

Analysis of Advertising and Consumer Psychology

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Abstract: This article will focus on the introduction of the overall advertising industry, including its historical development and 14 forms of advertising skills. The 14 forms will be introduced in detail in order for the audience to have a clearer vision. Also, information on several important consumer psychologies will be incorporated. For example, consensus, reciprocity, and commitment. Then, an analysis of how consumer psychology and advertisements interact with each other will be presented from 4 different perspectives. This part will focus on the market dynamics as well as the inner emotional conditions of consumers. Functions of advertisement will follow up. According to the previous introductory contents, there will be assumptions of the way advertising influences consumer psychology, more specifically advertisement brings effect onto human culture and social behaviors. Finally, the paper will make a general conclusion about the effects the present advertising industry and consumer psychology have on society.

Keywords: Advertising, consumer psychology, marketing

1. Introduction

1.1. Evolution of the Advertisement Industry

Advertisements are an essential component of our modern civilization when it comes to the promotion of economic products. They have evolved over centuries, reflecting changes in technology, culture, and business practices. The history of advertisements is a fascinating and flourishing one, encompassing a wide array of forms, from early handbills and posters to today's digital and interactive advertisements.

Advertising has a long history dating back to ancient dates. In ancient Egypt, for instance, shop owners used papyrus to create posters, promoting their wares. The Romans employed town criers and inscriptions on walls to publicize events, goods, and services. These early forms of advertising primarily relied on word-of-mouth and limited visual communication.

These creative ways were intrinsically motivated by the desperate need to promote the products merchants were selling, which means that the invention, or in other words, the origin of advertisement was spontaneous. Since the early windows of advertising have been revealed, we can now explore further.

The invention of the printing press by Johannes Gutenberg in the 15th century revolutionized advertising. This ground-breaking transition from oral forms to printed forms of advertisements allowed for the mass production of flyers, pamphlets, and newspapers. During the 17th century, the first newspapers emerged in England, with advertising spaces available for various products and

services. Printed ads became more detailed and visually appealing, providing businesses with an efficient way to reach a broader audience.

Then, with the advent of radio in the early 20th century, advertising took on a new dimension. Companies sponsored radio programs, leading to the birth of the radio jingle. This medium gives advertisers easier access to a larger amount of audience and helps to foster brand loyalty. As a result, iconic characters and slogans became embedded in the collective consciousness, such as the Jolly Green Giant and "I'd walk a mile for a Camel."

The highlight moment of the advertisement comes when television walks into people's lives. The 1950s and 1960s, often referred to as the "Golden Age of Television," marked a period of creativity and innovation in advertising. Commercials gained prominence, and the use of catchy jingles and memorable characters persisted. Television became the primary medium for advertisers to engage consumers.

The late 20th and early 21st centuries saw the transition from traditional to digital advertising. The rise of the internet and mobile technology created new opportunities for businesses to boost their product exposure more specifically through automatically targeting the intended consumers. Moreover, advertisements were brought to a new stage, a new level as the social media platforms began to flourish, which encouraged the producers to come up with more creative ideas to engage the consumers. Banner ads, email marketing, and search engine optimization became commonplace strategies. All these methods attract consumers, leading to a higher willingness to purchase the product.

1.2. Forms of Advertisements

As technology advances, companies have developed a considerably wide range of advertisements as an important marketing strategy. There are 14 main modes to peddle products. Print advertising refers to printed physical advertisements. These are usually presented in newspapers or magazines nowadays. Companies can simply publish the ads and place them in local newspapers so that the ads can be brought to a classified section of consumers—local people within a certain range of geographic locations. Direct mail is an advertising strategy that includes sending information to customers through the mail. For example, brochures, catalogs, newsletters, and flyers. Personally speaking, my mailbox is always indulged with spam from institutions where I have signed up for activities for competitions. Once, I participated in the ASDAN math competition. Ever since that, the ASDAN organization has kept sending me updated information about future competition in different categories. Direct mail advertising is more specific than print advertising because the products are being brought into the visions of people who had attended similar events in the same institution, which indicates a higher possibility of purchasing the product. [1]

Television advertising is defined as a kind of broadcast advertising in which companies promote their products via a limited time of TV commercials. Its costs vary according to the TV platform and the length of ads. Usually, companies would balance the listed factors to achieve maximum promotion effect: the ad length, the period of the day, the kinds of TV shows, the geographic covering range, the number of networks, and the visual performance. Radio advertising is another form of broadcast that only provides sounding impulses instead of visual ones. This fits more to the population who frequently conduct activities like driving or doing household chores. In podcast advertising, similar to radio advertising, companies sponsor podcasts to introduce their products at a particular time during episodes. Some podcast hosts follow exactly as the script companies provide, whereas some combine the advertising content with the plot of the episode, which can be both entertaining and effective. Often, companies provide discount policies only available to listeners of a podcast. This can help to gain loyal listeners as well as attract new customers.

Mobile advertising reaches consumers through dialing mobile devices with internet connectivity or in between the operation of certain applications, especially games. The benefit of such an advertising strategy is that customers can receive information no matter to geographic location.

Social media advertising is one of the most popular advertising strategies nowadays. This strategy gains exposure dramatically due to the large group of people surfing on the internet. Furthermore, businesses today smartly utilize online influencers, bloggers, or celebrities to create posts promoting their brands or products. Similarly, some celebrities or businesses will directly put the link to the product on their profile pages or posts to make the purchase of products more approachable.

Paid search is a type of online advertising that is also called pay-per-click(PPC) advertising. Companies using this strategy can save some marketing costs since consumers only pay for the fee when they click into the ads when they are searching for keywords related to the products. For example, a company selling comic books includes the keyword “comic book” in its bid. When consumers search that phrase, this company’s product will appear as an ad within the search results, typically at the very top of the page.

Native advertising is a type of digital advertising in which ads look just like the rest of the page. This approach is more acceptable to consumers since it won’t interrupt the user experience. For example, a published magazine may incorporate some sponsored articles introducing their products.

This is a type of digital advertising that uses ads that are identifiable enough for consumers to recognize. For example, banner ads at the top, middle, or end of a web page and pop-up ads during utilization of certain applications. Display advertising encourages users to click on them so that consumers will jump right into the webpage that sells the product.

Outdoor advertising is physical advertisements that people encounter in their daily lives like billboards or advertisements printed on the sides of subways or buses. Although outdoor advertising can’t make sure the companies attract their targeted group, it catches the attention of a massive population because human flow changes rapidly, which means the advertisements, whether effective or not, will grab the attention of lots of people.

“Guerrilla marketing describes unconventional marketing strategies with which to achieve significant effects – with a fraction of the budget of “traditional” marketing campaigns.”[2] In other words, Guerrilla advertising refers to less traditional methods, usually low-cost, including creative technologies that attract customers. “Its main goal is to establish its brand by establishing a unique and long-lasting connection with the audience, so it generally does not carry out terminal promotion activities that are mainly driven by price and aimed at increasing sales in the short term. The credo is that through non-traditional marketing methods (investing more effort into marketing, not just investing more money), you can still achieve the goals of traditional marketing (sales and profit growth).”

This is an approach in which a company pays to have its product embedded in media content. However, unlike direct social media or television advertising, in this method, the content sometimes does not explicitly mention the product itself. In this way, the image of the product will be planted into consumers’ minds unconsciously.

Public service advertising refers to advertising that promotes a cause or initiative rather than a product. These advertisements aim to promote a beneficial topic to the public. Usually, government agencies or charitable organizations use this to educate consumers about the hazards and benefits that products can bring to the public.

2. The Application of Consumer Psychology In Advertising

Reciprocity is the process of exchanging things with others to achieve reciprocity. The principle of reciprocity (sometimes referred to as the reciprocity rule) is a social norm where if someone does

something for you, you feel obligated to reciprocate. It takes into account that people evaluate the kindness of an action not only by its consequences but also by its underlying intention.[3]

This is a term describing the give-and-take relationship between consumers and producers. Potentially, when people are given something, they will try to do something for the giver in return. This is a moral guideline that the majority of the population follows. Producers may attempt to give away free trying samples to intentionally put a burden on the consumers, leading them to have a higher tendency to purchase the products in order to make up for the trying sample. For example, in Sam's, a phenomenal supermarket selling high-quality products, sellers give away free samples of food for customers to try out. There is a diverse range of items, such as roast turkey, fresh vegetable salad, pieces of cake, and so on. Once consumers are attracted to those tryouts, they would feel guilty to some extent if they don't buy the product in return.

To give further illustrations, there are three main reciprocities. Firstly, generalized reciprocity. This is a common strategy occurring during the exchange within families or friends. Commonly, there are no expectations of a returned favor. Since the two transaction groups are familiar with each other, they are just simply doing things for another party based on the assumption that the party would do the same thing for them.

Secondly, balanced reciprocity. This form incorporates the calculation of the value of the exchange. The behavior initiators are potentially seeking for a returned favor with the same value. For example, when giving birthday gifts, I will consider the price level according to my prediction of the price of presents my friend would give me in return. For close friends, I may purchase more pricy products because I know they will give me equally priced presents when my birthday comes. However, for friends I barely know, I would give cheap presents because I have the awareness that they will not choose an expensive present for me.

Thirdly, negative reciprocity. This type occurs when one party is involved in an exchange in order to get more in return. For example, selling a much-needed item with high demand at an inflated price.

Another strategy is commitment, which refers to the situation in which once consumers commit to something small in the first place, businesses can easily increase their ask to include bigger things. This is also known as "a foot in the door" phenomenon—when customers take a step into the door, is it more likely for them to take further steps. For example, an educational institution may encourage customers to sign up for a free class so that there is a higher possibility for them to sign up for further cheaply-paid classes. Consequently, products are sold [4].

Next, persuasion is also an important factor. When there is solidified evidence that others have already purchased and trusted the company, people are more likely to purchase the product. People are trying to gain consensus with other consumers. By scanning the reviews, consumers can gain actual comments from people who have actually had the consumer experiences. Advertisers are taking advantage of the consensus psychological principle by simply providing testimonials or opening up a page for consumers to give reviews [5].

This refers to the condition in which consumers have a strong tendency to trust the product sold by an authorized institution. People tend to pay more attention if they see that a company is an authority figure in the industry. For example, a company selling beauty product, especially skincare that helps to lighten up the skin tone, will be better trusted by customers if they have a certificate given by an authorized national medical institution, emphasizing that the ingredients are within the standardized safety request and that the product is proven to be efficient in reducing the amount of melanin in human skin.

3. Influence of Ads on Consumer Psychology

Advertisements are ubiquitous in modern society. They surround us, whether on television, social media, billboards, or even packaging. Advertising is not merely about selling products or services;

it's also a powerful tool for influencing consumers' inner psychology [6]. This article delves into the intricate ways advertisements affect the human mind, discusses the functions of advertising, and underscores their overarching importance in contemporary consumer culture. No matter what forms of advertisements, they aim to utilize, or in other words, manipulate consumer psychology to create a stronger marketing influence on the product, making the purchasing possibility greater [7].

3.1. Cognitive Influence

Advertisements have a significant impact on consumers' cognition or thought processes. They often present facts, features, and benefits of a product or service. This cognitive influence aims to provide information, educate consumers, and raise awareness. For example, an ad for a new smartphone may highlight its advanced camera features or processing speed. This appeals to consumers who value these attributes and wish to make informed choices.

3.2. Emotional Influence

Emotions play a vital role in advertising, as they have a profound impact on decision-making. Advertisers strategically use emotional appeals to evoke feelings such as happiness, nostalgia, fear, or desire. Emotional influence taps into the inner psychology of consumers, making them connect with a product or brand on a personal level. A heartwarming commercial featuring a family gathering for the holidays, for instance, can create a sense of warmth and emotional attachment.

3.3. Social Influence

Advertisements often leverage the social psychology of consumers. They create a sense of belonging or social acceptance by suggesting that purchasing a particular product will make consumers part of an exclusive or like-minded group. This technique is visible in ads for luxury items, where ownership is associated with prestige and status. Social influence can trigger consumers to buy to align with their desired self-image or societal norms.

3.4. Behavioral Influence

Behavioral influence is the most direct aspect of advertising. It encourages consumers to take specific actions, such as making a purchase, signing up for a newsletter, or visiting a website. Behavioral influence leverages psychological triggers like urgency (limited-time offers), reciprocity (free trials), and consistency (encouraging commitment to a choice). These tactics are designed to prompt immediate responses from consumers [8].

4. Functions Of Ads

One of the fundamental functions of advertising is to provide information to consumers. It informs them about new products, features, benefits, and price points. This function helps consumers make informed decisions, making advertising an essential part of a free-market economy. The persuasive function of advertising seeks to change or shape consumer attitudes and behavior. Advertisements persuade consumers to choose one brand over another, establish trust, and create an emotional connection. This function relies heavily on psychology to influence choices. Over time, advertising serves as a reminder to consumers about a brand or product. Repetition, slogans, jingles, and visual cues help maintain brand recognition and keep a brand at the forefront of consumers' minds. This function reinforces consumer loyalty and ongoing purchasing [9].

5. Importance Of Advertising

5.1. Economic Driver

Advertising fuels economic growth by stimulating consumer spending and driving business revenues. It is a critical component of a market-driven economy, supporting jobs, businesses, and innovation. With efficient advertisement, companies can gain popularity, leading to an increment in sales. More consumption within an economic system will boost the overall economy.

5.2. Brand Building

Advertising shapes brand identity, making it possible for businesses to differentiate themselves in the marketplace. A strong brand can command higher prices, enjoy customer loyalty, and withstand competition. Companies would utilize advertisements as a medium of delivering specific brand messages to selected consumers for the consumers to perceive the brand the way producers want them to [10]. For example, a brand selling gummy bears wants to show how cute the shapes of the products are to children. In this way, they will choose to exhibit their advertisements during breaks of cartoon TV shows at approximately 16:00-21:00 when the majority of kids are at home, watching television programmes. Then, instead of using a serious tone with the support of advanced languages, the company will apply a more conservative approach. Moreover, the main character could be a human-sized bear toy holding a bag of gummy bears, jumping, dancing, and singing delightful music. Unconsciously, children will connect the image of bears with the gummy bears. Thus, whenever they see toys shaped like bears they would think of the gummy bears and convince their parents to purchase them.

5.3. Cultural Influence

Advertising is a reflection of societal values, trends, and aspirations. It shapes and is shaped by cultural norms, making it an integral part of contemporary culture. As mentioned previously, the advertising industry grows as technology or culture alters and develops. Therefore, the flourishing of advertisements reflects the dynamic changes in civilization.

6. Conclusion

Advertisements are not just commercial messages; they are powerful tools that tap into the intricate psychology of consumers. They inform, persuade, remind, and ultimately drive behavior. Understanding the cognitive, emotional, social, and behavioral aspects of advertising is essential for both consumers and businesses. In modern society, advertising is not only a fundamental economic driver but also a cultural force that plays a pivotal role in shaping our perceptions, choices, and values. However, the development of advertisements has not been without controversy. Ethical concerns about deceptive advertising, stereotyping, and consumer privacy have sparked public debate and regulatory actions. As a result, advertisers are increasingly encouraged to embrace transparency and ethical practices. Nevertheless, the history and development of advertisements reveal a fascinating journey through time. From ancient inscriptions to today's interactive digital campaigns, advertisements have adapted to reflect changes in society, technology, and culture. As we move forward, the advertising industry will undoubtedly continue to evolve, driven by advances in technology, changing consumer behaviors, and the ever-present need to capture the attention of the modern consumer.

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