

## How Advertising Affects the Buying Behavior of Consumers in Rural Areas: A Case of Pakistan

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### ABSTRACT

*This study examined the affects of advertising and some factors of rural areas on consumers buying behavior. The study used questionnaires based survey to collect data in rural areas. The collected data were analyzed through correlation statistics and simple regressions. Results indicated that advertising has positive and statistically significant effects, while, the factors of rural areas have negative but statistically significant effects on consumers buying behavior. Further, advertising is positively but factors of rural areas are negatively correlated with consumers buying behavior.*

**Keywords:** Advertising, of rural areas, consumers buying behavior

### INTRODUCTION

Advertising is the effective source to influence the mind of viewers and gives viewers exposure towards a particular product or service (Katke, 2007). Advertising play an important role in business presentation and is a useful strategy to attract customers. It is a part of promotional mix to create awareness among target population. Like other parts of the world, in Pakistan too, it has become a weapon for businesses to change customers' mind and their behavior towards purchasing. Now days, advertising have become one of the crucial commercial activities in competitive business environment.

Every region has its own culture and varying pictures and symbols for product promotion are used by the marketers. Actually these symbols, most of the times, reflect traditional culture and lifestyle. In the present digital world, everything like culture, habits of the people, technology etc, are on their way of globalization. This fast pace globalization is minimizing the distance among customers'. Now with the help of advanced technology, it has become possible for advertisers to reach all segments of a target market. Along with advanced technology, in rural areas the marketers further need to address other factors as well to effectively influence customers' mind. For example customers in rural areas may need to be educated for better understanding advertisers' message. Similarly, customers residing in rural areas may not have high purchasing power and lifestyle may be different than urban areas.

Without proper investment, no business can become a market leader (Hussainy et al., 2008). Firms are spending a huge amount of their budget for advertising their products and services. They are investing to influence the buying behavior of customers and determining the factors that have direct or indirect effects on buying behavior like purchasing power (Ayanwale et al., 2005). This focus on advertising is because it is considered an effective tool to motivate customers and influence their buying behavior (Niazi et al., 2012). Advertisers hope that their ads will change the buying behavior of target market and consumers will buy their products. In order to make their advertising campaign even more effective and rewarding, advertisers are trying to analyze various factors which may influence customers' buying behavior e.g. residential area lifestyle, education and purchasing power etc. For this purpose, as Niazi et

al., (2012) mention advertisers apply hierarchy of effects model to expose brand cognition, where attitude leads towards actual purchasing.

This study is based on the hierarchy of effects model of advertising and is intended to analyze the effects of advertising on consumers' buying behavior in rural areas of Pakistan. The study aims to determine relationship between advertising and some characteristics of in rural areas on consumers' buying behavior. Telecommunication is one of the major and fast growing industries in Pakistan. This calls for investigating advertising of telecommunication companies and its effects on consumers buying behavior in rural areas. This study may reveal new insights in the knowledge area.

## **LITRATURE REVIEW**

### **Advertising**

Advertising is the core idea that is presented in non-personal ways to create purchase intention. For example, it is define as sharing of information about products in a non-personal way usually paid by a sponsor through different media (Datta, 2008). Similarly, Ayanwala et al., (2005) defines advertising as "... a non-personal paid form where ideas, concepts, products or services, and information are promoted through media (visual, verbal, and text) by an identified sponsor to persuade or influence behavior". Advertisers are trying to spread maximum information about products in target market. Therefore, popularity is the aim of advertising (Ramaswami & Namakumari, 2004).

Advertising is done to create likeness, attraction and influence buying behavior in positive way. Attitude-towards-the ads, is an interesting theory of advertising often used to understand the buying behavior. Effective advertisement influences the attitude towards brand and finally leads to purchase intention (Goldsmith & Lafferty, 2002). Ideally, consumers buying behavior is the products purchase decision (Adelaar et al., 2003). Advertisers are using different techniques to effectively convey commercial messages to create purchase decision. Hierarchy of effects model often used to assess the effectiveness of advertisement and is a series of steps such as, attention, interest, desire and purchase decision (Cavill & Bauman, 2004; Grover & Vriens, 2006). The steps of hierarchy of effects model are as follow:

### **Awareness**

It is the first step of hierarchy of effects model, where people get awareness about products. At this stage, advertisers introduce their products, services and information about the usage of products. Initially, advertisers create awareness about products in their target market and its benefits to use (Baca et al., 2005). According to Ashcroft and Hoey (2001) awareness is the cognitive stage to attract customers and is the first step of communication process.

### **Interest**

Advertisement of a product or service is run with the aim to create interest among target viewers because creating interest is the priority of advertisers (Rowley, 1998; Broeckelmann, 2010). Continues buying of a particular product shows consumers' interest (Ghirvu, 2013). Pharmaceutical companies, for example, often invest to create products interest in target market with aggressive sales force which attempts to motivate customers for further query (Baca et al., 2005).

### **Desire**

It is the third step of hierarchy of effects model that deals with the aspiration of target customers to buy a product or service. From advertising view point, desire is said to be the intense level of wanting a product. Creating desire is the precedence of advertisers, where

they explain the features and benefits of their products that how much value you have here (Richardson, 2013). At this level, advertisers try to give greater exposure of a product to the customers (Rowley, 1998).

### **Action**

At the fourth level of hierarchy of effects model action on the part of a customer is taken i.e. actually purchasing a product or service. At this stage, customers are ready to pay for the products to fulfill their intense desire for a particular product or services. A number of incentives offered may persuade a customer to take action (purchase). For example discounted prices often entice customers to take action i.e. buy something (Rawal, 2013). As mentioned by Ashcroft and Hoey (2001) action is the behavior stage involving actual purchasing. According to Hoyer and Macinnis (2009) effective advertising creates positive feelings that lead to actual purchase of advertised products. Therefore, on the basis of above arguments we can hypothesized:

**H1:** There is a positive relationship between advertising and consumers buying behavior

### **Characteristics of Rural Areas**

Pakistan is a developing country and has majority of its population in rural areas. According to Haq (2002) there are 50,000 villages, 448 towns, 40 medium size town, 7 metropolitan cities and two mega cities in Pakistan. According to a Pakistan economics survey, in 2013, the total population of the country was 184.35 million with the ratio of 62 % in rural areas, while, 38% in urban areas, where 45.1% people were concerned to agriculture. Moreover, 1.85 million in rural but 1.55 million people in urban areas were unemployed. The poverty ratio is high in Pakistan, particularly in rural areas. The buying power, education standard is low in rural areas and has different lifestyle then urban people. Consumers of rural areas are different in social, psychological, physiological and literal aspects then urban areas (Selvaraj, 2007). Therefore, the study is interested to determine the effects of some factors of rural areas (lifestyle, education level and buying power) on consumers buying behavior.

### **Lifestyle in Rural Areas**

Lifestyle is the pattern of one's life that he/she chooses to perform certain activities. According to the definition of Kotler et al., (2008), "Lifestyle is a person's pattern of living as expressed in his or her activities, interests and opinions". Likewise, Moore (1963) presented his opinion that "lifestyle is a patterned way of life into which people fit various products, events or resources. Moreover, consumer purchasing is an interrelated, patterned phenomenon and products are purchased as part of a lifestyle". The life pattern and products usage of rural area is different than urban areas. For example, some villagers may not keep mobile or have no understanding of mobile usage. Therefore, the study is interested to determine the effects of lifestyle on consumer buying behavior in rural areas.

### **Education Level in Rural Areas**

Lynd (2007) conducted a study about the education system of Pakistan. The study found that the education level of rural areas is low as compared to urban areas. In urban areas, there are 51 % students enrolled in private education system, while 49 % in public sectors. In rural areas, 80% students are enrolled in public sector. Similarly, in 2009, Pakistan Social and Living Standard Measurement (PSLM) found that literacy rate in urban areas was 74%, while in rural areas it was noted 48%. There are 69 % men and 45% women were literate in Pakistan. Pakistan Statistics Bureau (2013) founded that the education ratio is 77% in urban areas and 53% in rural areas, where the proportion of male was 72% while for female it was 50%.

### Consumers' Buying Power in Rural Areas

Population of Pakistani rural mainly relies on agriculture, livestock. They have low purchasing power and lack of education (Akram et al., 2011). According to a report of Center for Research on Poverty and Income Distribution, the poverty rate was noted 27 % in rural areas and 13.1 % in urban areas of Pakistan in 2006. Likewise, According to the Ministry of Finance in 2011, it was noted with a decrease to 7.1% in urban areas but an increase to 15.1% in rural areas.

Lifestyle, education level and buying power are the issues that affect the consumers buying behavior, especially in rural areas. The study has special interest to understand the consumers buying behavior in rural areas. In rural areas of Pakistan the education level and buying power is low as compared to urban areas. Likewise, the attitude towards advertisement may also be different as compared to urban areas due to lifestyle differences. Therefore, the study can be hypothesized:

**H2:** There is negative relationship between the factors of rural area and consumers buying behavior.

The above discussion leads to develop a conceptual model for the study. The study is in struggle to determine the influence of effective advertisement and effects of some demographic factors of rural areas on consumers buying behavior.

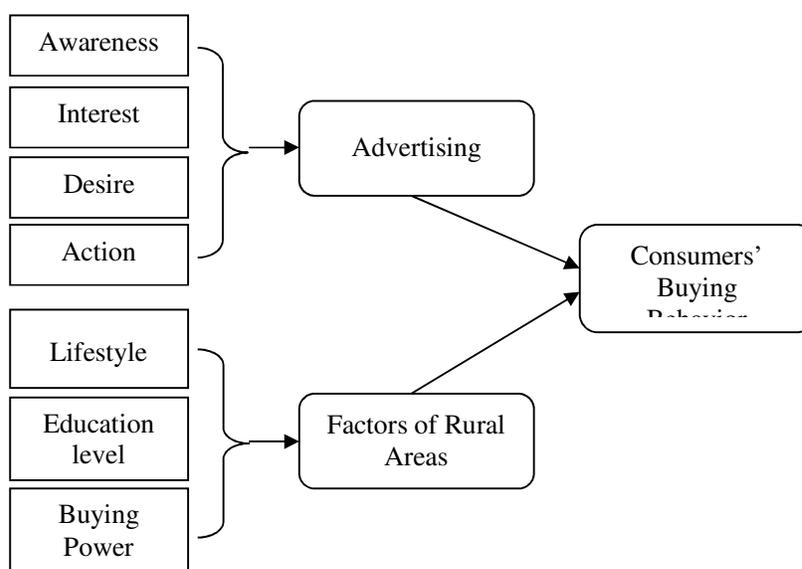


Figure 1. Conceptual Research Model

### METHODOLOGY

The study collected data through questionnaires based survey. The study collected data in rural areas of Lakki Marwat with a sample size of 500 students, teachers and professionals, but only 416 people responded. The survey instruments consist of demographic information's along with other important variables. It was conveyed that data collection is for research purpose only and you have to mark a suitable option in the range of strongly disagree to strongly agree.

The instruments of study are adopted from reliable sources like Bishnoi & Sharma, 2010. A pilot study was conducted to check the reliability of adopted instruments. To check the

reliability, data was collected from 40 respondents in rural areas. The following table indicates the results of pilot study.

**Table 1. Values of Cronbach Alpha of Pilot Study**

Sr. No	Variables	Number of items	Cronbach's Alpha
1	Advertising	9	0.76
2	Buying Behavior	6	0.81
3	Factors of Rural Areas	10	0.72

After data collection, the study used simple regression for statistical analysis. Simple regression is used to determine the effects of independent variables on dependent variable.

**RESULTS**

After data collection, the study used correlation statistics to determine correlation among variables. Table.2 presents the result of correlation statistics.

**Table 2. Correlation between Variables**

	Advertising	Buying Behavior	Rural Areas
Advertising	1		
Buying Behavior	0.414**	1	
Factors of Rural Areas	0.632**	-.531**	1

\*\* Correlation is significant at the 0.01 level (2- tailed)

In the above table, the results of correlation indicates that advertising is positively correlated with buying behavior and factors of rural areas ( $r = .414$ ,  $r = .632$ ). Further, buying behavior is negatively correlated with the factors rural areas ( $r = -.531$ ).

Table 3 indicates the result of regression. Advertising has positive and statistically significant effect on consumers buying behavior. While, Factors of rural area have negative and statistically significant effects on consumers buying behavior.

**Table 3. Results of Regression Analysis**

	Beta	Standard Error	Sig
Advertising	.426	0.54	0.01
Factors of Rural Areas	-.637	0.62	0.045
F value	19.75**		
R <sup>2</sup>	1.32		
Adjusted R <sup>2</sup>	1.45		

\*\* Correlation is significant at the 0.01 level (2- tailed)

It can be inferred that advertising has positive effect on buying behavior because the consumers may like advertisements or it may provide required information's. Another reason

advertisement may be the source of awareness as the consumers may discuss about it with their friends and family members. It also can be inferred that lot of people are living in mountain areas and have limited access to communication sources like TV, Newspaper etc, so getting advertisement through mobile may be interesting to them. Further, it can be inferred that factors of rural areas have negative effect on buying behavior because the ratio of unemployment may high and the buying power may low in those areas. Another reason that the education level may low that becomes cause of consumers misleading in advertisement. It also can be inferred that the living style of rural people is slightly different and advertisers may not properly conveying their messages.

## **DISCUSSION**

The study assessed the effects of advertisement and factors of rural areas on consumers buying behavior. Specifically, the study applied the concept of AIDA model to assess the influence of advertisement on buying behavior. Further, the effects of some factors of rural areas (where education level and buying power is low) were assessed. Results of the study show that advertising has positive while factors of rural areas have negative effect on buying behavior. The results of the study contributed in marketing literature and have important marketing implication that advertising is significantly influence the buying behavior in rural areas.

The managerial prospective of the study was to examine whether advertising and factors of rural areas have any effect on buying behavior. The results of the study showed that advertising and factors of rural areas have influence on buying behavior. This study is in line with Malik et al (2013) in term of assessing advertisement effect on consumers buying behavior. The study examined the effects of brand image and advertisement on consumers buying behavior. Results indicated that both the variables have positive effects on consumers buying behavior. Further, the study found out that teenagers are more conscious in branded products. The study is in line with Niazi et al (2012), who assessed the influence of effective advertisements on consumers buying behavior. The study assessed the effects of emotional response and environmental response on consumers buying behavior and found out that emotional response has significant, while, environmental response has insignificant effect on consumers buying behavior. Further, the study found out that consumers prefer those brands from which they are emotionally attached.

## **CONCLUSION**

This study examined the effects of advertisement and factors of rural areas on consumers buying behavior. The study collect data through questionnaires based survey with a sample size of 500 people in rural areas of Lakki Marwat. The study used correlation statistics and simple regression for data analysis. The results of the study show that advertising has positive and statistically significant effect on buying behavior, while, factors of rural areas have negative but statistically significant effect on buying behavior. Further, the results of correlation indicate that advertng is positively correlated with consumers buying behavior but factors of rural areas are negatively correlated with consumers buying behavior.

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