An Investigation of TV Advertisement Effects on Customers' Purchasing and Their Satisfaction

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Abstract

Today advertisement plays an important role in persuading customers to purchase products and services. On the other hand the expenses of advertisement in comparisons of other activities in most companies are very remarkable. Marketing studies showed that traditional advertisement strategies based on massive ads bombarding over a generic audience are not very effective and, in some cases, are at risk of being counterproductive. As a result, marketers and advertising companies are always looking for more effective and newer communication media and evaluation methods of advertising effectiveness. The present study attempts to examine the effects of Avishan company's TV advertisement (As a big clothing producer company in Iran) on customers' attention to advertisement, interest for purchasing, desire for purchasing, action of purchasing and eventually customers' satisfaction in Babol city. The results show that the TV advertisement was effective in taking attention of customers, creating interest, desire and action of purchasing. Also, the study revealed that the customers were satisfied from purchasing Avishan's products.

Keywords: TV advertisement, Effectiveness, Customers' purchasing, Satisfaction

1. Introduction

Today, advertising companies invest huge amounts of their earnings in advertising in different media such as television, radio, magazine and etc. In most countries, different organization spends annually a big sum of money for marketing and public relations in direct and indirect form. But unfortunately, consideration to assessment of advertising effectiveness is less and only some organizations and industries evaluate the effectiveness of their advertising (Macarthy, 2000). In fact, companies invest millions of dollars in creating advertising messages to position their products above those of their rivals resonate with consumers and influence their behavior. Even though the effectiveness of advertising is unquestionably an important factor in its success, it is not accounted for in most empirical and theoretical models assessing advertising effectiveness.

Advertising will only survive and grow if it focuses on being effective. Advertising must be effective. It must achieve its objectives. Effective advertisements are advertisements that help the advertiser to reach its goals (Doyle & Saunders, 1990). According to most studies in different countries, revealed that TV has the biggest effects on audiences and persuade them to start purchasing processes. TV as an advertising media has three key advantages. First, its influence on consumers' taste and perception is pervasive. Second, it can reach a large audience in a cost-efficient manner. Third, its sound and moving images create a strong impact (Ramalingam et al., 2006).

Each advertisement can be made effective only when its explicit objectives should drive the planning, creation, and execution. Advertisement should work with other forms of marketing communication to reach customers. All advertisers are expecting specific results, based on their stated objectives. Clients expect proof, and, for the most part, that proof must lead to or actually produce sales (Vaughan, 1986). In advertising effectiveness research, a considerable amount of attention has been given to the measurement of advertising effectiveness and

media channel choice (Batra, Myers, & Aaker 1995; McWilliams & Crompton 1997; Woodside 1990). Advertisement goals consist of relations goals and sales goals. Each organization, institute and company needs a strategic planning to reach these goals with high efficiency and effectiveness.

Organization can explicitly determine the effectiveness of their advertising by introduce some questions such as: Whether the advertising program has been able to managed communication and sales goals and realized them or not? Whether we reached the results that we wanted to have or not? Whether our advertising basically has moved towards its target or not? In fact, advertising program must regularly analyze the sales and communication goals and to see whether advertising has been able to basically communicate with the audience or not (Mohammadian, 2006)?

The need to examine the impacts of advertising on sales volume is further strengthened by the significant value of the total premiums generated in Africa, which originated in South Africa (84 percent) while only an insignificant value (16 percent) is partly contributed by Nigeria. Thus, with the enormous advertising expenditures, it becomes necessary to know if such expenditures justify sales volume obtainable from the advertisement efforts (Nylen, 1986).

Luo and Donthu (2005) identified advertising media and spending inefficiencies in generating sales, and concluded that top 100 marketers' advertising spending in print, broadcast, and outdoor media are not efficient and could bring in 20 percent more sales. Sadly, the case relating to insurance products was not treated. Also, there is a strong need for understanding the impacts of advertising on sales volume. Furthermore, although empirical evidence in major markets of the world shares a significant relationship between advertisement and sales volume, there is no reliable data and information on the subject in developing countries such as Nigeria. The absence of this information provides a wide gap and poor understanding on the effectiveness of advertisement on sales.

These committals have made organizations and industries to pay more attention to advertising and be worried about the effectiveness of advertising results. In this throe, those organizations are successful that they already define and determine their advertising goals and evaluated the extent of reaching goals that this process can be considered as the assessment of advertising effectiveness. Therefore, advertisement must be effective. It must achieve its goals.

In fact, each advertisement can be effective only when its explicit objectives should drive the planning, creation, and execution. Advertisement should work with other forms of marketing communication to reach customers. Thus, advertising companies are always highly interested to evaluate the effectiveness of their advertising in different media, especially TV advertisement.

In this study we investigate the effects of Avishan's TV advertisement on customers purchasing and satisfaction. For this purpose we examined that TV advertisement of Avishan company could take the attention of customers, create interest and desire for purchasing and purchasing action in customers. Also, we investigate that whether the customers were satisfied from purchasing the products of this company or not?

2. Literature Review

Today, advertising companies invest huge amounts of their earnings in advertising in different media such as television, radio, magazine and etc. that television is one of the prevalent media for this purpose. Rice and Atkin (2001) note that, television is generally assumed to have massive effects on viewers for a variety of reasons. First, a great deal of money is spent on advertising, and big spenders are assumed to know what they are doing. Also, people spend a deplorable percentage of their waking hours in front of television sets, presumably with proportional effects.

Effective advertisements are advertisements that help the advertiser to reach its goals. Ramalingam et al (2006) measured the effectiveness of TV broadcast advertisements (toothpaste) by discovering important factors that influence the advertisement effectiveness by using artificial neural network (ANN). In this study the effects of each of these factors has been studied and it is used for measuring the advertisement effectiveness .They examined 13 factors for evaluating the effectiveness of advertisement. Experimental results show that advertiser must take attention to these 13 factors in their advertisement. They found there is a meaningful relationship between the effectiveness of advertisement and these factors. Also, their study shows that the ANN model achieves 99% accuracy for measuring the advertisement effectiveness.

Ganeshasundaram and Henley (2009) investigate the effectiveness of the reality television programs (Supernanny) in teaching parenting techniques and changing parenting behaviors. They found that almost 75 percent of the respondents had viewed the program regularly for interest and or for educational reasons;

significantly more people who said they watched for education could recollect parenting techniques than those who said they watched for entertainment. Respondents agreed that the program informed them about different techniques for managing the behaviors of their children (88 percent) and said they had used (53 percent) or intended to use (23 percent) a number of those techniques.

Priya et al (2009) analyzed the impact of children's attitudes towards television advertisements on their resultant buying behavior. The results of their study show that the demand for the advertised products is heavily influenced by the children's attitude towards advertisements. Further, the cognitive changes among the different age groups lead to the formation of varying attitudes towards the advertisements. Yet there are other potent factors apart from advertisements, which result in the requests for a product or brand.

Furthermore, past studies reveal a fairly strong relationship between advertising investments and sales. Perreault and McCarthy (2000) admit that one of the methods of measuring advertising effects is to evaluate sales. To help evaluate the extent to which advertising dollars are earning the best return on investment, it is important to know how effectively television advertising are able to capture and maintain audience attention and how likely they are to engage the cognitive processing of the consumer to an extent comparable to objectives. However, the cost per view and the effectiveness are still in question (Patsioura, 2009). It is therefore the goal of the current work to bridge this important gap. Also, many researchers studied the different aspects of TV advertisement that we referred to some of them in follow.

3. Research Methodology

3.1 Research Model and Hypotheses

In this study we used AIDAS model as a hierarchy of effects model in advertising for investigation the effects of TV advertisement on customers' purchasing and satisfaction. AIDAS model is an acronym for: Attention; Interest; Desire; Action and Satisfaction. AIDAS model supposed that people traverse these process stage by stage. But they supposed that some people may ignore some of these stages and enter subsequent stage. In fact, the main differences between AIDA and AIDAS model is the fifth letter (i.e. S) which S stand for Satisfaction. We test our hypotheses by using this model. According to this model, we proposed the following hypotheses:

H1. TV advertisement of Avishan company has a positive effects on taking the attention of customers.

H2. TV advertisement of Avishan company has a positive effects on customers' interest for purchasing the products.

H3. TV advertisement of Avishan company has a positive effects on customers' desire for purchasing the products.

H4. TV advertisement of Avishan company has a positive effects on customers' actions for purchasing the products.

H5. TV advertisement of Avishan company has a positive effects on customers' satisfaction of purchasing the products.

The objective of this research is to clarify the effects of TV advertisement on customers' attention to advertisement, interest for purchasing, desire for purchasing, action of purchasing and eventually customers' satisfaction. This research can be categorized as descriptive research based on the method of obtaining the considered data. Since these data are made for studying the distribution of statistical population characteristics through sampling of population, this research is a survey done on the basis of cross sectional method.

3.2 Information Gathering Tool

Based on the literature review and the research design, a questionnaire was prepared consisting of two sections. The first part records the respondents' demographic data and the second part designed to test the hypotheses which had been formed basis on AIDAS model and it consists of 20 questions that for each variables we used 4 questions. The questions from 1 to 4 measure the first variable (i.e., customers' attention to advertisement) according to the first stage of AIDAS model. Questions from 5 to 8 measure the second variable (i.e., interest for purchasing) according to the second stage of AIDAS model. Questions from 9 to 12 measure the second variable (i.e., desire for purchasing) according to the third stage of AIDAS model and eventually questions from 13 to 16 measure the fourth variable (i.e., action of purchasing) according to the fourth stage of AIDAS model. And finally questions from 17 to 20 measure the fifth variable (i.e., customers' satisfactions) according to the fifth stage of AIDAS model. To analyze the hypotheses of the study, we used simple linear regression.

To test the evaluating tool reliability, the designed questionnaire was at first distributed between about 30 customers of the company, and was analyzed after being collected. Five-point likert scale was used as 1 for

strongly disagree and 5 for strongly agree. The designed questionnaire has two parts. The first part consists of demographic data. The results of the primary sample show that Cronbach alpha (α) index is 0.86, indicating high reliability.

3.3 Statistical Population and Sample

The statistical population of this research is customers of Avishan Company. Since the statistical population was unlimited, therefore the following formula was used to get the size of the sample:

$$n = \frac{z^2{}_{\frac{\alpha}{2}} \cdot \delta^2}{d^2}$$

The variance of answers from the primary sample have obtained 0.667, and by putting it in the above mentioned formula, the reliability level (α) was 95 percent, and estimate accuracy (E) was 0.1, the sample size was 171.

4. Data Analysis and Findings

The demographic data recording the gender, marital status, age, educational and income of the respondents shows that 37 percent were female and 63 percent were male; 38.1 of them were single and 61.9 were married; most of respondent's age was 31 to 40; majority were diploma and bachelor and finally most of them have 400 to 600 dollars income.

Table 1 shows descriptive analysis of dimensions of advertisement effectiveness and TV advertisement. The results reveal that TV advertisement has the largest mean 3.6360 while interest for purchasing has the lowest mean of 3.2403. Standard deviation ranged from 0.60044 to 0.86723. Cronbach's of each variable were 0.810, 0.793, 0.759, 0.781, 0.801 and 0.757 in order.

Table 2 represents the Pearson correlation of five variables and their significance. As it is shown, the correlation of all variables are significant at 95% confidence level (Sig<0.05). The correlation coefficient of action of purchasing and interest for purchasing is the most amount of coefficient (.612) among all variables and on the other hand, customers' satisfaction and customers' attention to advertisement have the lowest amount of coefficient (.295) among all variables.

Table 3 shows the regression analysis of customers' attention to advertisement and TV advertisement. R2 is 0.099, which can said 9 percent variance of customers attention to advertisement can be determine with TV advertisement and adjusted R square is 0.094. Beta coefficient is 0.314 and p<0.05 which shows their relations is positive. It means that customers' attention to advertisement is increased 31 percent due to TV advertisement. F-Value is 20.003 and the overall model is significant at 95%. T-Value is 4.472 which show relevant importance of TV advertisement and customers' attention to advertisement.

The regression analysis of interest for purchasing and TV advertisement also in table 2 showed that R2 is 0.158 which can said 15 percent variance of interest for purchasing can be determine with TV advertisement and adjusted R square is 0.153. Beta coefficient is 0.397 and p<0.05 which shows their relations is positive. It means that interest for purchasing is increased 39 percent due to TV advertisement. F-Value is 34.217 and the overall model is significant at 95%. T-Value is 5.850 which show relevant importance of TV advertisement and interest for purchasing.

The regression analysis of desire for purchasing and TV advertisement also in table 2 showed that R2 is 0.313 which can said 13 percent variance of desire for purchasing can be determine with T advertisement and adjusted R square is 0.309. Beta coefficient is 0.559 and p<0.05 which shows their relations is positive. It means that desire for purchasing is increased 55 percent due to TV advertisement. F-Value is 83.238 and the overall model is significant at 95%. T-Value is 9.124 which show relevant importance of TV advertisement and desire for purchasing.

The regression analysis of action of purchasing and TV advertisement also in table 2 showed that R2 is 0.338 which can said 33 percent variance of action of purchasing can be determine with TV advertisement and adjusted R square is 0.335 Beta coefficients is 0.582 and p<0.05 which shows their relations is positive. It means that action of purchasing is increased 58 percent due to TV advertisement. F-Value is 93.626 and the overall model is significant at 95%. T-Value is 9.676 which show relevant importance of TV advertisement and action of purchasing.

Finally the regression analysis of customers' satisfactions and TV advertisement showed that R2 is 0.322 which can said 32 percent variance of customers' satisfactions can be determine with TV advertisement and adjusted R

square is 0.319. Beta coefficient is 0.568 and $p<0.05$ which shows their relations is positive. It means that customers' satisfaction is increased 56 percent due to TV advertisement. F-Value is 87.064 and the overall model is significant at 95%. T-Value is 9.331 which show relevant importance of TV advertisement and customers' satisfactions.

5. Conclusion

This study provides interesting findings through regression analysis. The study predicts positive impact of TV advertisement on customers' attention to advertisement, interest for purchasing, desire for purchasing, action of purchasing and customers' satisfactions. Impact of TV advertisement in all stages of model was effective and all hypotheses are accepted. In fact TV have some main privileges such as access to large audience in a cost-efficient manner, sound and moving images, high attractiveness, attracting attention that made it as a good and effective media among others. There is an important point that we should consider, and it is the fact that satisfaction is an important factor for repurchasing. Certainly advertisement have an important role in customers' purchasing behavior but satisfaction of products after purchasing, is an important factor that marketers and advertising agencies must to consider it. Also, they are some other variables which cause to customers' attention to advertisement, interest for purchasing, desire for purchasing, action of purchasing, customers' satisfactions. Thus, it is recommended that future researches take consider the probable influence of other variables.

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Table 1. Descriptive Analysis of Variables

	N	Mean	Std. Deviation	Std. Error Mean	Cronbach's Alpha
Customers Attention to Advertisement	171	3.4297	0.60044	.04414	0.810
Interest for Purchasing	171	3.1257	0.71671	.05269	0.793
Desire for Purchasing	171	3.2189	0.86723	.06376	0.759
Action of Purchasing	171	3.2122	0.80331	.05906	0.781
Customers' Satisfaction	171	3.2378	0.86574	.06365	0.801
TV Advertisement	171	3.6360	0.83675	.06152	0.757

Table 2. Pearson Correlation of Variables

Correlations						
		Customers' Attention to Advertisement	**Interest for Purchasing**	**Desire for Purchasing**	**Action of Purchasing**	**Customers' Satisfaction**
Customers' Attention to Advertisement	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	171				
Interest for Purchasing	Pearson Correlation	0.526**	1			
	Sig. (2-tailed)	0.000				
	N	171	171			
Desire for Purchasing	Pearson Correlation	0.491**	0.604**	1		
	Sig. (2-tailed)	0.000	0.000			
	N	171	171	171		
Action of Purchasing	Pearson Correlation	0.386**	0.612**	0.378**	1	
	Sig. (2-tailed)	0.000	0.000	0.000		
	N	171	171	171	171	
Customers' Satisfaction	Pearson Correlation	0.295**	0.426**	0.574**	0.510**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	171	171	171	171	171
**. Correlation is significant at the 0.01 level (2-tailed).						

Table 3. Regression Analysis between TV Advertisement and Customers' Attention to Advertisement Interest for Purchasing Desire for Purchasing Action of Purchasing Customers' Satisfaction

Type of Variable	**Variables**	**R2**	**Adj. R**	**Beta**	**T-Value**	**F-Value**	**P-Value**	**H1 Results**
Independent Variable	TV Advertisement	0.099	0.094	0.314	4.472	20.003	0.000	Accept
Dependent Variable	Customers' Attention to Advertisement							
Independent Variable	TV Advertisement	0.158	0.153	0.397	5.850	34.217	0.000	**H2 Result**
Dependent Variable	Interest for Purchasing							Accept
Independent Variable	TV Advertisement	0.313	0.309	0.559	9.124	83.238	0.000	**H3 Result**
Dependent Variable	Desire for Purchasing							Accept
Independent Variable	TV Advertisement	0.322	0.319	0.568	9.331	87.064	0.000	**H4 Result**
Dependent Variable	Action of Purchasing							Accept
Independent Variable	TV Advertisement	0.322	0.319	0.568	9.331	87.064	0.000	**H5 Result**
Dependent Variable	Customers' Satisfaction							Accept