

Summer internship project report

On

**Impact of media and advertising on consumer
behaviour**

By

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2018BBA0018



Under the supervision

of DR. LOKANATH

MISHRA

(Submitted in partial fulfilment of the requirements of the BBA
degree)

Institute of Management

JK LAKSHMIPAT UNIVERSITY (2019-20)

DECLARATION BY THE CANDIDATE

I the undersigned solemnly declare that the project report is based on my own work carried out during our study under the supervision of **MR. Rahil khan & Dr. Lokanath Mishra (Faculty mentor)**.

I assert the statements made and conclusions drawn are an outcome of my research work. I further certify that

1. The work contained in the report is original and has been done by me under the general supervision of my supervisor.
2. The work has not been submitted to any other Institution for any other degree/diploma/certificate in this university or any other University of India or abroad.
3. I have followed the guidelines provided by the university in writing the report.
4. Whenever I have used materials (data, theoretical analysis, and text) from other sources, we have given due credit to them in the text of the report and giving their details in the references.

Keshav tiwari

2018BBA018

Institute of Management

CERTIFICATE

It is certified that the Summer Internship Report titled **Impact of media and advertising on consumer behaviour** submitted by **keshav tiwari** is an original piece of research work carried out by the candidate under my supervision.

Sign. of the Faculty Guide
(Dr. LOKANATH MISHRA)

ACKNOWLEDGEMENT

The internship opportunity I had with **THE CAPITAL BOX** was a great chance for learning and professional development. Therefore, I consider myself as a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this internship period.

I express my deepest thanks to **MR. Rahil khan and MR. Ashwini Singh Rajput** for taking part in useful decision & giving necessary advices and guidance and arranged all facilities to make life easier. I choose this moment to acknowledge their contribution gratefully.

I perceive as this opportunity as a big milestone in my career development. I will strive to use gained skills and knowledge in the best possible way, and I will continue to work on their improvement, in order to attain desired career objectives.

Sincerely

Keshav tiwari

2018BBA018

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Management summary

The present report is focusing on the impact of advertising on consumer's buying behaviors. Brand image, persuasiveness and celebrity endorsement in the advertising are the key factors, which raise the consumers' intentions towards the product and buying behaviors. The buying behavior is strongly influenced by image of the product which is built by the advertisers. The primary data of the study is collected through questionnaires and secondary data was collected through internet, journals and business magazines. This survey study was conducted in January, 2013. A sample of 120 respondents was taken, out of which 50 were in government or semi-government services, while 30 were taken from business class and the rest 40 were private employees. The study explores that a creative and well executed advertisement has always a great impact on the buying trends or purchasing behaviors of the consumers. At the same time quality of the product and price are also included with their strong impact on buying behavior of consumer. Likewise to some extent the celebrity endorsement also matters in the buying behavior. Therefore the study concludes that the positive impact of all these factors, on the buying behavior of the consumer proves the loyalty of consumer towards brand which helps in promotion of the advertised product and changes the buying behavior towards buying intentions.

Industry summary

P. T. Barnum, the nineteenth-century showman and politician, once said that money is a great master but an excellent servant. He was only repeating what man had realised centuries before him. Indeed, the well-to-do had already started trying out ways to make wealth work for them. Today's financial services industry, with its many products and services, is the result of this age-old endeavour.

The financial services industry manages money for individuals and corporations. It comprises such organisations as commercial and investment banks, insurance companies, hedge funds, credit-card companies, consumer finance firms, accounting agencies, and brokerage firms. The industry's services are mainly related to banking and insurance services, asset management, investments, foreign exchange, and accounting.

Financial services form the lifeblood of economic growth and development. They facilitate the setting up of big and small businesses and the expansion of businesses. Employment and entrepreneurship created with the help of the services enable people to earn and save.

Financial services show the poor ways out of poverty and of leading better lives. To the wealthy, financial services offers opportunities to make money grow.

The financial services industry is the largest-earning sector in the world. Through interventions in industry and agriculture and other formal sectors, they provide lines of credit and investment.

However, financial services have largely eluded the poor and small and micro units, and there is great potential to extend the services to the informal sector, too. Perhaps, the future of the financial sector lies here.

Company profile

Since July 14 2016, the day company was founded, integrity has been core value. at “The Capital Box” design personal solutions to protect clients’ unique lifestyles and offer lasting peace of mind. strive to build long-lasting relationships with clients through attention to detail and commitment to superior service. By providing unparalleled consulting services, financial products and risk management strategies to individuals, families and businesses, specializing in niche markets and portfolios with complex needs.

they firmly believe that it all starts with having a clear vision of ytheir unique goals. With this clarity, and combine objective advice and experience-led execution to bring the collective vision to life. they offer every client true peace of mind. they define peace of mind as a deeply rooted confidence that comes from feeling in control and knowing ytheir financial plan is built on a foundation of increasing self-knowledge and awareness. It is at this critical juncture – the intersection of proactive planning and peace of mind – that they believe their clients have the highest potential to realize their goals.

Their vision as a firm focuses on helping others achieve financial goals, as theyll as understanding of each client’s unique purpose, mission and values. They strive to empotheyr clients by offering education, tools and restheirces aimed at facilitating clear communication and bringing definition to their ambitions and objectives. Each client has different ideas about what makes life great. They take the burden out of managing the financial details so clients can enjoy life’s jtheirney and live out their unique purpose. They strive to be a force of calm, a navigator in the face of anxiety and uncertainty that all too often accompany financial success.

Project summary

This report covers most of the point related to impact of media and advertising on consumer behaviour so that company can meet out some new promotional touchpoints for the capital box.

The authors main objective is to identify all the impact of modern media on insurance sector so that company can grow.

In this report, the author has included the organization's overview as well as the responsibilities author has been given to handle. The author has also included the analysis of the survey and wrote the conclusion drawn out of it.

This report discusses all the information of the current scenario & all the data which is used in the analysis is primary data i.e. collected by the author itself.

This report has been prepared in a very short time and some data may not be applicable for all because the number of people I have survey are around 2500 +-. Despite all that, I believe this report has enough data related to the tools & techniques and the analysis of people is not copied from anywhere.

Impact of media and advertising on consumer behaviour

Introduction

Advertising is a form of communication which is used to persuade a specific group of people to take some new action. Advertising is considered as a major and important element for the economic growth of the marketers and different companies in competition (Ryans, 1996). Advertising is usually a paid form of publicity by some sponsor and reached through various traditional media such as television, commercial radio advertisement, outdoor advertising, newspaper, magazine mail or modern media such as blogs, websites and text messages. Furthermore the developments and technological advancements have turned advertising to a more pervasive and powerful in its impact and affect (Leiss et al., 1986). Early advertisers assumed that advertising is very powerful what is said “gets through and strongly achieves the intended and persuasive objectives as “ the early bullet or “hypodermic needle” models of communication which has given rise to the earliest concept of communication effects, “who says what to whom through what medium with what effect” (Bryant and Zeeman 1944). Advertising was introduced by Egyptians who used Papyrus for sales messages and wall posters, billboards, signboards and outdoor advertising as the most ancient form of advertising. The tradition of wall painting and wall chocking is found in the ancient culture of Greece and Romans and as well in India, which could be now seen in many, parts of the world as well (Kotler & Armstrong, 2008). Modern advertising is developed with the development of mass production in the late 19th and early 20th centuries. After the success of print advertising, the idea of radio advertising prevailed this was then followed by the television advertising. In the early 1950s the Du Mont Television Network initiated the trend of giving advertisements. With the advent of 21st century the online advertising has prevailed the world market and consumer community as well. Now the advertising has proved its effects and impact on consumers’ buying behaviors and marketers needs all over the world. After 1920, advertising became a source of guidance for consumers, which was considering not only a source of guidance for buying but also in the matters of social roles, improvement in dressing sense, style and development of taste of good foods (Bell, 1976; Marchand, 1985). Consumers buying behavior has

always been given so much importance and space in the literature study of impact of advertising regarding its effectiveness (Ajzen, 2002). Most of the time consumers buying behavior is influenced by liking or disliking of consumer towards the advertisement of the product, advertised (Smith et al., 2002). Likewise, Allen. Et al., (1992) argue that it is actually the emotional reaction which is developed after the advertising, for the product advertised, that influences the consumer behavior. In the words of Gorn, 1982, the consumer behavior towards a product is totally depending on advertising, without any assessment of the quality of the product. Furthermore, Controversies over the impact of advertising on the consumer's buying trends and habits has always been present (George, 1989). Sometimes the advertisers over exaggerate about the product's benefits in such a tactful manner that consumer goes psychologically under the pressure of advertising persuasiveness and intentionally decides to buy the advertised product (Smith et al., 2006). In the point of view of some people, now most of the consumers avoid the advertisement, because they consider the advertisement, just annoying and misleading (Bishop, 1997). Advertisements have been attacked on psychological, sociological, aesthetic and political grounds. From the point of view of a common lay man, what is the purpose of advertising? Some critics even criticize and consider advertising very harmful to the collective behaviors of the society (Barbara, J. P 1997). But defenders of advertising always give a strong argument in its favor that basic aim of advertising is to sell the products, rather its effects on cultural values of the society (Gold, 1987). There is a general point of view of many societal members, that advertising may have a negative, unintended or intended influence on consumers' buying trends (Burr and Burr 1977 and Verbeke, W. 1992). Actually advertising has a strong potential on changing our social values, as well our buying behaviors through influencing our cultural values (Schudson, 1984). Specifically, advertising may lead a consumer to prefer material objects over more morally and socially oriented alternatives; it may potentially increase conflict and lead to an unhappier and a more disappointed person of the society (Goldberg and Gom 1978). While the major aim of advertising is to give something new, creative and useful to get long term benefits of brand loyalty and image building of the product and company by establishing an emotional relationship and persuasion for buying that product. This is also a debatable issue that which kind of impact of advertising effects the beliefs and collective attitudes of the consumer with respect to the buying behavior (Barbara, J. 1997). In the modern times, it's really difficult to be successful in persuasion and to mould or effect the buying behavior of consumer in this era of tough competition (Robinson, 1997). With the success of

advertising field, now it has been admitted as a universal factor that advertising plays a very influencing role in the consumers' behaviors (Beil & Bridgewater, 1990). If the consumers could understand the intention of advertisements, then the potential effect of advertising may be reduced. As the impact of television advertising allows consumers to use the cognitive defenses, such as to produce counter arguments and reasons (Bruck, A, and Goldberg 1988). Likewise, the recognition of the false psychological impact of advertisements, allows them to avoid advertisements or break by zapping to some other channel, as it has always been shown that majority of viewers Zap at least as much during the advertising as they do during common programs (Heater & Greenberg 1985). For persuading and reaching to the consumer, advertising is considered the most effective and powerful source (Siropolis, 1997). Hence, whether or not impact of advertising on consumers buying trends is a very important issue to investigate, from the consumers or buyers point of view. Furthermore from the advertiser point of view as it will alter the impact and effectiveness of their advertisements. Likewise George (1989) stated that controversies over the effects of commercials have always been present. Advertising is accused of exploiting the feelings and building of personal anxieties, over emphasizing the material side of life and distortion of human and ethical values in children. At the same time, Aaker, Batra and Myers (1992) argued that advertising has negative impact on values and life Styles of society. While Bryant and Zelman (1994) stated that it is most probably safe to quote that early, advertisers were less concerned with Media choices

and affects then they were with simply intending communication. Furthermore Kotwal et al. (2008) insists that television and advertising have proved a great combination together and are now considered as an essential part of modern world. Many research studies have proved that advertising play an important role in the introduction of a new product and help in the buying of a new product and further help in better choices of shopping of useful products. Majority of the viewers of television advertising say that advertising have always forces them to buy that particular product, about which they have watched in the advertisement. Due to the strong impact of advertising, it is the moral duty of advertisers to practice the code of ethics, during the promotion of their products. The purpose of advertising should be the guidance of consumer rather than blackmailing and threatening by pushing forcefully to buy that product. Proper and effective advertising always help the companies and marketers to improve their brand image and increase their share in the market (Ninan, 2008). Effective advertising is actually the other name of persuasion

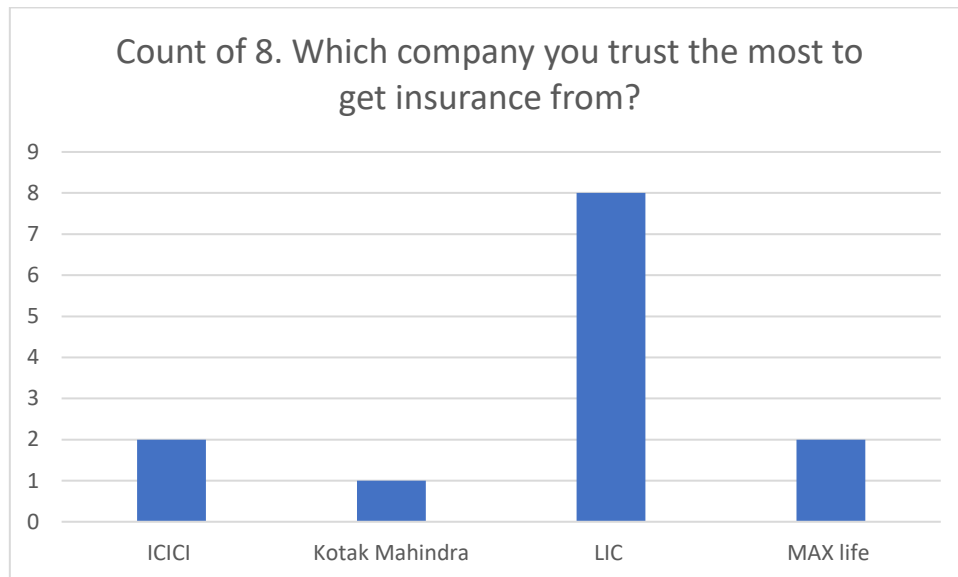
and liking or disliking attitude of consumer towards some particular product or advertising (Mehta, 2000; Stone et al., 2000). There are a number of factors in advertising which contribute a lot in changing the consumers' buying behavior. Like likeability, brand image, persuasiveness, celebrity endorsement, information about the product, entertainment etc. While according to Halley & Balldinger, (1991) entertainment and information about some product, which are given in advertising, are one of the main reasons of likeability of the product advertised. Entertainment actually helps in involvement of the viewer in the advertisement and product and it is obvious that if the advertiser could be able to create a positive image of the product through entertainment and information, it could get the involvement of the viewer or consumer, rapidly (Mackenzie & Lutz, 1989) which in result affect the consumers' buying behavior. Some consumers give importance to the quality of the product while some consumers are just persuaded by the proper communication techniques and some impactful factors. This likeability which is created by the advertisers, through information and entertainment and involvement of the viewer is later becomes a solid reason of buying intention of the consumer (Smith et al, 2006). The liking and disliking for the advertised product really matter regarding the impact of advertising because it further lead to persuasion and intention of the consumer to buy that advertised product. Rather quality and price of the advertised product also considers very important in consumers buying behavior. After likeability, another major factor is persuasiveness which could be brought in the advertising, through creativeness, brand image and to some extent through the celebrity endorsement as well. Brand personality or celebrity endorsement is also considered as the key element of effective advertising (Aaker, 1996). Therefore the most common way to build brand image through personality creation is actually the celebrity endorsement. Effective and ideal advertising is that which tries to produce the loyal customers, through the building of powerful brand image, strong persuasiveness and right celebrity endorsement in the advertisement. All these factors are the real contributors towards the impact of advertising on consumers buying behavior. Of course in the presence of all this some other factors like price and quality of the product also affects the consumers buying behavior to some extent. The primary data of the study is collected through questionnaires and secondary data was collected through internet, journals and business magazines. This survey study was conducted in January, 2013. A sample of 120 respondents was taken, out of which 50 were in government or semi-government services, while 30 were taken from business class and the rest 40 were private employees. On the basis of annual income, 21 respondents earn 9600 US dollar, 51 have 3500-

5000 US dollar annually and the rest have below this annually. Based on the review of the literature, some key indicators have been selected for the study of impact of advertising on consumers' buying behavior.

1. Quality of the product advertised
2. Price of the product advertised
3. Persuasiveness, information and entertainment
4. Brand Image in advertising
5. Celebrity endorsement
6. Agent

GRAPHS

Q1. Most trusted company by people ?

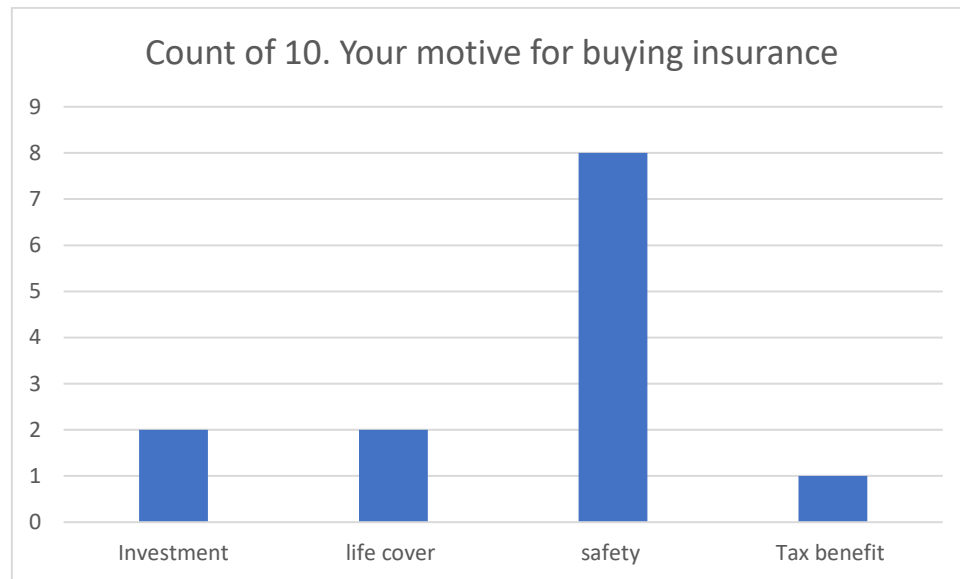


And out of 13 people 8 selected lic. So the question arises what makes lic the most trusted company. An the answer is that lic is owned by government which gives sense of security to people that there money is safe,which private sector still somewhere laks to provide. If a company is selling insurance first they should gain the trust of client that there money is safe with the company.

Chart 2

Is based on why people get insurance ?

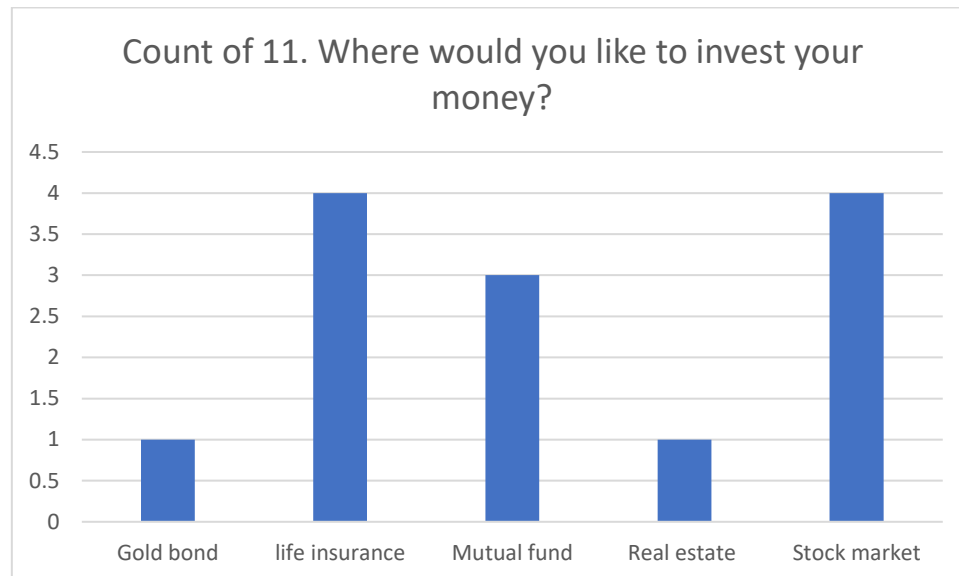
Q2. Need for insurance



13 out of 8 people selected safety why they get insurance 2-2 selected investment and life cover while 1 selected tax benefit. So, the conclusion we get after seeing this chart is that people look out for their family while getting insurance. The common fear of what happens to the family after they die, so for their safety purpose and they can live a secure life after one is gone people get them insured.

Chart 3

Q3. Where do people prefer to invest ?



from 13 responses 4-4 people opted life insurance and stock market while 3 said they will be more intrested in mutual fund and 1 was intrested in real state and 1 in gold,

Comparison between life insurance and stock market

	Life insurance	Stock market
1. Risk	Very low	high
2. Rate of intrest	Steady	Usually high
3. Benefits	Many such as life cover, tax benefit, safety, and investment	Only Investment
4. ownership	You cannot control it	Can sell or buy whenever you want
5. profits	You get limted profit	There is no limit
6. taxes	You don't have to pay tax on amount invested amount	You have to pay tax on your gain of every year.

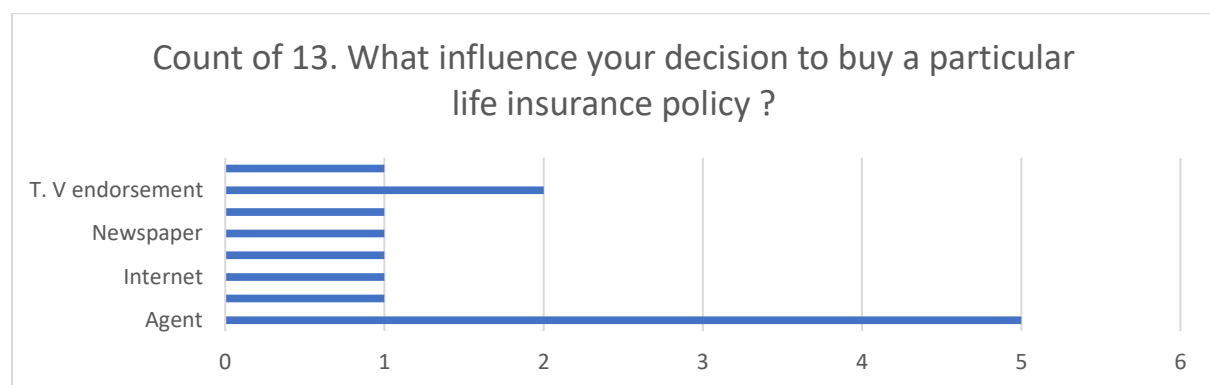
Chart 4 on sheet 4

Q4 what influence to buy the insurance policy ?

In quitaire 4 options were there

1. agent
2. t.v endorsment
3. internet
4. newspaper

they were allowed to to choose multiple options. so,



maximum people said agent influenced their insurance buying decision the most. Cause selling insurance need trust and a personal touch it will be very hard for the company to show the details through a 30 second t.v indorsment . company can definetly attract people toward the product but they will always need the agent to close the deal.

Customer might have a several question which will need personal attention from a person who know the policy to the core,that's why company should have trained agents to do the work.

Chart 5

Q5 how much people invest in a year ?



Through the bar chart we see there are high number of people who will invest 50000-75000 rupees on the insurance policy if they had to in a particular year. This is the spare amount of money people are ready to give to insurance sector. To lure this category of people to buy an insurance a policy solely focused to them should be there. That policy will be very intriguing for these target customer.

Chart 6

- Earnings and investment



It is a comparison chart between income and investment of people in insurance sector. Through graph we found out that irrespective of the income people are only willing to invest a particular amount of money between 50000-75000. So, company should solely focus to build a plan which requires this amount of investment yearly and give maximum benefit to company and customer both. This way company would be able to acquire their target customer need and sell more insurance.

Limitation of research

- One of the main limitation of the report is that there was the less number of responses. Which may or may not be biased.
- Due to covid situation face to face interaction with respondents couldn't took place
- At some point this research might have been affected from the personal experience.
- Because of Less no. of responses report was not able to acquire a larger base which makes it less efficient

Questionnaire

This report consist of several factual based components revolving around the questionnaire formed and responses received to it. No data has been manipulated in this reserch. The questinaire consist of 14 questoions which included the personal details of the respondent and the question needed to conduct the research there were few questions in which candidate has to select from the option provided to them nad the option other was also there if there was anything else different from the options given canditate was asked to select that option and was asked to be specific about it. These were the following questions

Q1. Name of the candidate

Q2. Mobile no.

Q3. Gender

Q4. Profession

- Buisness
- Job
- Student
- Other

Q5. Do you have insurance

- Yes
- No

Q6. Earning members in the family

Q7. Which company you trust the most while buying insurance ?

- Max life
- Birla
- Icici
- Bajaj
- Lic

- Other

Q8. Yearly income

Q9. Motive while buying insurance

- Life cover
- Investment
- Safety
- Tax benefit
- Other

Q10. Where would you like to invest money ?

- Mutual fund
- Stock
- Life insurance
- Other

Q11. How much are they willing to invest ?

Q12. What influences your decision while buying insurance ?

- T.v endorsement
- Newspaper
- Internet
- Agent
- Other

Q14. Would like to buy insurance during pandemic

- Yes
- No

Q15. If no, please give the reason

Conclusion

From the received responses I selected 13 responses to conduct the research I tried to keep different and diversified responses in the research. After that responses are recorded in the excel file to explain and present it in a fine way. Different charts and graphs were created to understand and reach to the conclusion. So, different suggestions can be made to company and they can do better than their competitors. Different charts were formed to explain where company can do better to get more customers.

Suggestions;-

1st graph –

Earn the trust of customers by providing more safety

2nd graph-

Sell insurance on the basis of safety

3rd graph-

Make clients understand why insurance is better than stock market

4th graph-

Train more salesperson and give your personal attention to clients

5th graph-

The investment capacity of clients in insurance sector.

6th graph-

What is the target sector of the company and which segment needs their personalised plan according to their income and investment.

These are the 6 conclusions and suggestions which will help the company to increase their sales and impact the consumer in a positive way.

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