

IMPACT OF ADVERTISEMENT ON CONSUMER PREFERENCE

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ABSTRACT

Advertisement and marketing are quickly becoming the cornerstone of economic civilization - digital marketing experts estimate that most Americans are exposed to around 4,000 to 10,000 advertisements each day. Despite advertisements becoming more popular and commonplace, consumers fail to understand their impact on their own preferences and choices of buying a particular product. This study aims to provide some insight into how young people are won over by the popularity of brands (a direct result of their advertisement) and in the process often neglect the actual characteristics of the product. We have curated a case study of two brands, one of which is extremely popular among the masses due to its elaborate advertising campaign whereas the other is less popular. We have recorded the preferences of consumers after a blind tasting of a product from each brand versus their general preference to discern the impact of advertisement on their choice. Overall, this paper provides a clear understanding of the impact of advertisement on consumer preference.

Keywords: Advertisement, Consumer, Preference, Quality, Taste, Soft drink, Marketing, Experiment

INTRODUCTION

Reaching a value of INR 631 billion in 2020, the advertising industry is growing at a more rapid rate than ever before. For the year 2021, the industry has grown 11.2%, hugely influencing consumer lifestyle. Researchers across the world have tried to define the bridge between advertising and consumer preferences on several occasions.

Advertisement has been defined by Barban (1987) as a paid, non-personal communication through various media by business firms, non-profit organizations and individuals who are in some way identified in the advertisement and who aim to convince their target audience. In other

words, advertising is a means of making consumers aware of and attracted to a particular product. Sonkusare (2014) defines consumer as one who consumes the goods and services product. The primary objective of marketing is to meet and satisfy the needs and wants of its target market. The most common tactic employed in advertising is “branding.” This is used to increase the consumption of a product by associating it with certain qualities in the minds of consumers.

Companies that want to dominate a large part of the market share use marketing to pursue this goal because it helps them lure more consumers than their competitors. Companies make maximum use of technological advancements and resources that are available to curate advertisement campaigns that envision their products to be the best in the market in the eyes of consumers. Marketing is one of those business activities that begins before the production of a product and continues even after the sale of the product.

Advertisements today extend far beyond television commercials or billboards, they are present on our social media feeds, in between songs on streaming platforms, on the back of public vehicles, or in stadiums. In an increasingly ad-mad world, where the portion of the commercial budget pie for advertisement is only growing, it becomes imperative to identify the true role that ad campaigns play in selling products and whether brands can compensate for intrinsic value with extrinsic campaigns.

To study the extent to which exposure to advertisements positively influences the buyer’s image of the product, we conducted a study among 60 students of ages 12 to 17. In this paper, we have discussed the advertisement campaigns of two brands, and the findings of this study to understand the influence of advertisements on young people.

LITERATURE REVIEW

According to Kumar (2009), all marketing begins with the consumer. The consumer is extremely crucial to a marketer since they choose what to buy, for whom they buy it, why they buy it, where they buy it, and how much they pay for it. To be a great marketer, one must first understand what people like and dislike. The study of consumer preferences focuses not only on how and why consumers make purchasing decisions, but also on how and why they choose the items they buy and how they evaluate those goods after use. Consumers buying behavior has always been given much importance and space in the literature study of the impact of advertising (Ajzen, 2002).

Schlinger (1979) suggested that advertising is composed of six dimensions including relevant news, brand reinforcement, stimulation, empathy, familiarity, and confusion that influence customers' satisfaction. Tellis (2004) stated that in order to maximize consumers' familiarity with advertising, advertisers frequently use repetitive advertising strategies.

Robert J. Lavidge and Gary A. Steiner (1961) created the hierarchy-of-effects model which addresses the influence of advertising on a consumer's decision to purchase or not purchase a product or service. The evolution of consumer learning and decision-making experiences as a result of advertising is represented by the hierarchy. A hierarchy-of-effects model is used to set up a structured series of advertising message objectives for a particular product, to build upon each successive objective until a sale is ultimately made. The campaign's goals are: awareness, knowledge, like, preference, conviction, and purchase (in that sequence).

According to a study by Sathya and Indirajith (2016), it has been discovered that advertisements only reveal the product's positive aspects, and because the goods are not physically available, the advertisement may also reveal some of the product's disadvantages. It also implies that, as a result of acculturation, customer buying choices are fast altering and gravitating towards high-end technology products. Ahmetoglu et al. (2010) comes to the conclusion that advertising is persuasive and can inspire listeners, readers, and viewers to make purchases of goods or services. Gorn (1982) insisted that consumer behavior towards a product is totally dependent on advertising, without any assessment of the quality of the product.

A study by Sachin Gupta and Chahat Chopra (2020) reveals that India is making extensive use of social networking networks to validate purchase decisions. Most respondents consider social media to be electronic word of mouth. The decision-making process of potential customers is influenced by the reviews and preferences of previous customers on social media platforms. When compared to individuals who used other information sources, social media users perceived decision-making to be easier and more enjoyable. Those who thought the content on social media was of higher quality and quantity than they expected were happier in general. Overall, their findings suggest that social media has a significant impact on consumer decision-making.

The consumption patterns of Kalaiselvi and Muruganandam (2015) differ dramatically from those of similar income households in urban and rural areas. Prior to the deregulation of the Indian economy, reputable firms such as Godrej, Videocon, Kelvinator, BPL, Voltas, and Allwyn dominated the Indian white goods market. Many foreign players, such as Whirlpool, LG, Sony, Samsung, IFB, and Aiwa, entered the market after liberalization.

Awan and Nawaz (2015) carried out a study on the growing fast-food industry in Pakistan and drew the conclusion that media advertisements play a vital role in attracting new and quality food items.

M.Abbas Malik (2015) suggested the majority of consumers (57%) drink soft drinks primarily to relieve their thirst. Customers purchase soft drinks primarily to satiate their thirst, according to research. Another incentive to drink orange-flavored drinks is because they contain less carbon dioxide. Reason for favoring a specific, orange-flavored soft drink brand. The rationale of selecting a particular brand. Taste and advertising were cited as major elements for brand choosing by the respondents. About 32% of the population chooses products primarily on taste, whereas nearly 24% are influenced by advertising when choosing brands.

METHODOLOGY

We investigated the impact of advertisement on consumer preferences. While other studies have explored the relationship between advertisements and consumer preference before, these papers have mostly been based on secondary data and, if primary, targets middle-aged people. Our study focused majorly on collecting qualitative data from younger age groups (12-17 years) who are more familiar with the branding and advertisements of leading soft drinks companies across the world. In addition, we used secondary data to draw a comparison between the advertisement campaigns of Fanta and Mirinda.

Sources Primary Data

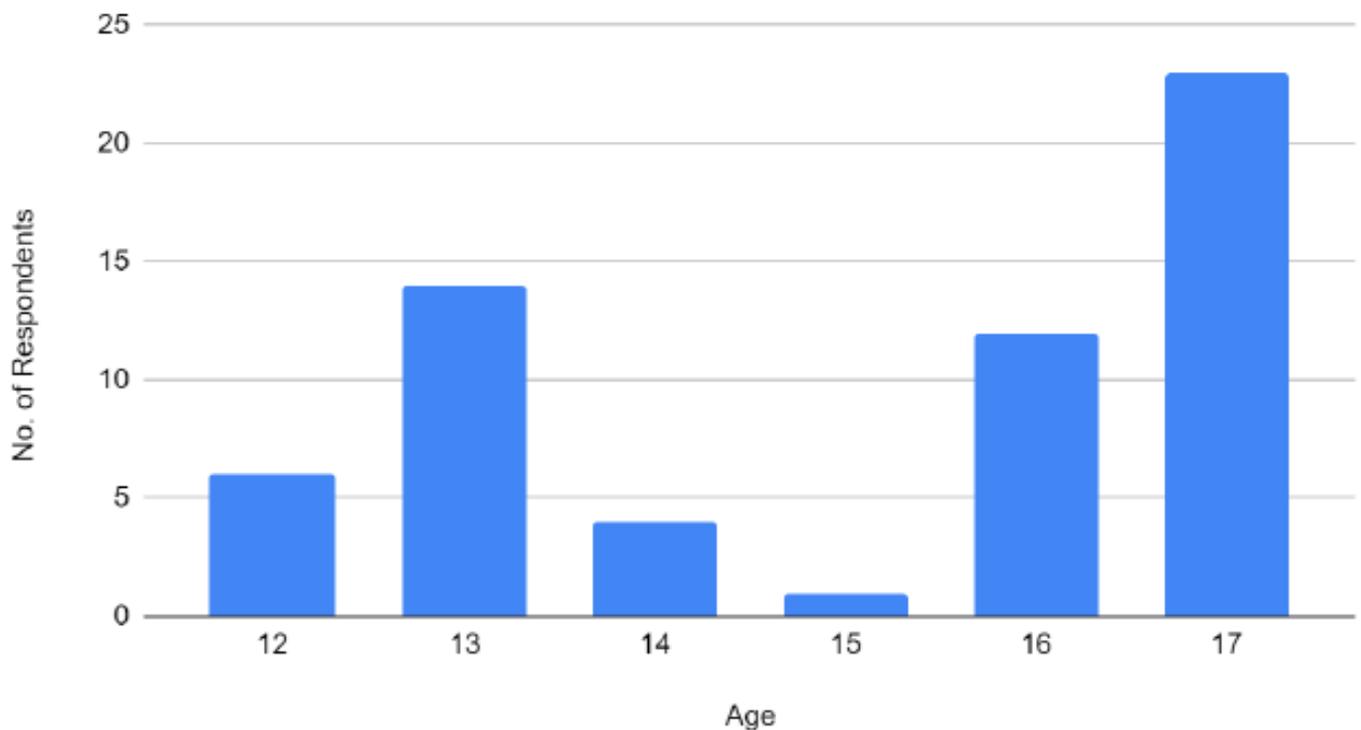
In a classroom in a residential school in Dehradun, Uttarakhand, we set up a stall of the flagship orange soft drinks Fanta and Mirinda of Coca-Cola and Pepsi Co. respectively. These drinks were kept in jugs labelled A and B. Respondents were invited one-by-one to taste a sample from each jug without knowing which jug contained which drink. They were then asked a series of questions, the responses to which were recorded verbatim.

Secondary Data

To understand the scope and extent of research done in this field we relied on secondary data from journals, websites, and articles. In addition to the aforementioned sources, we referred to advertisement videos and social media handles of the brands to compare the advertisement campaigns for Fanta and Mirinda.

Sample description:

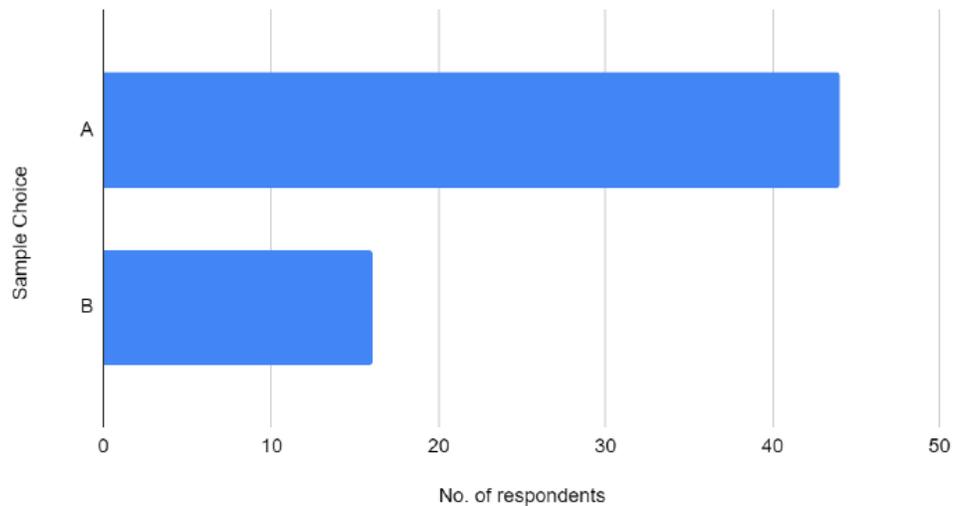
60 students responded to the experiment from the age group of 12-17 years belonging from different parts of the country. Most of them were exposed to an equal timing of advertisements and similar ones for the past few months considering that they were living in the same residential school.



STUDY RESULTS

In order to ensure that the sampling was not flawed, we changed the order in which the drinks were served. In other words, after 30 people had finished submitting their taste preferences, who were first made to try Mirinda, Fanta was being served first for the rest of the respondents. Random individuals from the groups of teenagers walking around campus were picked up for the survey rather than a designated set of students. We used random sampling to make the results more generalizable and feasible. The experiment's sample frame covered all students on campus, implying that each participant had an equal probability of being chosen. We also used our population of interest to get refined results for the study.

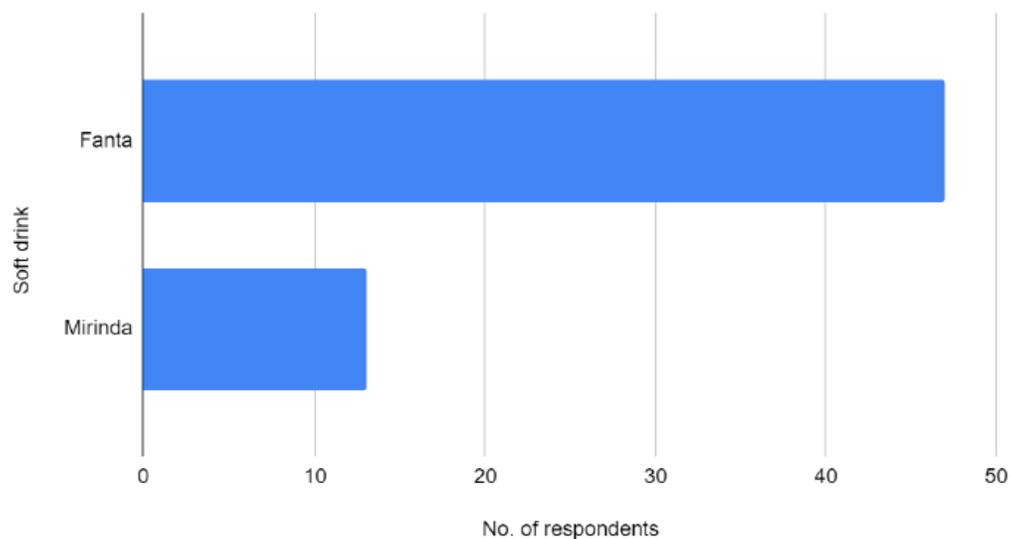
No. of respondents vs. Sample Choice



Sample Choice: A or B

When the respondents were blind folded and not informed of the drink they were consuming, it was interesting to note that 73.33% of them liked Mirinda more than Fanta. The number of respondents choosing Sample A (Mirinda- a less advertised soft drink) was 44 and the number of respondents choosing Sample B (Fanta- a heavily advertised soft drink) was 16. Going blindly by taste 63% more respondents preferred Fanta than Mirinda.

No. of respondents vs. Soft drink

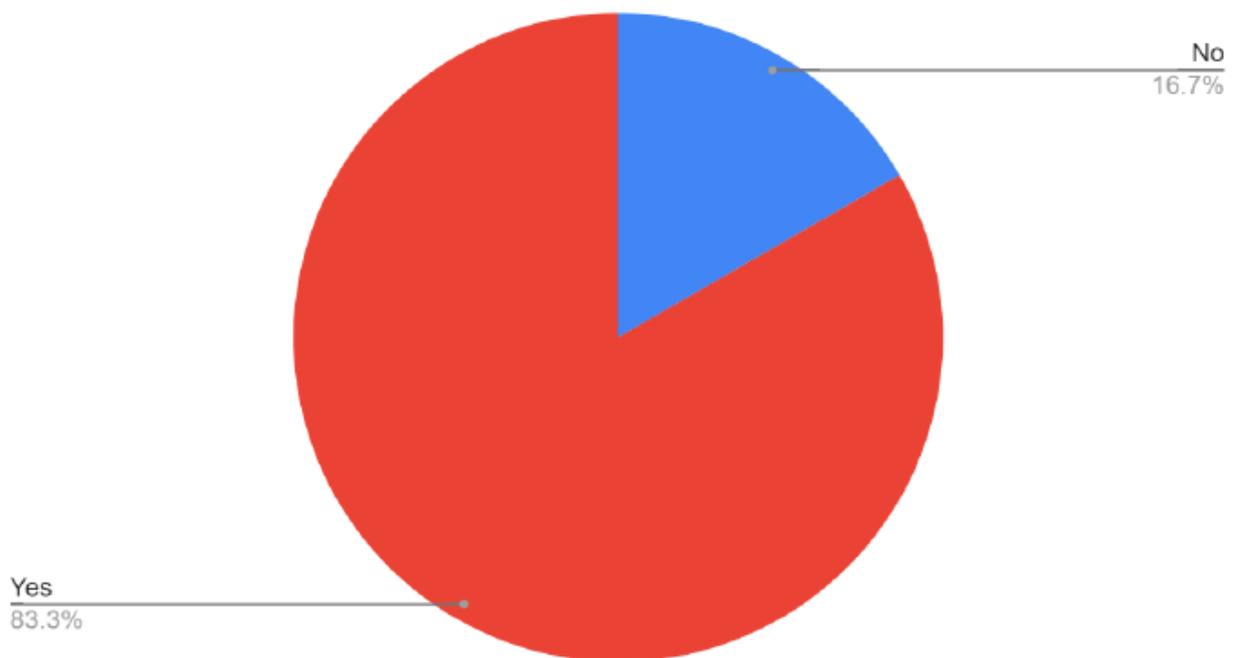


Preferred Drink: Fanta or Mirinda

Contrary to the above results, when respondents were asked which drink they preferred - Fanta or Mirinda, it was interesting to see that 78.3% of the respondents preferred Fanta over Mirinda. The number of respondents choosing Fanta (a heavily advertised soft drink) was 47 and the number of respondents choosing Mirinda (a less advertised soft drink) was 13.

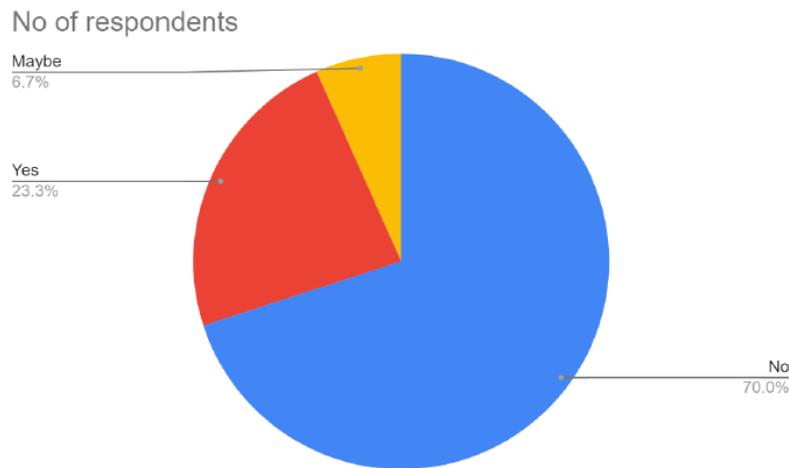
This is a clear depiction that the taste of Mirinda may be liked more than Fanta but the strong advertisement strategy of Fanta is so overpowering that respondents believed that the “bitter, concentrated, extremely sweet and artificially tasting” drink was Mirinda even though that wasn’t the case with majority of the responses.

no. of respondents



Fanta advertisement exposure

On being asked if they had seen ads from Fanta, 83.3% of the respondents claimed to have come across some form of advertisement of Fanta - be it in the form of television commercials, billboards, posters, social media or otherwise. Only 16.7% of the respondents had not been exposed to any advertisement by Fanta.



Mirinda Advertisement Exposure

On being asked about their exposure to Mirinda’s ad campaigns, 70% of respondents denied having seen any such ads. A mere 23.3% had seen ads from Mirinda. It is noteworthy that 6.7% of respondents were not sure if they had seen ads from Mirinda.

AD CAMPAIGN COMPARISON

| Parameter | Fanta | Mirinda |
|---|---|--|
| <i>Instagram Followers (India)</i> | 14.6 K | 10 K |
| <i>Youtube Channel Subscribers, Views and Likes</i> | 947K subscribers, 1050 videos 955,521,484 views | 79.9k (Mirinda India), 95 videos 74,304,572 views |
| <i>General description</i> | Has an edge when it comes to Operations, Cost control, Brand portfolio, Channel marketing, Collaborative customer relationship and penetration in the market. | Mirinda position itself as a ‘The carefree, spontaneous and playful soft drink.’ Mirinda seems to have achieved excellence in branding and advertising, distribution and availability. It also has a strong brand backing of Pepsi. However, its popularity in comparison with Fanta is much less. |

| | | |
|---|---|---|
| <p><i>Product Differentiation - no. of flavors etc.</i></p> | <p>The brand offers more than 90 flavors globally, however the recipes for some variants vary according to the country, such as the Orange variant taste, which is distinct in its American, Canadian, German, and European counterparts.</p> | <p>Mirinda launches limited time flavors every now and then. In released additional cocktail variants in India which were suited to the indian taste palette.</p> |
| <p><i>Parent Company</i></p> | <p>Fanta is flagship Non-Cola brand of Coca-Cola</p> | <p>Fanta is flagship orange drink brand of PepsiCo</p> |
| <p><i>Critiques</i></p> | <p>High content of sugar and food coloring, and the inclusion of sodium saccharin, a very sweet artificial sweetener making it an extremely unhealthy drink</p> | <p>A majority of Mirinda’s target market perceived it to be a ‘sugary treat, more targeted at younger generations.’ Moreover, health conscious people do not actively consume aerated drinks.</p> |
| <p><i>Uniqueness</i></p> | <p>The ability of the brand to express lighthearted enjoyment through a multitude of flavors is one of its defining characteristics.</p> | <p>Meaningful messages, ear-catching melodies and the presence of famous singers make their advertisements appealing.</p> |
| <p><i>Collaborative customer relationship</i></p> | <p>By utilizing participatory marketing and adapting its broad range of products and packages to regional demands, the brand Fanta's Glo-cal strategy aids in the creation of shared value.</p> | <p>Josy Paul, chairman and chief creative officer, BBDO India, said, for Mirinda’s 2018 campaign, “As a popular national brand, Mirinda stands committed to its teenage audience and their interests. In the latest campaign, we’ve built on last year’s brand idea ‘ReleaseThePressure’ by decoding the actions that add pressure in the teenager's life.” The campaign also included radio and print legs. They put open letters to children as part of the innovative ad campaign. The Mirinda drinks in November 2017, came with a Taste Twister and a contest, with 10 MP3 players and 1</p> |

| | | |
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| | | tablet PC every day held out as the prize. |
|--|--|--|

DISCUSSION AND RESULTS

Subjective Analysis of Sample Choices VS Preferred Drink

Important Note:

- ❖ Sample A was Mirinda and Sample B was Fanta
- ❖ Respondents that picked sample choice A but prefer Fanta will be referred to as AF
- ❖ hereafter. They make up 61.67% of the total respondents.
- ❖ Respondents that picked sample choice A and prefer Mirinda will be referred to as AM
- ❖ hereafter. They make up 11.67% of the total respondents.
- ❖ Respondents that picked sample choice B and prefer Fanta will be referred to as BF
- ❖ hereafter. They make up 16.66 % of the total respondents.
- ❖ Respondents that picked sample choice B but prefer Mirinda will be referred to as BM
- ❖ hereafter. They make up 10% of the total respondents.

It was intriguing to note that some AF respondents claimed that “Fanta is (my) favorite drink, so I know it’s taste and I know Sample A is Fanta” and to “I know Fanta’s taste very well, Sample A is Fanta.” Most AF respondents were convinced A was Fanta and B was Mirinda. They said that drink B (which was Fanta - their preferred drink by name) “was too flat,” “was too bitter at first,” “had a funny taste,” “was sweeter and seemed diluted,” “tasted like a watery version of a cough syrup,” “was bland and stale,” “tasted very weird, it almost had a chemical like taste,” “tasted artificial, a didnt make you feel like it tasted like plastic,” and, “was saltier.” Some respondents even went on too say that B (which was actually Fanta but they perceived to be Mirinda) “tasted like a fake version of Fanta.” This goes on to show the blinding impact brand

popularity has on consumers. Although each of them preferred the taste of Sample A, they preferred the brand Fanta, and therefore spoke lowly of Sample B which they thought was Mirinda. Respondents trust Fanta so much that they were sure the better tasting drink was Fanta even if it was not in majority of the cases. They had responded with “A was sweeter,” “A had more fizz,” and the vague but frequent “A tasted better.”

The AM respondents were divided in terms of thinking which drink was which. Some believed that A was Mirinda and B was Fanta and others believed the opposite. They said: “I have had Mirinda before, it has less fizz and a less strong taste,” “Fanta has more orange-y taste,” and “A was much better, B was too salty, it tasted like cough syrup.”

The BF respondents were able to correctly identify the taste of Fanta as they mentioned that “Fanta has more flavor and so does B, while the soft drink A has an artificial taste.” Such respondents were very few in number which goes on to show that very few people actually enjoy the drink as they identify with the taste.

Again, the BM respondents were very few in number. People who actually chose sample B (Fanta) but actually preferred Mirinda said that they like sample B because of the “sugar content and it tastes slightly better.”

On being asked whether they have seen advertisements of Mirinda, 6.7% respondents replied with a ‘maybe.’ This indicates that Mirinda’s advertisement might lack uniqueness because of which people may have confused their ads with other close competitors. Alternately, Mirinda’s ads were not catchy enough to stay with the memory of the respondents.

87% of the people who chose Fanta as their preferred drink had been exposed to Fanta’s advertisement campaign. 78% of the people who had chosen Fanta and been exposed to its ads actually preferred the taste of Mirinda (Sample A).

CONCLUSION, LIMITATIONS AND RECOMMENDATIONS

The essence of our research can be summed up in this quote by George Santayana, “Advertising is the modern substitute for argument; its function is to make the worse appear the better.” This research attempted to extend the existing literature by testing the theoretical relationships between advertisements and consumer preferences in the high school context. From the results discussed above, the existence of a consumer bias towards better advertised, more popular brands can be evinced. Competitors often make up for in advertisements where they lag in

quality. In this case, Mirinda's taste may have been superior but 78.3% consumers chose Fanta over it because of its better brand image.

This study is not exempted from limitations:

- Not all participants were exposed to the same duration or availability of ads.
- The study is limited to the time till May 2022.
- The two soft drinks are nearly but not completely identical in taste and colour.
- All participants belonged to the age group of 12-17 years. It would have been more accurate if we would have gotten a more diversified sample size.

We would recommend the research community to carry out more field experiments to test the influence of advertisements and attempt to measure the extent of ad-induced consumer bias on a larger scale. We would also recommend that Mirinda invest more heavily in advertisement and marketing as well as focus on increasing the uniqueness of its advertisements to make them more memorable.

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