
ISSN 2615-3726

DOI: 10.31014/aior.1992.01.04.54

The online version of this article can be found at: [https://www.asianinstituteofresearch.org/](https://www.asianinstituteofresearch.org/)

Published by:
The Asian Institute of Research

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The Effect of Advertising Information on Materialism and Buying Behavior – An Empirical Study

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Abstract

The objective of this study is to determine the effect of exposure to information in television advertisements on the consumer buying behavior in the Kingdom of Saudi Arabia (KSA). The study also explores the influence of television advertisements on materialism as a personality trait of consumers. The data was collected in Riyadh, KSA, through self-administered questionnaires using a convenience sampling technique. Out of 180 responses, 164 were chosen for the purpose of the study and analyzed for descriptive statistics as well as the relationship between information, materialism and buying behavior. A significant positive relationship was found between all dimensions. Information had the maximum effect on buyer behavior, which relates to the need for cognition in consumers. The advertisers need to develop campaigns with the objective of generating awareness about the offerings and also providing information.

Keywords: Advertisements, Television, Information, Materialism, Buyer Behavior, Saudi Arabia

1. Introduction

Consumer behavior is considered to be a study of individuals, groups and organizations, and their behavior in the process of buying decision making. It involves studying the effect of external and internal psychological factors on how individuals buy. Advertising is an external influencer which cannot be controlled by an individual, and there is always a need to study how it influences consumers in different context. Advertising on television and the internet promote the imitation of western lifestyle (Assad, 2008). Advertisements are an integral part of our society and are a key source of communication for both consumers and businesses (Belch & Belch, 2012). Television is a part of every household and thereby very effective in influencing buying decisions (Assad, 2008). Businesses might be promoting their offering through advertising, whereas consumers might be discussing the offering on various channels like social media, internet forums, etc. The continuous exposure of consumers to advertisements from varied media has an effect on their lifestyle, attitude and buying behavior (Sutherland, 1993), which makes advertisers very keen to spend more on marketing promotion activities (Harper, 2007), especially in developing markets.
According to the global expenditure on advertising statistics (GroupM, 2018), the world figures are pegged as USD 221 billion by the end of 2018. Among all regions, the maximum growth in advertising expenditure for television advertising will be in the Middle East and Africa; whereas the lowest will be in Europe.

The information provided by Statista (2018) says that media spending worldwide in 2017 was estimated to exceed 584 billion U.S. dollars. It is projected to grow to 757.44 billion by 2021. Television is the second largest medium for advertising after digital advertising, and in 2019, digital advertising is expected to have 41.1 percent of advertising expenditures.

Researchers in marketing have studied most areas of consumer behavior including the impact of everything related to the purchase behavior of the consumer, and how the products are consumed (Hawkins et al., 2010; Schiffman et al., 2010; Solomon, 2011). Friderees (1973) identified two effects of advertising campaigns. Firstly, it is a source of information for the audience, and secondly, it creates a need for a product or service. This is the reason why marketing communication exercise from an advertiser is also found to create a trigger which ultimately leads to a buying decision.

One significant issue in marketing is an understanding of the effect of specific mass media like television or newspaper advertising on consumers (Razzouk & Al-Khatib, 1993; Ghani, 2004; Woo et al., 2015). Business critics are concerned with the power of mass media to synthesize and stimulate wants. Defenders of mass media respond to this challenge by citing things such as the high failure rates of new products and the difficulties involved in changing consumers' attitudes (Belch & Belch, 2012; Clow & Baack, 2014; Moore & Moschis, 1978).

Rostow (1964) found that for economic growth there has to be an effective national marketing system and it further involves branding, advertising and different forms of promotion and physical distribution. Companies make full use of the promotional techniques to sell their manufactured goods in the developing countries. These goods are originated elsewhere, and the academic neglect of their activities can perhaps in part be explained by the use of the models that are applied so differently in the environment for the market analysis in which they were developed (Harper, 1975).

The communication process of advertisements and the response of viewers to various forms of advertising have been studied multiple times (Razzouk, & Al-Khatib, 1993; Ghani & Zain, 2004; Jayasinghe & Ritson, 2013; Jin & Lutz, 2013). Much research has been done on the effects and results related to the variables like broadcast, and social context on audience reception and engagement presented (Murry & Dacin, 1996; Raghunathan & Corfman, 2006). Recall of advertisements and attitude towards a brand are studied (Murry et al., 1992). Advertising information and socially engaging advertisements have held power over various viewers during the viewer event (Jayasinghe & Ritson, 2013), and a theoretical framework about the advertising engagement and consumption in domestic settings by studying the culturally framed viewing contexts and practices was proposed.

The research was found on the effect of advertising (Ha et al., 2011; Johnson, 1984; Yoo et al., 2000). The research on consumer personality, attitude, perception, and buying behavior started very early. Significant research exists on the effect of advertising on consumers (Chan & Cai, 2009; Collier, 1940; De Fleur & Petranoff, 1959; Ghani & Zain, 2004; Hawkins, 1970; Jin & Lutz, 2013; Kelly, 1979). Advertising is found to have an effect on all sections of society irrespective of age, gender, location, income, education, etc. Apart from the impact on demography, research was also done on the effect of advertising on sales of a brand. A relationship between television advertising and sales was explored by Tellis et al. (2005).

Lazarsfeld (1955) has done a good amount of work on the exposure of television and for the demand on the purchased product, validated by Ward (1974). Dotson and Hyatt (2005) identified the role of three factors, i.e., media, parents and peers. The primary media to trigger a response for advertised products is television.

The present study highlights the impact of television advertisements on the buying behavior of consumers in the Saudi Arabian context. Although, literature exists on the effect of television advertising on the purchasing pattern as well as the lifestyle of consumers. Still, this fulfills the gaps related to no significant work on the Middle East region, especially Saudi Arabia. The only study found was by Razzouk, and Al-Khatib (1993). Secondly, the market for digital advertising is booming, and often it is mentioned that mass media like television is losing its
charm. The present study tries to analyze whether television advertisements still can influence consumers or they are no more needed due to the existing digital advertising tools.

The research questions are:

1. In the age of alternate forms of advertising like digital advertising, is traditional mass advertising medium (television) can effectively influence consumer buying behavior?
2. Can television advertisements have an impact on materialism as a personality trait of consumers?

The research questions were answered through the following research objectives:

1. To study the impact of television advertisements on the buying behavior of consumers.
2. To study the impact of television advertisements on consumer materialism.

2. Method

Research is available on the effects of television advertising, but no recent research was found in the Saudi Arabian context with a focus on dimensions of advertising and influence on consumers. The present research addresses this issue and reinvestigates the direct and indirect relationships that are visible in the conceptualized model. The model has 3 dimensions (information, materialism, and buying behavior).

Various studies have addressed the effects of advertising (Karadeniz, 2013; North & Kotze, 2001; Saraf, 2012; Yavas & Abdul-Gader, 1993). Yet, these studies don’t establish a relationship between perception towards television advertisements, and the buying behavior of consumers in the Arab context.

The conceptual model is shown in figure 1.

![Figure 1: Conceptual Model](image)

The research by Bauer and Greyser (1968) is considered to be the first study to assess attitudes and beliefs towards advertising (Jin & Lutz, 2013). Advertisers contend that advertising strongly influences the consumer attitudes, values, and behavior (Chan & Cai, 2009; Ghani & Zain, 2004; Hanzae et al., 2011; Jin & Lutz, 2013; Karadeniz, 2013; Saraf, 2012), such as non-rational choices, buying decision, and materialism. Television advertising was specifically found to be an important driver of consumer perception (Jin & Lutz, 2013), and a study of information in television advertisements and consumer behavior can help in the understanding of the effect of advertisements on households (Abe, 1997; Ghani & Zain, 2004).

Mass media is effective for inducing long-term changes in attitude and behavior towards products (Jarlbro, 2001; Jin & Lutz, 2013). Commonly used mass media includes television, radio, print and outdoor. The advertising exposure of consumers is affected by the intensity of advertisements during the process of viewing an advertisement (Abe, 1997). Television advertisements are a source of topics for interpersonal communication, which in turn influences the behavior of consumers (Clow & Baack, 2014). A report by Consumers International (1999) lists contemporary medium for advertising like product placement, merchandise, or fan clubs as a source of interpersonal communication stimulation. But there can be other sources of interpersonal influence, like parents.
or peers (Goldstein, 1999), which are often very strong in nature. Researchers have found that advertisements lead to materialism in consumers (Greenberg & Brand, 1993; Wulfemeyer & Mueller, 1992) because it arouses a desire for products that would otherwise be salient. Materialism is operationally defined as an orientation emphasizing possessions and money for personal happiness and social progress (Ward & Wackman, 1971). Advertising provides information and exposes viewers to new products available in the market. Wulfemeyer and Mueller (1992) opine that the ideology of advertising is to inculcate thinking that goods and services are important to obtain success and create happiness. This also shows the materialistic influence of advertising. Goldberg and Gorn (1978), Greenberg and Brand (1993), and Moschis and Moore (1982) studied the materialistic influence of advertising. Still, no major evidence is found on materialism due to advertising. This leads to the following hypothesis:

**H1: There is a positive effect of information in television advertisements on the materialism of consumers.**

Several studies on materialism have been conducted across the globe (Hoffman et al., 2014; Shek et al., 2014; Segev et al., 2015; Shek et al., 2016; Tuu et al., 2017; Pradhan et al., 2018). Another research on the influence of advertisements found that children from low-income households are influenced more by advertising, and make more requests for purchase; whereas children from high-income households are found to make fewer requests (Young, 1990). More requests from children are a cause of parent-child conflict in low-income households (Young, 1990). A higher number of requests in low-income households can be attributed to a higher viewership of television (Moore & Moschis, 1981), and also the reason that parents in low-income families rarely discuss the adverse effects of advertising with children. Research by Gunter and Furnham (1998) and Saraf (2012) found that high-income households frequently have a discussion on the effects of advertising and genuineness of the claims made in the advertisements. Less discussion in low-income households makes their children susceptible to influence by whatever is shown in the advertisements (Donohue & Meyer, 1984). Consumerism in Saudi Arabia can be attributed to the products imported from western countries. The macro environmental factors have led to the Saudi Arabian society becoming materialistic in nature (Assad, 2008). This leads to the following hypothesis:

**H2: There is a positive effect of the materialism of consumer on his buying behavior of consumers.**

Researchers have always worked to know the relationship between advertising and buying behavior and the recent ones are Waheed and Yang (2017) and Martinez-Ruiz et al. (2017). The earlier research includes Ekelund and Gramm (1969) who studied the relationship between advertising and aggregate consumption and no positive relationship was found between advertising and consumption. Taylor and Weiserbs (1972) found aggregate demand and aggregate consumption to be positively related. While many other studies rejected the hypothesis for the effect of advertising on consumption, Ashley et al. (1980) as well as Razzouk, & Al-Khatib (1993) opined that advertising affects consumption. Verdon and McConnell (1968) studied the relationship between advertising and aggregate demand and it was found that advertising has a positive effect on aggregate demand. This leads to the following hypothesis:

**H3: There is a positive effect of information in television advertisements on the buying behavior of consumers.**

**Methodology**

At the operational level, the hypotheses have to be tested empirically to know the relationship between variables (Neuman, 2007). The items for information were adapted from Chan and Cai (2009), and Jin and Lutz (2013); items for materialism were adapted from Jin and Lutz (2013), Moschis and Moore (1982), and Richins and Dawson (1992). The items for consumer buying behavior were adapted from Bishnoi and Sharma (2009), Ghani (2004), as well as North and Kotze (2001).

The initial questionnaire which had 23 items was reviewed by 2 academicians with significant research in advertising and brand management; and 2 advertising professionals. This ensures that the selection of scale items extends past just empirical issues to also include theoretical and practical considerations (Hair et al., 2010). It also evaluates the accuracy of the tool used for measurement (questionnaire) and suggests if the items of scale cover the specific construct to be measured (Malhotra & Dash, 2010). After screening by reviewers, 17 items were retained: 5 for information, 6 for buying behavior, and 6 for materialism.

The survey instrument demographic data of the respondent which included gender, location, age, income, and education. Multiple choice questions were used for this purpose. Further, the respondents were asked to provide a
response to 17 items. A 5-point Likert scale was used with 1=strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree, and 5= strongly agree. The sampling units are all households with a personal television set(s) for regular viewing in Riyadh, Kingdom of Saudi Arabia. The city of Riyadh was chosen for being the biggest city in terms of population. In this study, 180 questionnaires were received. After examination of missing data points, 164 were used for the final analysis (91% valid response rate). The filled questionnaires were rejected due to missing data or absurd answers. The questionnaire with missing responses was eliminated to prevent overestimation (Tabachnick & Fidell, 2007).

The questionnaires were administered to the respondents personally. This way the response rate is high, responses are fast, clarifications can be easily sought, and quality of responses is better (Kassim & Abdullah, 2010; Malhotra & Dash, 2010). Like the majority of methods, this too has its disadvantages. One key disadvantage of direct administration of the questionnaire is the bias of interviewer and the cost of administering (Malhotra & Dash, 2010). Still, this method was followed as a high rate of response with quality responses was needed in a short time. The responses were collected during August-October, 2018.

3. Results

The sample characteristics were analyzed using MS Excel, IBM SPSS Version 22, and IBM AMOS Version 20. The respondents are representative of the genders, education levels, age groups, income levels and region/city of study. The value of Kaiser-Mayer-Olkin (KMO) is found to be 0.81 which was above the recommended value of 0.8. The statistical test for the Bartlett test of sphericity was found to be significant. This signifies that the sample has adequate size for factor analysis (Nunnally, 1978).

Unidimensionality was found as a result of exploratory factor analysis (Hair et al., 2010). A reliability test was conducted, and Cronbach's Alpha for the factors is found to be 0.887, 0.894, and 0.911 respectively. The values have been accepted as they are found to be greater than the recommended value of 0.60 (Hair et al., 2006; Nunnally, 1978). The Cronbach’s Alpha for the entire scale comprising of 17 items was also measured and was found to be 0.899; which is also higher than the accepted level. This shows that the scale used to measurement is reliable.

Hair et al. (2006) suggested factor loadings and average variance extracted (AVE) to assess the construct validity. The result of the analysis indicates that factor loading is in the range 0.815-0.910. The value of factor loading greater than 0.50 is acceptable (Hair et al., 2006; Malhotra & Dash, 2010). The Average Variance Extracted is 0.954 which is also above the suggested limit of 0.5 (Hair et al., 2006). This establishes the construct validity for the measurement model of this study.

For the purpose of testing hypotheses H1, H2, and H3, regression analysis was used. A positive relationship was found between information-materialism, materialism-buying behavior, and information-buying behavior. All the relationships in the conceptual model were found to be positive at $p < 0.05$, and therefore all hypotheses H1-H3 were supported. All the beta coefficients ($\beta$) were in the positive direction as conceptualized in the model.

Further to the regression analysis through SPSS, structural equation modelling technique and path modelling was used to re-test the proposed model and hypotheses. Before examining the proposed hypotheses, the model fit indices are examined.

The Goodness-of-Fit Index (GFI) was created by Jöreskog and Sorbom (1982) as an alternative to the Chi-Square test and calculates the proportion of variance that is accounted for by the estimated population covariance (Tabachnick & Fidell, 2007). Whereas Adjusted Goodness-of-Fit (AGFI) adjusts the GFI based upon degrees of freedom, with more saturated models reducing fit (Tabachnick & Fidell, 2007).

The Comparative Fit Index (CFI) is equal to the discrepancy function adjusted for sample size. CFI ranges from 0 to 1 with a larger value indicating better model fit. Acceptable model fit is indicated by a CFI value of 0.90 or greater (Hu & Bentler, 1999). Root Mean Square Error of Approximation (RMSEA) is related to residual in the model. RMSEA values range from 0 to 1 with a smaller RMSEA value indicating better model fit. Acceptable model fit is indicated by an RMSEA value of 0.06 or less (Hu & Bentler, 1999). After achieving the model fit the proposed model/hypotheses were tested.

The results of the path analysis are shown in table 1 below:
The results from the table show that all direct effects as proposed in the model are significant.

4. Discussion

The marketing activities related to advertising play a significant role in the fulfillment of company strategies and goals. Harper (1975) opines that the increased focus on advertising budgets is due to the same reason, and lately the manufacturers have been increasing the investment on promotion. Almost every producer has to think of the selling point for offering, the reason why the offering will appeal to consumers, and why consumers will buy the offering (Copeland, 1924).

The conceptual model was formed on the basis of a literature review. Factor analysis resulted in three distinct factors; information, buying behavior, and materialism. To test the conceptual model, hypotheses were formulated. After regression analysis and path analysis, a significant positive relationship was found between information-materialism, materialism-buying behavior, and information-buying behavior. All the relationships in the conceptualized model were found to be positive, and therefore all hypotheses H1-H3 were supported. All the relationships were in the positive direction as conceptualized in the model.

While testing the effect of information and materialism on buying behavior, the beta coefficient of the first relationship was found to be higher. This implies that information through advertisements has a greater influence on buyer behavior. Companies can include more information in their advertisements as the information is found to influence the buyer behavior. Various tools and techniques can be used by advertisers to make the messages more interesting. Another key element of successful advertisements with a higher recall is entertainment through good humor (Belch & Belch, 2012; Clow & Baack, 2014; Ghani & Zain, 2004).

Prior research has looked into the effects of advertising spending on post-purchase intention like word of mouth, brand loyalty, etc. (Ha et al., 2011; Tellis, 1988). It also found that the expenditure on advertising can benefit the organization in multiple ways other than just boosting sales. The advertisements can also have behavioral outcomes. This study also advances the literature related to the effects of advertising.

The study has certain limitations. It is focused on a single city and cannot be generalized to represent the entire population. Also, the mall-intercept method though easy to apply created some issues while getting the responses. The difficulty was experienced while requesting prospective respondents because of cultural reasons where most are either busy in shopping etc. or unwilling to spare a few minutes to interact with a stranger.

This study can be extended to more cities and also study the influence of demographic factors on the buying behavior. Further, the study can study the effect of more personality traits of consumers like variety seeking or cognition.

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Standardized Estimates</th>
<th>Unstandardized Estimates</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information→Materialism</td>
<td>0.381</td>
<td>0.300</td>
<td>***</td>
</tr>
<tr>
<td>Materialism→Buying Behavior</td>
<td>0.14</td>
<td>0.189</td>
<td>0.002</td>
</tr>
<tr>
<td>Information→Buying Behavior</td>
<td>0.360</td>
<td>0.355</td>
<td>***</td>
</tr>
</tbody>
</table>

Table 1: Hypotheses Results for Path Analysis (H1-H3)
References


