

# “ The Study of Advertisement Effectiveness of LIC Companies on Consumer Behaviour ”

**Mr. Vishwajeet V. Gaik**  
 Research Student,  
 Department of Business Administration,  
 Dr. B.A.M.U. Aurangabad.

## Abstract

Advertising gives information about brand, products, services or ideas and helps in pursuing customers to create, maintain brand image among the society/community and put a positive favorable impression about the features of the product as well as brand. Private players have launched many innovative products in the industry in terms of the products, customer services etc. They have adopted effective advertisement, marketing strategies and advertisement campaign with advertisement effectiveness for making or promoting plans or products more attractive to their prospective customers. Post liberalization and WTO era private insurance companies with permission of IRDA was allowed and there after scenario in insurance sector changed drastically with more and people got covered under the insurance umbrella. Advertising in life insurance sector also grew with leaps & bounds developing and mushrooming due to the expanding and Brand building, advertising is synonymous with product advertising and is commonly seen in traditional mass media, including TV, radio, magazine, and newspaper which are depicted from the analysis. A new trend has come with insurance getting alligned with many consumer durables, Housing etc. which has increased the scope of coverage in wide variety of products.

## Introduction

Advertising, usually speaking, is the promotion of products, goods, services, companies and ideas, broadly performed by an identified sponsor, marketers know advertising as integral part of an overall promotional strategy or plan. Other elements of the promotional mix include publicity, public relations, personal selling, and sales promotion. Advertising involves the process where in a message is developed or designed so as to promote a product, a thought, an idea or even a service. The idea of advertising has supposed a dynamic pattern form with the use of the several or various mediums of communication. Like newspapers, magazines, posters, signboards, billboards to the commercial on Television, laser shows to inflated high- rise objects and figures, advertising have come a long way. The work is impressive as it leads a process intended to attract, modify, change and influences public viewpoint.

### Advertising is Communication

Advertising directs a message. The advertising campaign, regardless of its scope or size, portrays the organization, products and services, and values. Each characteristic is tested with every new customer the organizations gain.

Advertisement communicates the message to the overall public so as to attain following objectives:

#### General Objectives:

**Persuade:** Persuading the people to construct up demand market for a specific "Brand" of products like - LIC of India, HDFC Life. & ICICI Prudential Life Insurance Companies, etc.

**Remind:** After creating brand and the product, it assists to remind the overall public about their line of products.

#### Specific Objectives:

**Encourage Trial:** Encourage the customer to endeavor the products like - Money Back Plan, Invest Assure Plan, etc.

**Endure Preferences:** Established Brands advertise encourage maintaining 'Market Share' of organizations.

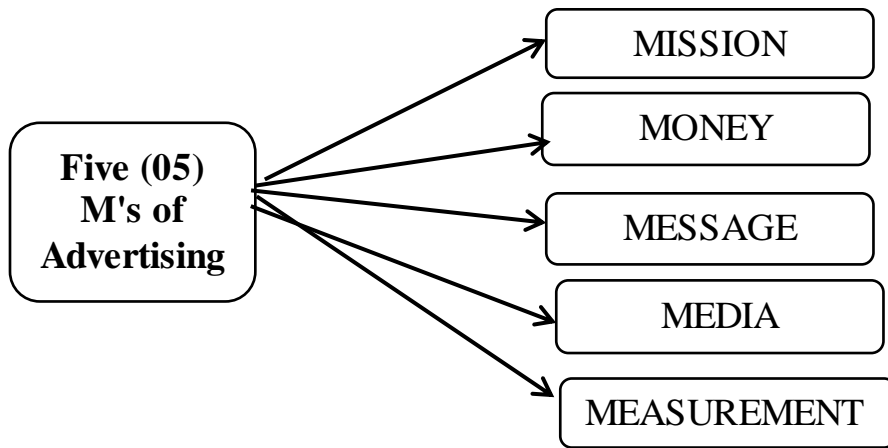
**Affirm Image:** It assists to validate the Brand image in the minds of the customers that leads to maintain the customer base of former customers and also leads to increase prospective customers.

**Baseline of Acceptance:** It shows as a whole range of its products.

#### Five (05)Ms of Advertising:

While creating an advertising program five M's should be taken into account, they are as

under:



**Figure 1.1: Five M's of Advertising**

- MISSION:** What are the Advertising objectives?
- MONEY:** How much can be spent? (Advertising budget)
- MESSAGE:** What message should be sent?
- MEDIA:** What media should be used?
- MEASUREMENT:** How should the results is evaluated?

**ADVERTISING PROCESS**

When making your search proposal, you should take into consideration that the "lead-in" time needed to emplace an ad can differ anywhere from days to months relying on the publication. You should design to have your ad validated and an evaluate of the cost done at least one month before to the date when you want the ad to be published staff member and faculty of marketing department positions involves five basic steps as follows:

1. Writing an Ad
2. Getting app for the text of the Ad
3. Cost Estimating of the Ad
4. Placing Ads & Posting Announcements
5. Paying for Ads.

Advertising process contains four important stages such as:

1. Briefing stage,
2. Creation stage,
3. Production stage, and
4. Post-Production stage

Work out performed at each stage is enumerated as follows:

STAGE	WORK PERFORMED AT STAGE
<b>Briefing Stage</b>	Briefing from the client Internal briefing to the creative and media Briefing if required for any research
<b>Creation Stage</b>	Media plan development and Ad campaign Internal review and Finalization Presentation to client and approvals Any pre-testing if required
<b>Production Stage</b>	Budget and estimate approvals Production of film, press ads, collaterals Media scheduling and media booking All release approvals for creative and Media

<b>Post Production Stage</b>	Material dispatch to media Media release Monitoring Any post-testing if required Billing and collection
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**Figure 1.3: Stages in Advertising Process**

### **Objectives of the Study:**

The major objectives of the study are:

- 1) To analyse the impact of advertisements on the consumer behaviour for the selected life insurance companies ,
- 2) To study the opinions of consumers for the advertising and its effectiveness ,
- 3) To study the advertisement strategies of selected companies under study ,
- 4) To Study the different types of advertising media used by life insurance companies ,
- 5) To Study the impact of advertisements on buying behaviour.

### **Research Methodology :**

It is of crucial importance for an advertiser to test the psychology of the consumer towards the advertisement. Hence it is important to study whether the selected advertising copies of life insurance companies contain five values via attention, memory, information, believability and persuasion or not and to what extent they exist in different advertising copies in the opinion poll of the consumers, viewers and readers.

Broadly, Life insurance company products or brands are frequently and mainly repeated purchased used by consumers irrespective of their own, may be for someone of family or all members of family. However, Sample Company/ products ads are covered and divided into life insurance at every stage of life. Every person follows these stages of life. Consumer requires and needs life insurance cover in each of all these stages to avoid risk, so this research paper leads to aware among the society, give the knowledge and importance through the title of paper as: To study the advertisement an its effectiveness of life insurance on consumer behaviour.

Data Collection is a very important work in the research papers. There are two types of data i.e., Primary and Secondary data.

#### **Primary data:**

The survey will be conducted to study the consumers attitude towards advertisements and its effectiveness, used by selected life insurance companies. The sample was selected adopting purposive convenience random sampling method. The structured questionnaire form will be used for data collection. The information will be collected by personal visiting the consumers and getting the information by filling the questionnaire form.

**Secondary data:** Essential secondary data will be collected using-

1. The library books
2. Magazines
3. News papers
4. Use of internet
5. Pamphlets
6. Brochures
7. Sample Advertisements of selected Life insurance companies
8. Journals etc.

#### **Statistical Tools:**

For the analysis and interpretation of data appropriate statistical tool following tools will be used as per requirement.

1. Average
2. Percentage.
3. correlation
4. F-test, t-test, chi-square test etc.

#### **Consumer behaviour and Advertising:**

Consumer behaviour plays an important role in advertising management because before preparing an advertisement plan, an advertiser must be aware of the behavioral patterns of the customers. The success of the program depends mainly on the behaviour study of consumers. The study of consumer behaviour determines the medium of advertising to cover the market segments where it can influence the consumer behavior. The study of consumer behaviour also helps the advertiser to improve the quality of product or introduce new innovative products in order to satisfy the needs and wants of the consumers that lead to increase sales and also helps to target market.

The study of consumer behaviour has shaped advertisements in the specific manner, definite way. By studying consumer behavior, the advertiser or advertising agencies can take decisions about the mediums of the advertising appeal to be made. Advertising transforms the want into the motive that motivates the buyer to purchase the products or services the company's offered, if the line of products or brands satisfies the needs or wants of the customer. If the wants or needs are stronger, the opportunity or chance for its sale is greater. Consumer behaviour is the subject to alter or change over time due to social and cultural influences.

#### **Importance of Measuring the Advertising Effectiveness:**

##### **1. It works as a safety measure:**

Measuring advertising effectiveness assists in finding out ineffective advertisement and advertising campaigns. It facilitates timely adjustments in advertising to make advertising consumer oriented and outcome oriented. Hence, waste of money in defective advertising can be avoided.

##### **2. Ensures feedback from remedial measures:**

Measuring advertising effectiveness delivers useful information to the advertisers to take out remedial measures against ineffective advertisements.

##### **3. Avoids possible failure:**

Advertisers are not confident of results of advertising by a specific advertising campaign. Evaluating advertising effectiveness supports or helps in estimating the outcomes in order to avoid complete loss.

##### **4. To justify the investment in advertising:**

The expenditure on advertising is reviewed to be an investment. The investment in advertising is a marketing investment and its goal should be spelt out neatly indicating the results expected from the advertising campaign. The rate and size of return should be determined in advance. In case the expected rate of return is achieved in terms of more, additional profits, the advertisement can be considered as effective.

##### **5. To realize the communication effect:**

The effectiveness of the advertisements can be measured in terms of their communication effects on the target audiences. The main goal of advertising is communicated the general public at large, and existing and prospective buyers, information of the product and the brand of the company. It is therefore desirable to seek send measurements of advertising in order to determine whether advertisements have been heard or seen or in other words whether they have communicated the theme, message or appeal of the advertising.

##### **6. Compare two markets:**

Under this procedure, Advertising is published in test markets and results are dissimilar with other. Markets so called control markets which have had the regular advertising program or event. The measurements made to determine results may be measurements of change in sales, change in consumer attitudes, changes in dealer or distributor display and so on depending upon the goal or objectives sought by the advertiser.

#### **Advertising Trend in Selected Life Insurance Companies:**

From the turning point year i.e. afterwards the year of 2000 Life Insurance sector was opened the doors for permit the private life insurance players in India. Due to that right now in India there are 24 life insurance companies are doing life insurance business. That's why the concept of life insurance advertising is growing, developing and mushrooming due to the expanding nature of competitors competition. The advertising trend of selected life insurance companies such as is as under:



#### **ADVERTISING STRATEGIES**



- Tax saving tool
- Brand image in rural areas as well as urban areas
- Enjoyed the monopoly and reliability factors due to government undertaking i.e. public undertaking
- Focused on marketing management strategies after entering of private life insurance companies to maintain the market share.



- Ads on print media i.e. newspapers, television through insurance agents i.e. financial service consultants, etc.
- Newspaper Ad series 'Chintamani' campaign
- Tag line - 'to protect at every stage of life'
- Concept of 'Sindoor'
- Concept of 'Saath Phere'
- Concept of 'Karvachoth'
- Concept of 'JeeteRaho'



- Highlighted trust and protection by print media i.e. newspaper
- Conveyed the message that life insurance is your partner for your life.
- Focused on rural market and small cities by outdoor media campaign.

#### 1. Advertising Trend in Life Insurance Corporation (LIC) of India:

Advertising trend in LIC of India mainly focuses on the following media platforms as:

- **Print Advertising:** - Newspaper, Magazines, Brochures, Fliers
- **Broadcast Advertising:** - Television, Radio and The Internet
- **Outdoor Advertising:** - Billboards, Kiosks, Tradeshow and Events
- **Covert Advertising:-** Advertising in Movies
- **Celebrity Advertising**
- Telemarketing
- Hoardings
- Banners
- Posters
- Pamphlets
- Gifts,
- Direct Selling through Agents, Financial Consultants, etc.

#### Conclusion & Suggestions

It is inferred that maximum people watch the advertisements of LIC of India. Hence such ads attract the people toward LIC of India, followed by HDFC STD. Life. Hence, advertisement plays an important role in the marketing of Life Insurance business by attracting the customers.

Majority of the public goes behind brand name. That's why corporate advertising plays a vital role in growing stage. It is also found that Insurance companies like to give their ads in News/Business channel. It may be because of Insurance is related to finance and Insurance is mainly taken as a tax saving instruments.

Majority of public use television for entertainment or information gathering, followed by friends and family and newspaper. Radio seems to be out dated in urban areas. But after revolution in mobile technology and satellite radio it again starts growing.

It is recommended that life insurance companies should give more importance to the agents and stress on all electronic advertisements which lead to contribute for their business. It is suggested that advertisement should be segregated as much as possible catering to different strata's like children, youngsters, adult and old ages people for greater reach.

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