

UNDERSTANDING THE IMPACT OF DIRECT AND INDIRECT ADVERTISING ON CONSUMER BEHAVIOR

Gehana Nag

Heritage International Xperiential Learning School, Gurgaon, Haryana, India

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ABSTRACT

In order to achieve company objectives, marketing is the strategic process of discovering, promoting, and providing value to customers. It includes a variety of activities like as market research, product development, promotion, and sales, all with the goal of increasing consumer awareness, interest, and loyalty. In today's competitive industry, effective marketing is critical for businesses to engage with their target audience and generate growth. To do so, understanding the distinction between direct and indirect marketing - and tailoring it to their target audience- is vital for businesses to optimize the effectiveness of marketing efforts. Marketing is essential and in the digital age understanding the dynamic between the two advertising methods is of growing relevance, thus making this study of importance. The present study aims to investigate the effectiveness of direct and indirect advertising in persuading consumer behavior. It was conducted using a small sample group belonging to the upper socio-economic background from New Delhi, NCR and Gurgaon, Haryana. Using a questionnaire, their preferences on direct (Billboards, Youtube and Offers) and indirect (Social media, Celebrity endorsement and Product Placement) were analyzed. It was found that direct advertising was rewarded more informative, creative and influential in comparison.

Keywords: socio-economic background, Delhi NCR, advertising, digital-age.

Introduction

The digital age, characterized by the widespread adoption of digital technologies, has fundamentally transformed our lives and societies. It has ushered in an era of instant connectivity, rapid information exchange, and endless possibilities for innovation and collaboration. Similarly, advertisements have witnessed a remarkable rise in importance and influence, especially in the digital age. 63% of businesses have increased their digital marketing budgets just this past year. With intensifying competition and changing consumer behavior,

businesses rely on advertising to thrive and stand out. The advent of digital platforms and social media has revolutionized advertising, enabling precise targeting and personalized messaging. 55% of marketing is digital. Total digital advertising spend in 2021 was \$436 billion versus offline advertising at \$196 billion [1] Effective advertisements have the power to shape consumer perceptions, attitudes, and behaviors, driving brand loyalty and boosting sales. Its growing importance and influence stem from increased competition, evolving consumer behavior, and digital advancements, making it a critical tool for businesses to succeed.

As consumers become more discerning, authenticity and relevance in advertisements are essential for building lasting connections and to achieve the same business have reappraised it through direct and indirect advertising. Direct advertising is a promotional approach that involves directly communicating a marketing message to the target audience. It employs various channels such as television commercials, radio spots, print ads, email marketing, or telemarketing. The direct selling industry in India is currently worth an estimated INR 72 billion. According to research (.BK and Christopher 2015) [3], In 1995, Amway emerged as a pioneering direct selling enterprise, through which, in India, it empowered women, provided additional income opportunities, and contributed to employment generation. On the other hand, indirect advertising takes a more subtle and integrated approach to promote a product, service, or brand. It seeks to create brand awareness, influence consumer perceptions, and establish long-term relationships with the audience. Indirect advertising techniques include product placements in movies or TV shows, influencer endorsements, content marketing, and native advertising. Both direct and indirect advertising accelerate a business's approach to promoting their product building brand equity, fostering brand loyalty, and influencing long-term consumer behavior.

However, both adopt different approaches with direct advertisement setting a direct communication for immediate response and indirect, on the contrary, using subtle techniques such as product placement, influencer endorsements to create brand awareness and influence consumer perceptions. The gap in knowledge towards the different merits of direct and indirect advertising gives rise to an underlying concern of ineffective marketing between businesses. Through an understanding of the same, businesses can make more informed decisions when crafting their advertising strategies, allocating resources, and optimizing campaign performance.

Methodology

Aim of the study

On this account, this study aims to examine direct and indirect advertising and determine which of the two methods maximizes advertising effectiveness for businesses.

Research Design

In the present study, a survey research design was followed. Survey research designs refer to the systematic approaches employed in quantitative research, where the survey was administered to a sample of the population to gain insights into the attitudes, opinions, behaviors, or characteristics of the targeted group.

Consent and Ethical Issues

All ethical considerations were followed for the current study. In conducting this research study and administering the questionnaire, utmost importance was placed on obtaining informed consent from all participants. Prior to their involvement, each participant was provided with a clear explanation of the study's purpose, procedures, and potential risks or benefits. They were also assured of their right to withdraw at any time without consequences. Confidentiality and anonymity were strictly maintained, with all data being treated with the utmost respect for privacy. Ethical guidelines of research were followed.

Sample

The sample size for this research study was 40, it encompassed a diverse range of participants, ensuring a comprehensive representation of various age groups, genders, education levels, and occupations. There was an inclusion of a wide age range from 10 to 40+ out of which, 48.7% were 40+, 20.5% were in the range 16-20, 15.4% were in the range of 36-40, 7.7% were in the range of 31-35, 5.1% were in the range of 10-15 and lastly, 2.6% were in the age range of 21-25. All genders were equally considered, 35.9% were females and 64.1% were males. Furthermore, 48.7% were post- graduates, 25.6% were graduates, 2.6% had a PHD and 23.1% were in high school. Adding on, the sample also comprised individuals from various occupations, 48.7% of the sample was in service, 25.6% were students and 25.6% had a business. A diverse sample size, this study aimed to ensure a comprehensive and representative dataset, fostering inclusivity and promoting the generalizability of findings.

Tools Used

The survey was created on google forms which is a versatile online survey tool that allows users to create and distribute custom surveys, collect responses, and analyze data. The questionnaire started with asking demographic details from the responders including their age, gender, education level and occupation and then asked generic questions about advertising, such as 'Do you watch advertisements daily' and 'Which mode of advertisement is effective according to you or influence you'. The survey then consisted of videos, and graphics of the same company using direct and indirect advertising as a method of approaching consumers. An advertisement of Audi

(posted on youtube) and a clip of an advertisement of audi in the movie Spiderman: Homecoming was used. Similarly, an advertisement of Dubai both on youtube and in the movie Mission Impossible: Ghost Protocol was placed on the form. Questions asked focused on three aspects of the advertisements, creativity, informative and influence. Furthermore, a few questions consisted of a scale asking respondents how convinced they were to try the product.

Results and Discussion

This section will analyze and interpret from the results obtained through the questionnaire, comparing direct and indirect marketing strategies.

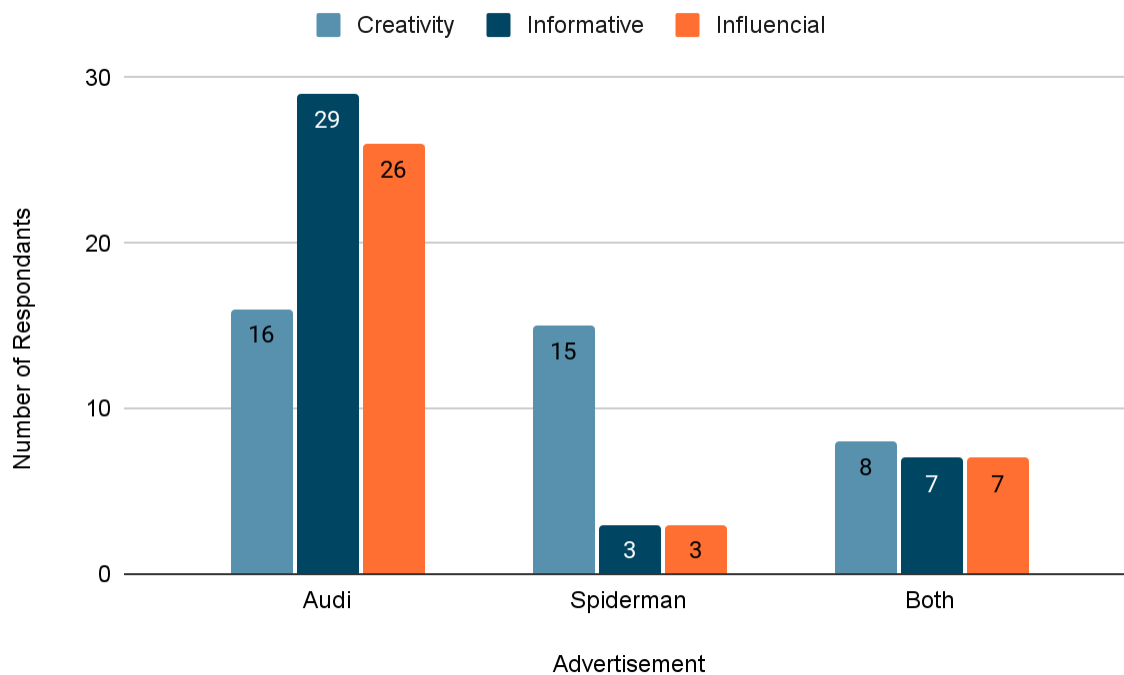


Figure 1: Graphical representation of Direct vs Indirect Advertising for Placement (N=_39)

In Figure 1, One can see the comparisons of impact on the respondents on the factors Influence, Information and Creativity. It can be observed that about 41% (16) of the participants found the Audi Clip creative, 74.4% (29) found it more informative and 66.7% (16) found the advertisement influential. However, on the other hand, 38.5% found the spiderman clip creative, 7.7% found the clip to be informative and 15.4% found it to be more influencing than the audi clip. Hence, the majority of the respondents appreciated Audi’s direct advertisement more effectively than the spiderman clip.

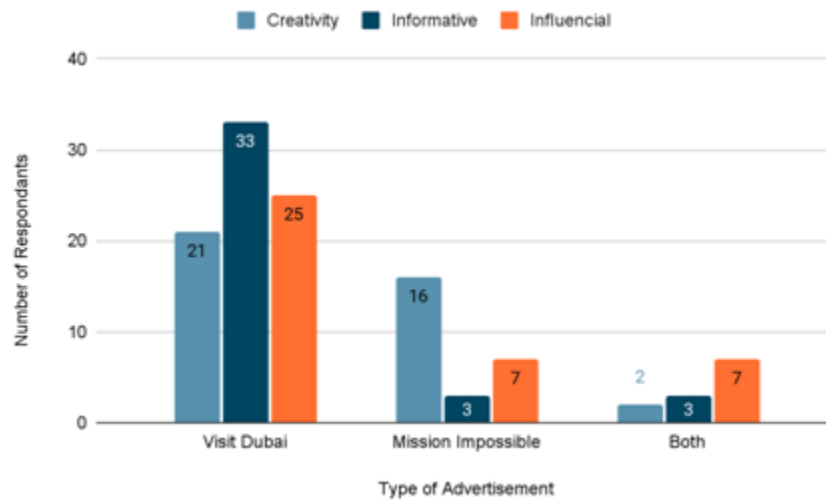


Figure 2: Graphical representation of Direct vs Indirect Advertising for Placement (N=_39)

In Figure 2, One can see the comparisons of impact on the respondents on the factors Influence, Information and Creativity for advertising the city Dubai. It can be observed that about 53.8% (21) of the participants found Visit Dubai creative, 84.6% (33) found it more informative and 64.1% (25) found the advertisement influential. However, on the other hand, 41% (16) found the mission impossible clip creative, 7.7% (3) found the clip to be informative and 17.9 (7) % found it to be more influential than the Visit Dubai Clip. Consequently, most of the survey participants favored Visit Dubai's direct advertisement as more impactful than the Mission Impossible clip.

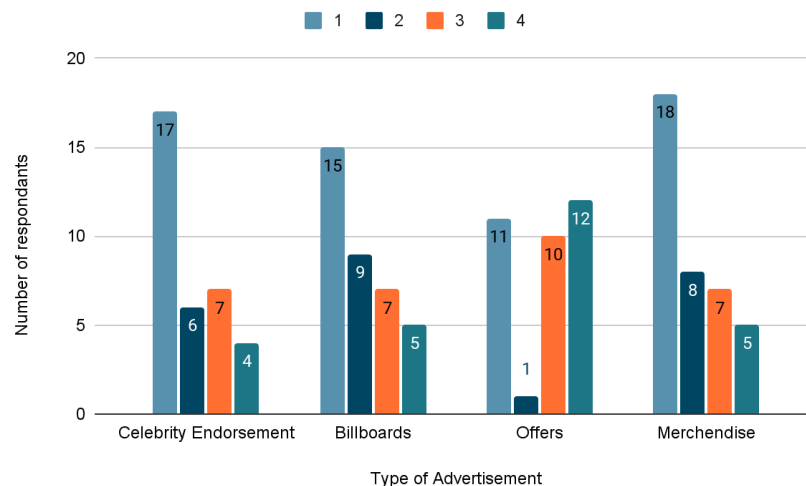


Figure 3: Graphical representation of Direct vs Indirect Advertising for Celebrity Endorsement, Billboards, Merchandise and Offers (N=_39)

In Figure 3, the focus is on celebrity endorsement- using an example of Virat Kohli and Puma-billboard for Coke, offers outlined by Zomato and Dunkin Donuts merchandise. Respondents have rated the convincing power of each type of advertisement on a scale of 1-5, 1 being the weakest and 5 being the strongest. As illustrated, for the celebrity endorsement majority, 43.6% (17), found it weak in influence with 12.8% (5). Furthermore, 46.2% (18) respondents were not convinced enough to try dunkin donuts after the merchandise and on the other hand 2.6% (1) would try dunkin donuts after the advertisement. Next, majority of the respondents were almost influenced 30.8% (12) by the offers provided by zomato in contrast 28.2% (11) found the offer lacking.

As seen through the graphs above, the analysis conducted for 40 participants, showed that direct advertising is more effective in influencing consumer behavior since it is more informative and creative. By directly addressing the target audience, direct advertising eliminates ambiguity and ensures the message is received as intended. The findings indicated that this approach maximized engagement by delivering clear, concise, and compelling information, ultimately driving faster results and a more efficient return on investment. Moreover, in the results it is evident that celebrity endorsement, billboards and merchandise was deemed subjective and did not provide a personalized, interactive, and informative experience. The results also revealed a widespread lack of familiarity with direct and indirect advertising. Respondents displayed confusion, struggling to discern between the two methods. This knowledge gap highlights the need for improved understanding and education about these fundamental advertising approaches for more informed consumer engagement. This study suggests that direct advertising might expedite the decision-making process, resulting in quicker responses and measurable outcomes. In addition to assessing effectiveness, next steps could be exploring participants' perceptions and preferences regarding direct and indirect advertising could offer valuable insights. Investigate their understanding, emotions, and engagement levels with each approach. Also, delve into factors influencing their choices, such as cultural context, age, or personal experiences. This multifaceted analysis can guide targeted strategies that align more closely with consumer expectations and enhance campaign outcomes.

Conclusion

In the digital age, advertising's importance has surged, driven by evolving consumer behavior and fierce competition, particularly in the digital realm. Therefore, it introduces the contrast between direct and indirect advertising, highlighting the need for a comprehensive understanding to enhance advertising strategies in this dynamic landscape. This study suggested that direct advertising is deemed more effective in means of communication with the consumers to market their product's features, USP's and design.

It underscores the importance of a strategic approach when choosing between direct and indirect advertising methods. Stakeholders should recognize that direct advertising often delivers quick, measurable results. It can be particularly effective for promoting time-sensitive offers and driving immediate sales. However, it may not contribute as strongly to long-term brand equity. On the other hand, indirect advertising, which includes brand-building and content marketing, may not yield immediate returns but plays a pivotal role. In a study it was found that advertisers can use an understanding of direct and indirect approaches to persuasion in designing ad messages. Indirect approaches to persuasion might be more effective than direct ones in certain instances. For example, a firm intends to enhance consumer perceptions of certain attributes of a brand. Some beliefs might be more difficult to change directly through external influences than others. These times it can be effective to take an indirect approach by a focus on attributes that are relatively easy to change, yet related to the intended attributes.[2]

This approach is ideal for stakeholders with a long-term vision and a focus on building a strong brand presence. To make an informed decision, stakeholders should carefully consider their campaign objectives, target audience, and budget constraints. Additionally, a blend of both direct and indirect advertising methods can prove to be a well-rounded strategy, harnessing the strengths of each approach.

Furthermore, as found by studies previously [2], indirect approaches induce more persistent persuasion over time, especially when an ad contains only the verbal copy. Depending upon the goal of a campaign, advertisers might adopt different strategies. For example, if the primary goal is to achieve persuasion that is resistant to change, advertisers might use an indirect approach to persuasion that facilitates self-induced persuasion.

Ultimately, this research paper emphasizes that the advertising landscape is not one-size-fits-all. Stakeholders should tailor their advertising strategies to align with their unique goals, market conditions, and consumer preferences, thus maximizing the impact of their advertising efforts. These findings should be interpreted with caution, given the limitations of the study, although it encourages others to explore cross-culture and culture analysis, highlighting the effectiveness of these two types in different regions and societies.

This research report on direct and indirect advertising was chosen to investigate the economic ramifications of various advertising methods. By discerning the effectiveness of these approaches, the aim was to assist businesses in making informed decisions regarding resource allocation and market positioning. Furthermore, this study contributes to the broader economic conversation by shedding light on how advertising influences consumer behavior, market competitiveness, and industry dynamics, thereby facilitating well-informed economic decision-making. One notable limitation pertains to the potential introduction of bias among respondents,

influenced by perceptions of celebrity endorsements. The self-constructed questionnaire's reliability and potential biases could be compromised, as it lacks standardized or validated assessment methods. Adding on, the sample size was small with only 39 respondents, and therefore might lack the representativeness need to generalise results to the larger population accurately.

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