so on) to allow for more precise target group identification (Lim et al., 2017; Alalwan, 2018). Advertisements are distributed to users via social media targeting based on information gathered from target group profiles. Advertising on social networks is not always the same as advertising on social media. The method of optimizing social media advertising by using profile data to deliver advertisements directly to individual users is known as social media targeting (Ishar Ali & Siraji, 2021; Lim et al., 2017). The process of matching social network users to advertiser-specified target groups is known as social media targeting.

Advertising in a printed medium, such as a newspaper, magazine, or trade journal, is known as press advertising. This includes everything from widely circulated media, such as a major national newspaper
or magazine, to more narrowly focused publications, such as local newspapers and trade journals covering highly specialized subjects (Mishra, & Vashiath, 2017). Classified advertising is a type of press advertising that allows private individuals or businesses to buy a small, narrowly targeted ad for a low cost to promote a product or service. Another type of press ad is the Display Ad, which is a larger ad (with or without photographs) that typically appears in a newspaper's article section (Rai, 2013; Tsui, 2012). Newspaper advertising, magazine advertising, and in-flight magazine advertising are some of the types of press advertising a firm can provide.

A billboard (also known as a hoarding) is a large outdoor advertising structure (a billing board) that is commonly found in high-traffic areas like along busy roads. Passing pedestrians and drivers are exposed to large advertisements on billboards (Hussain & Nizamani, 2011). Billboards are highly visible in the top designated market areas, usually featuring large, ostensibly witty slogans and distinctive visuals (Khan et al., 2016).

The largest standard-size billboards are bulletins. They have high-density consumer exposure because they are primarily located on major highways, expressways, or main arterials (mostly to vehicular traffic). Bulletins provide the best visibility, not only because of their size, but also because they allow for creative "customizing" via extensions and embellishments. The other common type of billboard advertising is posters, which are mostly found along primary and secondary arterial roads. Residents and commuter traffic, with some pedestrian exposure, see posters, which are a smaller format than bulletins.

2.2. Theoretical aspects of consumer Purchase intention

People think, feel, and act differently, according to Hofstede & Hofstede (2005). They’ve looked into these psychological aspects. It’s important to remember that certain groups or individuals may act differently depending on their culture. Hofstede and Hofstede (Hofstede & Hofstede, 2005) The words "global marketing," "technology," "consumers," and "communication" are all used interchangeably around the world. Consumer behavior and advertising are also linked (Rai, 2013). Because the local dimension of advertising differs from the international, advertising that is relevant to global businesses acts as a cultural bridge. Coca-cola is an example of a common example. It is a globally recognized brand, but when advertisers deliver messages to customers, it cannot be done in a standard manner. There should be no disconnecting between the message and their values. (Mooij 2010, Mooij, Mooij, Mooij Consumers' decision-making processes are influenced by cultural and subcultural factors. When launching new products in different countries, marketers must exercise extreme caution. Acceptance of the products is influenced by religion, nationalities, and regional groups, among other factors. Family, role, and status are also influencing factors in consumer purchasing behavior. Consumer decision-making is also influenced by some personal factors. Personal factors include a person's lifestyle, income, age, and occupation. Aside from that, some psychological factors have an impact on consumer behavior. Perception, attitudes, motivation, and belief are all part of it. (Evans & colleagues, 2006)

2.3. The influences of consumer decision making

According to previous studies of consumer purchasing behavior, there are three factors that have a significant impact on the consumer decision-making process. External, internal, and marketing influences are examples of these factors. Advertising can be classified as a marketing influence because it has an impact on both internal and external factors. It went on to say that consumers' decision-making is influenced by both emotional responses and the influence of audio, video, and text advertisements (Abideen & Saleem 2011).
Figure 1.1: Conceptual Framework

Based on the above literature and conceptual framework, the following hypotheses have been developed

H₁: Television advertisements have significant impact on consumer purchase intention towards mobile phones

H₂: Radio advertisements have significant impact on consumer purchase intention towards mobile phones

H₃: Online advertisements have significant impact on consumer purchase intention towards mobile phones

H₄: Social media advertisements have significant impact on consumer purchase intention towards mobile phones

H₅: Billboard advertisements have significant impact on consumer purchase intention towards mobile phones

H₆: Press advertisements have significant impact on consumer purchase intention towards mobile phones

3. Research methodology

3.1. Research design

This research was conducted in order to find solutions to the problem at hand. It will also benefit from previous research, models, and theories that are relevant to the chosen topic. Primary data will be gathered, analyzed, and presented with the conclusion in accordance with the research design in order to meet the study's objectives.

3.2. Unit of Analysis

According to (Sekaran, 2009), the study's unit of analysis is the level of aggregation of the data collected during the subsequent data analysis stages (Sekaran, 2009). As a result, an individual is the unit of analysis for this study. The individual can then be classified as a smart phone user who is concerned about the device's use.
3.3. Sample Design
Consumers who use a smart phone, both men and women, between the ages of 18 and 50, are included in the study's population. A single member of the population under study can be defined as a sampling element. The sampling element should be representative of the population in order to collect the data needed for the study. A total of 250 respondents were chosen. In this study, the researcher uses a convenience sampling method to collect primary data from respondents. The 250-person sample includes both male and female participants of various ages and occupational categories with varying average monthly income levels. The convenience sampling method is used to take into account the results of easy access to respondents and the researcher's convenience.

3.4. Data Collection
Secondary data is information that has already been collected and is available for any other reason. Although the purpose of gathering this information was different, the researcher was still able to use it for research. Some data was incomplete and not in an acceptable state. The primary benefit of secondary data was its low price. At the same time, it had already been collected, and there was a high level of availability. 2007 (Kotlar & Keller) The quality of the research was harmed when it relied on secondary data. At the same time, the study's accuracy, completeness, and timeliness should be considered (Saunders, 2009).

Primary data, according to Kotler, is information that is collected for the first time. Observation, focus groups, surveys, behavioral data, and experiments were used to collect primary data. 2007 (Kotlar & Keller) The use of a primary data collection method allowed us to collect only the information we needed. It was narrowed in on a few key issues or findings. Those conclusions were drawn from the original data. The most significant disadvantage of collecting primary data was the lack of time. It was necessary to make additional arrangements for data collection (Saunders, 2009). The most important part of the study, primary data, was collected using a quantitative approach. A structured questionnaire was used to collect data from 250 people who were interested in the topic.

3.5. Research Instrument
To collect data for measuring construct concepts, the researcher used a self-administered questionnaire. The questionnaire was divided into three sections, each of which dealt with the operationalization of key construct concepts. The questionnaire is divided into three sections, as shown below. The first section of the questionnaire collects information about respondents' smart phones, including brand, condition, and value. Four questions about the demographic information of the respondents. In addition, this section has been designed to identify respondents' demographic data, such as gender, age, occupation category, and average income level.

The second section of the questionnaire covered the advertising media construct concepts, which were operationalized using questions and used six dimensions. Furthermore, the second part of the questionnaire is solely focused on determining the construct concept of smart phone purchase intention. To measure those dimensions of advertising media and purchase intention, the researcher used a five-point Likert scale (strongly agree, agree, neither agree nor disagree, disagree, strongly disagree).
4. Data presentation and Analysis

4.1. Demographic Profile Analysis

The total number of people who took part in this study was 250. Female respondents outnumber male respondents. Male respondents make up 40.7% of the total sample. Females make up the majority of the sample that equates to 59.3% of the total sample size. The total number of people who took part in this study was 250. The age range 18-25 respondents are higher than the other respondents, according to respondents in the 18-25 age range make up 66.7% of the total sample, respondents aged 26 to 35 is 23.3%. Respondents in the 46-56 age range account for 5.3%.

Monthly income range below 30,000 is the highest than the other respondents that represent 46.7%, income range between 40,000-50,000 equal to 18% and income range between 50,000-60,000 and 60,000-70,000 equal to 22.7% & 8.7% of total respondents. When it comes to profession, private sector represents 17.3%, Government sector 42.7%, self-employed 18% and the rest of the respondents were undergraduates and students.

The Samsung brand was used by the greatest number of respondents which is 37.3% in this study. Huawei is the second most popular brand, with 23.3% of respondents using it. The Apple brand is in third place, with a 20% market share. Sony is the brand with the lowest number of respondents with just 1.3%.

According to the research data most of respondents use brand new mobile phones that represent the 86% and 14% using the used mobile phones. However, most of the respondents are buy 20,000-30,000 cost range mobile phones. That represents 34%. Secondly most of respondents are buying 30,000-50,000 cost range mobile phones which is 30%. 18% respondents are buying 10,000-20,000 cost range mobile phones. 11.3% of the respondents use 50,000-100,000 worth of mobiles while minimum buying range is above 100,000 that represent 1.3% of the respondents.

4.2. Factor Analysis

This study employs factor analysis to reduce the number of variables in the data set. The suitability of using factor analysis as a validation tool was checked by applying the Kaiser-Meyer-Olkin (KMO) measure of sampling and Barlett’s test of sphericity. The measurements are strived to measure the KMO at $> .70$ and the Barlett’s significance $< 0.05$. The KMO measures is utilized to examine the appropriateness of factor analysis. The Barlett test of sphericity is used to determine if each set correlates perfectly with itself ($r = 1$) or has no correlation with other variables ($r = 0$). Accordingly,

<table>
<thead>
<tr>
<th>Variables</th>
<th>KMO</th>
<th>Bartlett Test (r)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV Advertisements</td>
<td>0.762</td>
<td>.000</td>
</tr>
<tr>
<td>Radio Advertisements</td>
<td>0.783</td>
<td>.000</td>
</tr>
<tr>
<td>Online Advertisement</td>
<td>0.824</td>
<td>.000</td>
</tr>
<tr>
<td>Social Media Advertisement</td>
<td>0.766</td>
<td>.000</td>
</tr>
<tr>
<td>Billboard Advertisement</td>
<td>0.817</td>
<td>.000</td>
</tr>
<tr>
<td>Press Advertisement</td>
<td>0.731</td>
<td>.000</td>
</tr>
</tbody>
</table>

For all independent variables the KMO score is greater than 0.70 and the Bartletts score equally satisfactory at 0.000. This means that the data is suitable for factor analysis.
4.3. Reliability of the study

Cavana et al., (2001) state that the research reliability test is performed in order to guarantee the stability and consistency. Additionally, Hair et al., (2003) note that for a scale to be reliable, measurements must be done multiple times, and the findings must be constant. The Cronbach alpha reliability analysis test is a test that is used to analyze the dependability of different constructs for consistency and reliability of items among constructs. If the value of Cronbach's alpha is larger than 0.70, then it is regarded as acceptable and good.

Table 4.2: Cronbach’s Alpha Coefficients

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television advertising</td>
</tr>
<tr>
<td>Radio advertising</td>
</tr>
<tr>
<td>Online Advertisement</td>
</tr>
<tr>
<td>Social media advertising</td>
</tr>
<tr>
<td>Billboard advertising</td>
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<tr>
<td>Press advertising</td>
</tr>
</tbody>
</table>

(Source: Survey Data)

The alpha coefficient all variables are greater than 0.70. It means that the data collected from the survey is reliable.

4.4. Dimensions of Smart phone purchase intention

Based on the values shown in Table 4.2, the mean scores for each independent variable is recorded are greater than 3. TV advertisements, Radio advertisement, online advertisements, social media advertisements, billboard advertisements and press advertisements were recorded with the values of 3.93, 4.18, 3.62, 4.21, 3.12 and 3.17 respectively. Among them, the social media advertisements have higher impact as it records the highest mean value. Based on the figures received, billboard advertisement is the least recorded trait which records a 3.12 mean value.

Table 4.3: Descriptive Statistics

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Mean Value</th>
<th>Sd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television Advertisement</td>
<td>3.93</td>
<td>1.097</td>
</tr>
<tr>
<td>Radio Advertisement</td>
<td>4.18</td>
<td>0.977</td>
</tr>
<tr>
<td>Online Advertisement</td>
<td>3.62</td>
<td>1.026</td>
</tr>
<tr>
<td>Social Media Advertisement</td>
<td>4.21</td>
<td>1.116</td>
</tr>
<tr>
<td>Billboard Advertisement</td>
<td>3.12</td>
<td>0.850</td>
</tr>
<tr>
<td>Press Advertisement</td>
<td>3.17</td>
<td>0.982</td>
</tr>
</tbody>
</table>

4.5. Correlation Analysis of Relationship Between Variables

The degree and direction of correlations between the studied variables were examined using a correlation analysis. Strength describes how closely the variables are related—the bigger the absolute value of the coefficient, the stronger the association. The direction of a relationship is indicated by the sign of the coefficient, whereas a value of 0 denotes the lack of a link. The coefficient is positive if there is a tendency for the variables to rise or fall together. The coefficient is negative if one variable tends to increase while the other tends to decline. Convergent validity was demonstrated using Pearson
correlation analysis. General principles, if correlations between 0.10 and 0.30 are regarded as weak, those between 0.30 and 0.70 as moderate, and those between 0.70 and 0.90 as strong. Correlation analysis was conducted to examine the suggested relationship between variables.

Since the person correlation is 0.438, between TV advertisement and Smart phone Purchase intention, 0.121 between radio advertisement and purchase intention, 0.520 between online advertisement and purchase intention, 0.738, between social media advertising and purchase intent, 0.123 between billboard advertisements and purchase intention and 0.212. Between press release and purchase intention. Hence, it is found that there was a strong positive relationship between social media and purchase intention, moderate positive relationship between television advertisement and online advertisement with purchase intention, while, the relationship between billboard and press advertisement with purchase intention was positive week.

4.6. Regression Analysis and Hypotheses Testing

Prior to running the analysis, regression assumptions were checked to ensure the normality, auto correlation and multicollinearity using appropriate tests.

4.6.1. Durbin-Watson statistics for Auto Correlation

The Durbin Watson statistic is a test statistic used to detect autocorrelation in the residuals of a regression study. The Durbin Watson statistics here is 2.13 which is between two critical values of 1.5<d<2.5. Therefore, there is no first order auto-correlation in our multiple regression data.

4.6.2. Multicollinearity Analysis

It is the condition of extremely strong interassociation between independent variables. It is therefore a sort of data disturbance, and if it is present, conclusions drawn from the data may not be trustworthy.

<table>
<thead>
<tr>
<th>Table: 4.4: Multicollinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>TV Advertisement</td>
</tr>
<tr>
<td>Radio Advertisement</td>
</tr>
<tr>
<td>Online Advertisement</td>
</tr>
<tr>
<td>Social Media Advertisement</td>
</tr>
<tr>
<td>Billboard Advertisement</td>
</tr>
<tr>
<td>Press Advertisement</td>
</tr>
</tbody>
</table>

The statistics showed that each variable had a tolerance value of > 0.1 and a VIF < 10, hence multicollinearity would not interfere the outcome of multiple regression analysis.

To examine the impact of media advertising on purchase intention of Smart phone in Sri Lanka, multiple linear regression analysis was employed. The regression model presents how much of the variance in the measure of consumers purchase intention is explained by the underlying media advertisement elements.
The coefficient of R square is 0.341, it means 34% of purchase intention is explained by media advertisements while the remaining 64% explained by other factors that influence the smart phone purchase intention of customers.

According to ANOVA table, F value is 72.436 and p-value significant value is 0.021 < 0.05, hence, the model is significant.

According to the coefficient table, not all the independent variables contributes significantly for the regression model as p – value is > 0.5 for radio, bill board and press advertisements. Thus it supports only H1, H3, and H4. Further, this study reveals that social media advertisements are the most influential factors followed by online and television advertisements.

5. Conclusion and Recommendations

The purpose of the study was to determine the impact of advertising media on the Sri Lankan smart phone industry. According to the R Square value, 34 percent of purchase intention is explained by advertising media. However, Only TV, Online and Social media advertisements have found to be very influential while radio, billboard and press were not influencing the purchase intention of consumers when it comes to the smart phone purchase intention of customers. According to the smart phone industry, marketers must use social media advertising as a means of promoting their devices. People can easily assess for online advertisement as soon as they need it, which is one of the main reasons for choosing social media.
6. Recommendations for further research

Basically, the focus of this research is on the impact of advertising media on purchase intent in the Sri Lankan smart phone industry. As a result of time limitation this research is only focusing to collecting data from small number of participants, the findings cannot be generalized to entire country and the respondents were selected from the major cities, therefore, further research can be guided with covering large sample and rural areas to measure the impact of media advertisements in broader context.

References


