

Understanding Decision Making of Consumers through Advertising Strategy and Integrated Marketing

Dr. Bandar Khalaf Alharthey¹

Abstract

Considerable research has been carried out to broaden the understanding on consumer purchase decision making process through advertising strategy and integrated communication. The research has used quantitative research method, and recruited a sample of 200 adults for the collection of data. It has been found in this research that there is a strong positive correlation exists between consumer purchase decision making and advertising and integrated marketing. The research concludes that advertising and integrated marketing are important in development of understanding regarding consumer purchase decision process.

Key Words: Consumer purchase decision, Advertising strategy, integrated marketing

Introduction

Motivations, needs and wants are the major points that influence the purchase decision of consumer. In order to make a purchase decision, buyers are normally required to bear positive perception and attitude towards a product or service and also feel the need to purchase the brand (Shaw, Grehan, Shiu, Hassan & Thomson, 2005). It is important for a marketing and advertising professional to properly design the marketing programs for a brand to ensure that the brand being advertised and promoted become part of the list of evoked brands of a consumer, which shall motivate consumers to consider the brand for purchase. Therefore, marketing programs are required to focus on product specifications that shall provide the attributes customers needs in a product; whereas, the accessibility of the product to consumer is another thing which would also produce profound impact on customers' mind.

For the development, sustainability, profitability and survivability of the companies in present day competitive markets, it is important to have detailed and accurate information about the consumers. Therefore, the very founding notion of the modern marketing in changing and dynamic business environment is having information about the attitudes, perceptions, needs, motivations and actions of the consumer. The purpose of marketing has moved way beyond to its traditional definition and is no longer restricted to attracting and persuading consumers purchase decision for a specific product or brand; but extends to the satisfaction of customers' needs and wants. This indeed is the core of orientation of consumers. One of the main objectives of integrated marketing and advertising in present day competitive business environment is to develop effective and efficient methods for satisfying the needs of customers. However, the identification of the pathways or medium of communication which could effectively influence the purchase decision and behavior of consumers is necessary activity of marketing communication. However, the ultimate goal of integrated marketing is the development of marketing messages and advertisements which have the capability to reach potential customers through utilization of appropriate and effective means (Sirakaya & Woodside, 2005).

¹ Arab East Colleges – Riyadh-P.O Box 53354- Kingdom of Saudi Arabia. Email: bkalharthey@arabeast.edu.sa, Office: 0112688320

Marketing and advertising factors affecting consumer purchase decisions have been studied widely in the past, but due to constant evolution of business practices combined with changing consumer preferences it has now become important to carry out studies on the subject with regular intervals of time. Doing this shall not only help in providing insight information regarding factors affecting consumer purchase decision, but shall also aid in designing and development of effective integrated marketing strategies. This research report in this regard aims to understand decision making of consumers through advertising strategy and integrated marketing methods. Considerable research also aims to provide in-depth information related to factors of advertising strategy and integrated marketing that affect purchase decision of consumers.

Literature Review

Majority of the present day population have grown up witnessing and watching various forms of marketing communication through mass media. Advertising, billboards, television, movies, internet, magazines, videos, films, newspaper and music all forms of mass media is being utilized by the companies as part of their integrated marketing strategy to promote their products. However, among all of the various tools for marketing advertisement is considered the most effective, due to the fact that it produces lasting impact on the audience and exposure to advertisement is very high. The marketing mix comprises of 4Ps i.e. product, price, place and promotion and advertising is considered as a subset or part of promotion mix. Advertising strategy is one of the most important tools of promotion which help marketing and advertising professionals in creating awareness related to product or services among consumers and potential consumers which eventually produce positive effect on the purchase decision of the consumer (Hoffman & Bateson, 2001). There are various tools available for integrated marketing, most important among them are sales promotion, advertising and public relation. However, advertising is the most effective among all which not only create the brand awareness but also helped in influencing the purchase decision of the consumers. For advertising in past, television has been regarded as the most important and strongest medium. However, importance of television as a medium of advertising has declined to marginally since the advent of internet; though it grows rapidly when the use of internet becomes widespread and now majority of youngsters and adults spend their time online, which has turned this medium equally important for advertisement of products (De Mooij, 2010).

Advertising as a multifunctional enterprise

It is important to realize that advertising is a multifunctional activity. It serves many masters to achieve the set goals. For example; advertise related to garage sale is normally intended to sell used commodities like a bicycle. Retailers advertise so that they can sell goods or services at normal prices or at prices below retail. Manufacturers use advertising to entice people to buy their goods or services from retailers. The government touts the sale of bonds, the idea of rational use of energy, and the idea of service in the armed forces. Local authorities give advertising to encourage the development of tourism, or to attract industrialization or investment, or to popularize the idea of mass transit through their territory, or to inspire. Non-profit organizations are calling in advertising to actively support a particular political candidate or to oppose it, to protect wildlife or just the human race. In fact, every organization, institution, individual and entity uses advertising for different purposes and thus advertising should be regarded as multifunctional enterprise with different tools and techniques for each situation (Bertrand, Karlan, Mullainathan, Shafir & Zinman, 2009).

The role of advertising in the marketing program

It was noted earlier that the marketing program includes advertising planning and decision-making. There are several marketing tools to achieve marketing goals. Goods or services can be improved or enhanced through effective marketing. The distribution network shall help in increasing the accessibility of a product or service. Marketing and advertising professionals must accurately determine the cause of the meager sales, before you come to the conclusion that the main cause of the issue is poor or insufficient promotion or advertising (Bao, Zhou & Su, 2003). For instance, if a study indicates that consumers buying a limited trial of the brand, it may mean that the successful listing of the company (as consumers make a trial purchase), but the quality of branded products requires special attention (Larreche, 2005). Therefore, the marketing plan should direct its concentration on addressing particular problems and opportunities associated with brand, rather than entirely changing the strategy. When planning advertising strategy; advertising professionals must develop a marketing program, components that would work in coordination and synergy. For example, if a firm develops an expensive prestigious product, it is highly significant that marketing program and advertising strategy should emphasize the idea of prestige and great quality.

This marketing objective can be achieved through celebrity brand endorsement or depicting the utilization of product as per situation and need of the consumer (De Mooij, 2010). If advertising media are incompatible with a prestigious way, the entire marketing program could fail. Conversely, if a company offers cheap product advertising may fail due to the use of highly prestigious means of dissemination. The role of advertising also depends on the product accessibility to consumer or channel of distribution. If you have a home for sale, advertising can be used only to represent the seller or not used at all. If the sale of the goods involved wholesalers and dealers different advertising strategies should be used for each of them. Advertising and measures to increase sales should focus on the consumer or trade.

Consumer Purchase decision making

At a time when the consumer has a wide possibility of choices of brands, shops and means to make their purchases, it has become essential for companies to understand consumer behavior. Reynolds & Olson (2001) point out that the company that has the ability to attract consumers satisfy them and retain them as well as being able to sell more to them, will be affected positively in profitability. Solomon, Dahl, White, Zaichkowsky & Polegato(2014) define consumer behavior as behavior that consumers have in finding, buying in use in the evaluation and allocation of goods and services that they hope will meet your needs. More than understand what drives consumers to purchase and consumption situations, one must also understand what leads to these attitudes and preference for this or that brand. In general, a decision is the selection of a choice between two or more alternative choices. But no one make purchase simply because they feel the urge to buy: there must be, to start the process of buying a necessity. Hoffman & Bateson (2001) describe the purchase decision process through seven stages: recognition of the need, information search, and evaluation of pre-purchase alternatives, purchase, consumption, post-consumer evaluation and disposal.

As in the life of the individual and in the activities of any organization, decision-making is an important step in determining the future. However, the most difficult process of decision making is making an exact calculation and assessment of consequences or outcomes of the decision. One can only assume that some version of the decision will lead to an optimal result based on this assumption people attempt to assess the impact of the adoption of a decision (Reynolds & Olson, 2001). Let's consider the process of consumer decision-making. In this case, the decision-maker and the person interested in making a decision is the same subject - the consumer. Consumers are people who buy or use the product to meet their needs and desires. In modern society, consumer decisions occur based on the impact of advertising. In any given marketing situation, the advertisers and marketers continuously try to understand the mindset of consumers, motivators and environmental situation of consumers. It is not so easy because the factors influencing consumer behavior, set, and they are constantly changing. To identify them accurately, requires knowledge of the subjects like psychology, sociology and anthropology, which are conducted on the basis of fundamental research of consumer behavior and preferences of the audience (Olson & Reynolds, 2001). Among the factors influencing the consumer decision-making advertising has a dominant position. This is due to the fact that a variety of methods of direct and indirect impact on the consumer in order to promote a product or service is seen clearly, that is, the consumer is aware of the fact of such impact. Advertising usually aims to encourage potential buyers to action, but few of them, seeing the advertisement, react to it immediately. Therefore, to achieve a desired effect for advertisers have to take multiple steps and are often multistage.

On the consumer decision-making process sales promotion also has profound impact which is also an important component of the marketing strategy. The main similarity of advertising and sales promotion is that both of these tools are forms of marketing communication and can be used to achieve certain goals (Bakewell & Mitchell, 2003). Thus, the purpose of advertising is targeting the consumers or their thinking on making a purchase decision, and the purpose of promotion is to urge for the immediate commission of purchase. Sales promotion contributes to the momentum change in consumer behavior, pushes to the decision to purchase, offering a variety of benefits and bonuses are often time-limited (Kim, Ferrin & Rao, 2008). These measures allow consumers to draw the attention of the advertised product, to create conditions to increase awareness of the advertised brand and the positive interest from consumers, creating a certain image of the product, allow consumers to encourage the implementation of trial and repeat purchases, to provide moral and material incentives adherents object advertising (Solomon, Dahl, White, Zaichkowsky & Polegato, 2014).

Decisions are taken in different ways, and most of them happen unconsciously aims at giving up something in favor of logical reasoning. Some did not hesitate to be guided by the fact that it is generally accepted in the industry. Others are always ready to flip a coin or rely on chance (Larreche, 2005). The method of logical reasoning provides: a clear understanding of the problem to be solved; consideration of various alternatives; gathering all the facts that can help in the selection of a particular alternative; and weigh the collected facts and robust assessment of their choosing in the final course of action. The method of logical reasoning is a system, based on the facts approach to solving the problems faced. That is why it is used to minimize the possible risk of making wrong decisions. When we are talking about thousands or millions of decision-makers need to have some means which would allow them to broaden the scope of observation far beyond their personal experience (Hawkins & Mothersbaugh, 2009). This is the role of research in advertising. With research as the advertisers would expand its field observations begin to more clearly distinguish between the characteristics of widely scattered groups of consumers, and to more accurately predict the effects of exposure to them, depending on some or other of their decisions (Bronner & de Hoog, 2010).

Methodology

The selection of appropriate research method is of prime importance in every research form. A research can only be considered valid if the research method followed for collection and analysis of data compliments the nature of research. Moreover, for the reliability and credibility of the research the right methodology is equally important. Generally, research methodology is divided into two types one being qualitative and other is quantitative method. The quantitative and qualitative researches objectives overlap in variety of methods in their applications, yet they are usually considered to vary fundamentally. Quantification of the data is regarded to be the main reason for selection of quantitative research technique. This technique of research aide researchers in generalizing the results of the study to entire research universe which are drawn on the basis of data collected from the sample (Kumar & Phrommathed, 2005). On the basis of the nature of the study researcher has used quantitative research method for collection and analysis of the data.

Data Collection Method

There are two methods of data collection one is primary and other is secondary. Primary method of data collection refers to the process of collecting first hand data. Primary method of data collection refers to the data collected first hand by the researcher only to be utilized for the research it was collected for. In simple, any data that is already available is primary data, examples of this technique include: survey, observation and experiment. Secondary method of data collection refers to already collected data and sometimes also called second hand data. The example of secondary technique of data collection includes research articles, journal, periodical, news, magazines, blogs, encyclopaedia, books, and articles among others (Kothari, 2004). This research has utilized both primary and secondary techniques of data collection. Secondary data has been collected and reviewed under literature review sections essences of which has also been discussed in outcomes. For collection of primary data, researcher has conducted a survey of around 200 male and female adults.

Sampling Size

A sample of 200 adults has been selected for this study. The sample comprises of both female and male adults and ethnicity, education level and income level were not considered as primary qualification for the research.

Sampling Method

For the purpose of data collection, random sampling method has been used. This method of sampling is useful for this research as it provides every member of the research population equal chance to be recruited among the sample population (O'Leary, 2004).

Data Analysis Method

The collected data has been analysed through the application of simple statistical techniques including frequency distribution and correlation analysis. Correlation statistical technique helped in identifying the association between the variables of the study.

Results

Table one represents that 49% of the sample population was male (i.e. 98 respondents) and 51 percent of the research population were female (i.e. 102 respondents).

Table 1

Gender Sample Size n = 200	
Male	49
Female	51

Table 2 clarified that majority of the respondents from the sample population are employed and only 10% are unemployed.

Table 2

Employment Status	
Employed	90%
Unemployed	10%

Table 3 presents the average annual income of the respondents. Table 3 demonstrates that majority of the population, i.e. around 70% of the respondents earn around \$25,000 to \$50,000 annually.

Table 3

Average Annual Income	
\$10,000 or below	8%
\$25,000 to \$50,000	70%
\$50,000 to \$100,000	16%
\$100,000 or above	6%

Sirakaya & Woodside(2005) argue that advertising is the most important factor that not only creates brand awareness among potential customers but also influences their purchase decision. The results of this research also proved this statement as when respondents were asked to what extent do they agree that advertising and marketing affect their overall purchase decision; it has been recorded that 51% of the respondents strongly agree to this statement, 27% agreed to it, 15% opt to remain neutral on this option while only 7% disagreed with this statement. The responses indicate that majority of the research population believes that advertising and marketing affect their overall purchase decision.

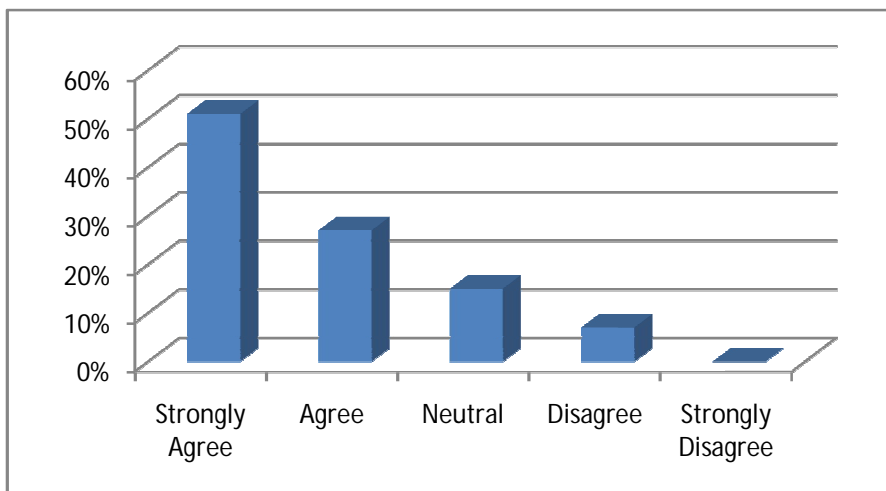


Figure 1: Response to question "To what extent do you agree that advertising and marketing affect your overall purchase decision?"

However, to understand the true significance of advertising strategy and integrated marketing in explaining the consumer purchase decision respondents were asked to explain if they would purchase a product or service if it's not advertised. The results are astonishing as majority of the respondents i.e. 60% said they would purchase it. Hawkins & Mothersbaugh (2009) also believe that advertising and marketing of the products are important part in creating brand awareness and influencing purchase decision of the customers, but it is the product description, price and needs of the customers which act as deciding factors in affecting purchase decision. Figure 2 provides the graphical illustration of the responses to the question.

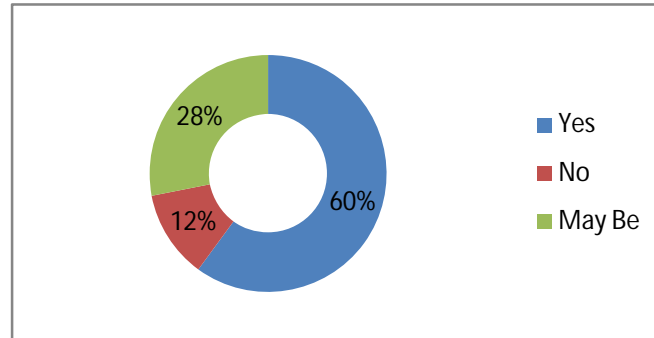


Figure 2: Response to the question "Is it possible that you would purchase a product if it's not advertised or marketed?"

The same question when asked in a simple manner, the responses contradict the earlier results. Figure 3 provides the graphical illustration of the responses to the question "would you buy a product if it has not been advertised?" Majority of the respondents i.e. 75% said they would not. This explains that the way questions are presented to the sample population also has significant impact on their responses. In response only 14% said they would purchase a product which is not advertised, while 11% said may be they would purchase the product. The purpose of asking same question with different words is to understand the response of the population and minimize margin of error in results.

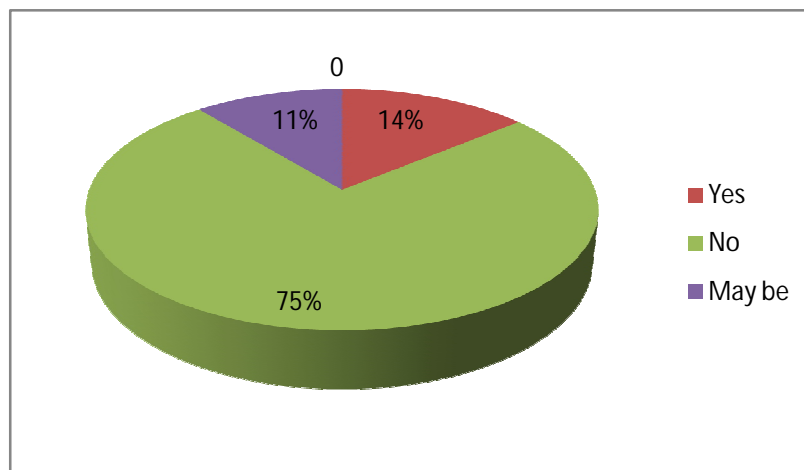


Figure 3: Response to the question "would you buy a product if it has not been advertised?"

The responses to this question are also coherent to the next one, in which researcher inquired if advertising and integrated marketing techniques affect their purchase decision. As many as 84% of the respondents said yes, while 16% said may be. It is important to note that no single respondent said no, which means one way or the other people are well aware about the impact integrated marketing and advertising produce on their purchase decision.

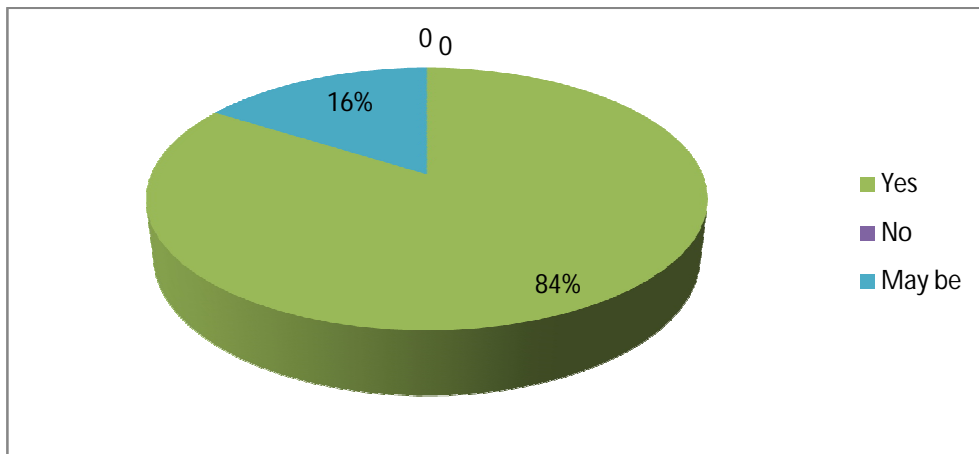


Figure 4: Response to the question “do you think marketing and advertising affect your purchase decision?”

The results obtained from the research indicate that advertising and marketing not only affect the consumer purchase decision but also explains it. It is clear that people would not buy a product they are not aware of. More importantly, the literature review also indicate that advertising and integrated marketing does not wholly explain the consumer purchase decision but to some extent. This research also proved this fact, as consumers would not be able to demonstrate the impact of advertising and marketing until a longitudinal and controlled study is conducted on the subject to determine consumer purchase decision on the basis of marketing and advertising stimulus. Yet, the research did provide the familiarity with the product or brand can only be created effective advertising strategy and integrated marketing program, which has revealed to be the most important factor in consumer purchase decision process. The correlation test of the variables also indicates the same.

Correlation		
	Purchase product not marketed	Advertisement Affect Purchase
Purchase product not marketed	1	
Advertisement Affect Purchase	0.988298059	1

The results above show that there exists a perfect positive correlation between the variables as the value obtained is around +1. Based on the correlation test researcher rejects null hypothesis and accept alternate hypothesis i.e. consumer purchase is positively related with integrated marketing.

Discussion

The literature reviewed indicated that advertising and integrated marketing produce profound impact on the purchase decision of the customer. However, after the analysis of the data collected, it is evident that consumers believe that integrated marketing affects their overall purchase decision and persuade them to purchase a specific product or service. This shows that advertising and integrated marketing communication is of great importance in consumer purchase decision. It is evident from the data that consumers would show reluctance in purchasing a product that is not being advertised or marketed. This shows that without marketing no product or service can be sold, regardless of its quality, features and prices. The data collected indicate that majority of population consider that integrated communication influence their purchase decision and when in the market or shopping, consumers prefer to purchase products or services with which they are familiar with. This discussion leads to one simple fact, that advertising strategy and integrated marketing is directly related with consumer purchase decision.

Conclusion

Changing dynamics of business environment and changing preferences of consumers; demand that studies examining consumer behavior should be conducted with regular interval of time. The above discussion can be concluded at the point that consumer purchase decision cannot be wholly explained by advertising strategy and integrated marketing, but it provides a general overview of the role of the two factors in consumer purchase decision.

The study has found that consumers do not prefer purchasing products about which they are not aware of, which signifies the importance of advertising and integrated marketing. It has been found in this study that advertising strategy is most important tool of integrated marketing program which produce profound and lasting impact on consumers. This explains that advertising is the most important tool in creating brand awareness as well as influencing consumer purchase decision. The study found out that advertising strategy and integrated marketing share a positive correlation with consumer purchase decision; only if they are used effectively through application of appropriate research technique.

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