



Impact of humorous advertising on purchase decision: In context of Pakistan's telecom industry

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Abstract

The purpose was to study the impact of humorous advertisement on purchase decision, and in order to reach this objective, Ufone ads were analysed and compared to other mobile network ads which are being aired, especially in Pakistan's telecom industry. Mobile users of Pakistan filled the questionnaires which were administered via distributing hard copies and online through Google Forms, from January 2017 to January 2018. Secondary data were collected using different research journals, which included JSTOR, Science Direct and Google Scholar. The planned sample size was 127 respondents. The results showed that humorous advertisement is one of the appeals which breaks the clutter. 90% of the respondents said that humorous advertisements greatly affect the purchase decision. Hence, Ufone's ads are effective. Recommendation for future research would be to study humour in detail, that is, by dividing the humorous appeal in categories like dark humour, slice of life humour and studying their respective impact on customer's purchase decision.

Keywords: Humorous advertisement, advertisement effectiveness, purchase decision, telecom companies.

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1. Introduction

The word advertising is derived from a Latin word *advertere* which means 'to turn the mind towards' (Hoang, 2013). In today's era, the need for advertising has been emerging and is clearly understood by marketers, which is why billions of rupees are spent on advertising annually in Pakistan, and one of the major contributors of this is the telecom companies in Pakistan. One of the major reasons for this is the stiff competition among different telecom companies of Pakistan, which include Mobilink, Zong, Ufone, Warid and Telenor. All of these companies provide very similar services but they also fight for the market share very desperately because of increased competition. Almost 50% of the spots in electronic channels are being booked by the telecom companies of Pakistan.

Different appeals are being used in TVCs, but Ufone particularly has been focussing on a humorous appeal in all their TVCs for along period of time. However, no other telecom company relies on humorous appeals for their advertisements. So, this research will be focusing on the effectiveness of humorous appeals. The variable for measuring effectiveness will be purchase decision. Humorous advertisements on television grab the attention of viewers and they, in turn, enjoy the television ads (Ashaduzzaman, 2011). 'The researcher also found that consumer purchase intention is also influenced by the span of the television commercial' (Nguyen, 2015).

2. Literature review

Humorous advertising is basically used for achieving higher sales. An advertiser only spends money if he foresees higher returns for that advertisement. To break that clutter, various appeals are being used by marketers and one among them that is successful is humorous appeals (Hoang, 2013). Researchers have found that recall of advertisement is higher if the information is organised in a good way. If there is only humour and the information is haphazard, then the message delivery will not be clear and it will result in lower recall of that ad. They also found that the message memory improves if the products and spokesperson are meaningfully linked together (Chakravarti, 2003). There are various techniques being used by marketers nowadays to tap their target market, but they really need to invest in which type of appeal should be used because not every person is the same out there in the market. So, for that purpose they really need to assess what the majority of the target market likes and dislikes (Hoang, 2013).

It is still unclear whether humour in advertising has a positive or negative impact on brand recall and purchase decision, but still almost 20% of advertising in America is being done with a humorous appeal. The major reason for this is that advertisers believe that the humour element in ads grabs the attention of the audience (Carlos Roberto Francisco Bara, 2011). It has been found through research that more attention directly leads to more extensive processing. So, humorous ads are processed more in consumers' mind but it cannot be inferred that it leads to positive consumer judgments regarding that brand or product because more extensive processing could also lead to negative feelings in consumers' mind. Therefore, it is premature to say that humorous ads lead to more brand recall and positive purchase decision; we also need to understand the evaluative directionality or implication of individuals' cognitive elaborations (Basu, 2014).

Evidence suggests that the element of humour in advertisements can also harm the memory of brand claims and products because humour definitely grabs consumers' attention but, on the other hand, it also distracts consumer's focus from products and the main message of an ad. This means that it is not necessary that humorous advertisements would lead to more sales of the product or service (Madelijn Strick, 2009). Companies should be very careful while establishing brand image in consumers' mind via TVCs because TVCs have a very high impact on purchasing behaviour. When it comes to the telecom sector, marketers should first focus on delivering the information to users clearly because consumers only switch their mobile connection if the package or call tariffs suit their needs. So, the primary focus of marketers should be delivering the message clearly which could lead to purchase decision (Trivedi, 2013).

Various studies have observed the effectiveness of advertising over the past couple of decades. The most common measures of advertising effectiveness include brand awareness, attitude of consumer towards the advertisement, recall, click through rate, ad recognition and purchase consideration. The entertainment value is very vital, which is analysed by the level of pleasure and enjoyment that is experienced by the audience.

There is no consistent definition for humour, which is why there are various terminologies being used to describe humour. In the past decade, numerous studies have been conducted to check advertising effectiveness. Brand awareness, ad recognition, ad recall, attitude towards the ad and purchase intentions were the common measures of measuring effectiveness. There are various tools through which marketers can communicate and convey their message to the target market. The most important from them for mass communication are sales promotion, advertising and public relations.

2.1. Hypothesis statements

H1: Celebrity endorsement as a positive effect on purchase decision.

H2: Network quality has a positive effect on purchase decision.

H3: Humorous advertisements have a positive effect on purchase decision.

H4: Attractive tariff has a positive effect on purchase decision.

H5: Brand image has a positive effect on purchase decision.

3. Methodology

3.1. Research approach

Quantitative research was used for this study. This approach was used to investigate the relationship between variables and to develop a hypothesis.

3.2. Data collection

Primary data were collected from the mobile users in Pakistan via distributing questionnaires randomly and through online Google Forms. Secondary data were collected by using different research journals, which included JSTOR, Science Direct, etc.

3.3. Sample size

The sample size used for this research was 127 respondents and they were mainly mobile users in Pakistan, mostly Ufone mobile network users.

3.4. Research instruments

A self-administered questionnaire was developed for this research. The questionnaire was designed in away that it included 17 closed-ended questions. Likert scale and multiple choices were used in the formation of questions.

3.5. Sampling method

The sampling technique used for this research was simple random sampling.

3.6. Pretesting

Pretesting was also done by gathering data from 10 respondents in order to reduce the chances of errors. So, the biasness can be minimised. After pretesting, some of the questions were eliminated and the sequences of the questions were changed. In the analysis and results, the pretesting sample was not included.

3.7. Data analysis

The software used for statistical analysis was Statistical Package for the Social Sciences (SPSS). Different tests were performed using this software, such as crosstabs, chi-square test, etc.

4. Findings

The analysis of this study was carried out using a statistical software. SPSS was used for reliability and regression analysis.

4.1. Reliability analysis

Reliability can take on values of 0–1.0, inclusive, and Cronbach's alpha is one the measures of the reliability scale. Cronbach's alpha of all the variables/constructs was above the threshold level, that is 0.70. So, this indicates that all the variables can meet the criterion of reliability, indicating that all variables are acceptable as shown in Table 1.

Table 1. Cronbach's alpha

Variables	Cronbach's alpha
Celebrity endorsement	0.866
Network quality	0.856
Humorous ad	0.842
Brand image	0.862
Call tariff	0.824
Purchase decision	0.844

4.2. Regression analysis

The regression used for this study is the linear regression model. In this, the means of all variables both dependent and independent are used. The adjusted R^2 compares the explanatory power of regression models that contain different numbers of predictors. The R^2 is 42.3%, which indicates a goodness-of-fit for linear regression for this model. But the threshold or cut-off point of R^2 is above 50%–60%. The p -value indicates the acceptance or rejection of the variables. The p -value ranges between 0 and 1. If the p -value is less than and equal to 0.05, then the null hypothesis is rejected; whereas if p -value is more than 0.05, then the null hypothesis is accepted. So, Table 2 indicates that for this study the five hypotheses, i.e., celebrity endorsement, attractive tariff, humorous advertisement, network quality and brand image, will have a significant relationship with purchase decision, and these null hypotheses will be accepted.

Table 2. p -values

Variables	Significance (p -value)
Celebrity endorsement	0.164
Attractive tariff	0.679
Network quality	0.297
Humorous ad	0.070
Brand image	0.517

H1: Celebrity endorsement has a positive relationship with purchase decision

Nowadays, telecom companies are spending so much on celebrity endorsements to get a hold on renowned brand ambassadors, such as Humaira Anjum by Ufone, Shahid Afridi and Atif Aslam by Warid and Mobilink, and Ali Zafar by Telenor. They think that it increases the trust and association with the brand in the user's mind which drives their purchase behaviour. So, this hypothesis was tested in this study and on the basis of the significance value of 0.164, which is greater than 0.05, the null hypothesis is accepted.

H2: Network quality has a positive relationship with purchase decision

Network quality is one of the core elements of any mobile network. This includes mobile coverage, signal strength and amount of congestion on any network. This hypothesis was to test whether mobile users prefer as specific network or not. On the basis of a *p*-value of 0.297, which is >0.05, the null hypothesis is accepted; the basic functionality of the mobile Sim depends on network quality.

H3: Humorous advertisements have a positive relationship with purchase decision

The data collected for this study suggest that humorous appeals are surely appreciated by 90% of the respondents. It quickly grabs the attention of the consumer and also people tend to remember humorous ads more than the others. This is surely a success for Ufone as the company's aim is not only to attract new customers but also to maintain the base of their existing customers. So, Ufone has been successful in breaking the clutter in the minds of the consumer and has positioned itself quite effectively in consumers' mind. The results of this study also confirm the success of their advertisements as the *p*-value is 0.070, which is greater than 0.05, which is why the null hypothesis is accepted; this shows that there is a positive relationship between humorous advertisements and purchase decision.

H4: Brand image has a positive relationship with purchase decision

Brand image is basically the perception of brand in a user's mind. After conducting this research, there is a certain perception about every mobile company which exists in a user's mind. So, brand image has a great impact on purchase decision. The *p*-value is 0.517, which is >0.05, therefore the null hypothesis is accepted, indicating a positive relationship between brand image and purchase decision.

H5: Attractive offers/tariff rates has a positive relationship with purchase decision

The telecom sector in Pakistan is very price-sensitive nowadays. There is fierce competition going on among five companies, where in they are all fighting with each other on the basis of few pais as. The pricing department would be on its toes all the time because SEC C customers usually have multiple Sims because of their low prices and they immediately switch their network if they hear some exciting offers or tariff packages announcement. This hypothesis was tested in this study and the results showed a positive relationship between attractive tariff offers and purchase decision since the *p*-value is 0.679, which is >0.05, and hence the null hypothesis is accepted.

During the survey, respondents were asked to rate humorous ads on the basis of their likeness, and out of the total 127 respondents, 99 said that they like humorous ads. This clearly shows that the majority of mobile phone users prefer watching humorous ads over other types of ads, which include animated, informative, celebrity-endorsed and emotional appeal. Among all the appeals used in various ads, majority of the people voted for humorous ads. This indicates that the humour content in ads grabs the viewer's attention which helps in better recall.

Hypothesis (Ho)		Results
Purchase decision	Celebrity endorsement →	Accepted
Purchase decision	Network quality →	Accepted
Purchase decision	Humorous advertisement →	Accepted
Purchase decision	Attractive offers/packages →	Accepted
Purchase decision	Brand Image →	Accepted

4.3. Discussion

The findings clearly showed that humorous advertising has a positive relationship with purchase decision, but along with advertisements, companies should also focus on various other elements, such as network quality, coverage, signal strength, SMS packages, lower call tariffs, brand image etc., to compete in the market. The issue which the telecom industry is currently facing is that there is not much difference in the services they are providing, so they cannot differentiate in that and they have to spend a lot on advertisements in order to attract new customers and retain old ones.

In the future, similar research should be done on a national level as this research was mainly carried out in Lahore. Customer's attitude, consumer behaviour, taste and preferences differ a lot among people of other provinces and rural areas.

5. Conclusion

All null hypotheses were accepted. It clearly shows that Ufone's marketing department is rightly spending billions of rupees per annum on its humorous advertising as their ads' recall rate is the highest among other telecommunication ads; they have been successful in grabbing the mind share of mobile users.

The balance which Ufone achieves between the humour content and the message of the ad is just perfect. The key to success of Ufone's ads is the way they blend the humour content in their ads; it never feels out of context in viewers' mind. Interflow agency is working hand-in-hand with Ufone's marketing team and they ensure that the execution is perfect in each of their commercials. The humour content enhances the recall of the ad and breaks the clutter in the consumer's mind.

Although switching rates is relatively higher in the telecom industry due to various factors which have been studied in this research, whenever a customer switches their network, they definitely consider Ufone, as it is the first company which comes to the mind due to its impressive humorous advertisements and attractive packages. On the other hand, the existing Ufone customers also enjoy Ufone's humorous advertisements and this strengthens their affiliation and sense of belonging with Ufone, which helps the company in retaining its existing customer base.

5.1. Limitations and implications of future research

During this research, few limitations were present due to which the results might not be very accurate, as they could have been if these limitations were not present. Firstly, TVCs of various telecom companies could not be incorporated in the questionnaire as Google Forms do not have an option of playing videos within the questionnaire and respondents feel awkward and time-consuming to go to any other website via the provided link for watching TVCs and then come back to answer related questions. Secondly, geographic boundaries were another limitation faced during this research. Majority of the respondents were from Lahore. Out of the 127 respondents, only 5% were from outside Lahore, whereas the other 95% resided in Lahore. This was mainly because of the lack of resources. There is a chance that the results would differ if this research was conducted on a national level. Other than that, the humorous appeal could be broken down and interpreted separately.

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