

# *How Advertisements Affect Consuming Decisions of Buyers*

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**Abstract:** In today's rapidly evolving market, understanding consumer psychology is crucial for businesses to effectively promote their products and entice customers to make purchases. Building upon the analysis conducted by Balci and the fifteen other articles on market psychology, this article delves deeper into the various components of advertising, methods of promotion, and the effectiveness and practicality of product promotion in different contexts. Moreover, it explores how visuals, sounds, and celebrity endorsements influence consumers' desire to purchase, and how cultural differences between Eastern and Western societies shape consumers' perception of products. The power of visuals in advertising cannot be underestimated. Marketers have long understood the impact of visually appealing advertisements on consumers' decision-making processes. Visual stimuli can evoke emotional responses, which in turn influence consumers' desire to purchase a product. The combination of visuals and sounds can create a powerful sensory experience, making the advertisement more memorable and persuasive.

**Keywords:** market psychology, consumer, company

## 1. Introduction

In today's highly competitive market, advertisements have become ubiquitous, bombarding consumers with messages that aim to persuade and influence their purchasing behavior. Different industries employ various advertising strategies to capture the attention of their target audience and create a favorable brand image. For instance, in the fashion industry, visually appealing advertisements showcasing the latest trends and styles can evoke desire and aspiration among consumers. On the other hand, advertisements in the healthcare often focus on providing information about products or services that can improve one's-being. The components of an advertisement also play a crucial role in shaping consumer behavior. However, it is important to recognize that the influence of advertising is not universal but rather contingent upon cultural backgrounds. Different cultures have distinct values, beliefs, and norms that shape consumer behavior differently. For example, individualistic cultures may prioritize personal achievement and self-expression when making purchasing decisions influenced by advertisements. In contrast, collectivist cultures may prioritize social harmony and conformity. Furthermore, the influence of advertising is not uniform but varies across different cultural backgrounds, highlighting the importance of understanding and adapting to cultural nuances in advertising strategies. By recognizing the power of advertising and its ability to influence consumer behavior, marketers can

develop effective campaigns that resonate with their target audience and drive desired consumer actions.

## **2. The Concept of Market Psychology**

### **2.1. The Introduction of Market Psychology**

Market psychology is a technical term describing the behavior and emotion of participants in the market. This term is used to illustrate the market movements [1]. Market psychology is not limited to individual investors, but also applies to institutional investors, fund managers, and even algorithms that trade automatically based on predefined rules. Emotional responses such as fear, greed, and herd mentality can influence the actions of all market participants, shaping market trends and impacting asset prices. Market psychology is a critical aspect of financial markets, as it reflects the collective emotions and beliefs of market participants [2]. Understanding market psychology enables investors to anticipate market movements and make more informed investment decisions. By recognizing and managing psychological biases, investors can strive to maintain a rational and disciplined approach in navigating the dynamic world of finance.

### **2.2. Market Psychology Focuses on Three Aspects**

Market psychology refers to the group mentality and emotions of investors and traders, which drive the behavior and movements of financial markets. It covers the psychological factors that affect the decision-making process of market participants, such as their biases, beliefs, fears, and expectations. For investors and analysts, understanding market psychology is crucial as it helps predict market trends and identify potential opportunities or risks [1]. The three aspects that market psychology focuses on are equally important. Market psychology is a discipline that studies the psychology and emotions of investors and traders in financial markets. Understanding market psychology is crucial for predicting market trends, identifying opportunities and risks. Emotions, cognitive biases, and beliefs and expectations are the three aspects that market psychology focuses on, and they play an important role in financial decision-making.

One key aspect of market psychology is investor sentiment, which refers to the overall attitude or mood of market participants towards a particular asset, sector, or the market as a whole. Investor sentiment can range from extreme optimism to extreme pessimism, and it often correlates with market cycles [3]. For instance, during periods of high optimism, market participants may become overly confident and push stock prices to unsustainable levels, leading to a potential market bubble. Conversely, during times of extreme pessimism, fear and panic can drive prices down to excessively low levels, creating buying opportunities for savvy investors.

Herding behavior is another important factor in market psychology, which refers to the innate social tendency of humans to adapt to group behavior. This behavior is particularly evident in financial markets, where investors blindly imitate the behavior of others without sufficient analysis or independent thinking, leading to herd behavior. Herding behavior usually leads to market foam or collapses, because collective actions of groups tend to amplify market fluctuations, which are usually unpredictable and may cause serious losses to investors [1]. Therefore, investors should maintain independent thinking in the market, conduct sufficient analysis and risk assessment, and avoid blindly following the trend to avoid unnecessary losses caused by herd behavior.

Psychological biases play a significant role in market psychology, and they can lead to irrational investment decisions. To avoid these biases, investors should be aware of their own cognitive biases and adopt a disciplined and evidence-based approach to investing [3]. This may involve seeking out diverse perspectives, conducting thorough research, and regularly reassessing investment decisions to ensure that they are based on sound logic and not on cognitive biases or other emotional

influences. By doing so, investors can make more informed and rational investment decisions that are better suited to their long-term financial goals [3]. A common bias is anchoring bias, which occurs when investors focus on specific reference points, such as historical prices, and are based on these anchors rather than considering other relevant factors. This bias may lead investors to make irrational decisions, such as overestimating recently performing assets or underestimating recently under-performing assets. Anchoring bias can also lead to investors overly relying on the past rather than considering the current and future potential of assets. In addition to these biases, other factors can also affect market behavior, such as market sentiment, investor psychology, and macroeconomic conditions [3]. Investors must be aware of these biases and other factors that may affect market behavior, and adopt disciplined and evidence-based investment methods [3]. This may include seeking different perspectives, conducting thorough research, and regularly reassessing investment decisions to ensure that they are based on reasonable logic rather than cognitive biases or other emotional influences. Psychological biases play an important role in market psychology, as they can lead to irrational investment decisions.

In conclusion, market psychology is a critical aspect of financial markets, as it reflects the collective emotions and beliefs of market participants. It is worth highlighting that market psychology plays a pivotal role in determining the direction of financial markets. Understanding market psychology enables investors to anticipate market movements and make more informed investment decisions. It encompasses the intricate interplay of human emotions, beliefs, and perceptions that ultimately shape market trends. By recognizing and managing psychological biases, investors can strive to maintain a rational and disciplined approach in navigating the dynamic world of finance. By studying and comprehending market psychology, investors gain a deeper understanding of the forces that drive market movements, allowing them to make well-informed investment decisions.

### 2.3. Related Theories

Creative communication management is a communication term proposed by Chen Gang, a professor at Peking University citation. It forms a communication management strategy on the basis of the information and content management of digital living space. Relying on communication elements, it uses effective communication resources to trigger through various forms to activate the participation of living people in sharing, communication and re-creation [3]. Through accurate communication, people can promote the transformation of consumers into consumers and continue to re-spread. In this process, people will continue to create and accumulate influential and positive content about products and brands. Professor Chen proposed three parts of communication to explain the theory “creative communication” [4].

The first part of creative communication management is communication management. In the new communication environment, in order to carry out marketing communication, people must first understand what the information and communication content related to enterprises are in the existing communication [4]. According to the advertising era’s prediction of advertising trends in 2008, the chief marketing officer is now given a new definition of “complexity-management”, he is the provider of various media information, the creator of the community, the initiator of the dialogue, and the monitor of any company’s contact with consumers [4]. Communication management is gradually becoming the pillar of enterprise marketing communication. Communication management should first understand the current information and public opinion environment of the enterprise, and should find and pay attention to the continuous information changes [4]. Quickly respond to crisis information and capture favorable information points to carry out new communication activities and become creative materials and materials. At the same time, make full use of the resources provided by the new communication environment, use the database

to analyze consumer behavior, and conduct content analysis based on the information on the Internet to support the marketing communication of enterprises.

The second part is creative interaction. Due to the massive amount of Internet information, how to attract attention and affect the target has become the top priority of new marketing communication. Without creativity, there is no transmission in this environment [3]. Creativity is the core of new marketing communication [2]. Here, creativity is no longer limited to the level of advertising works as in the traditional advertising industry, and creativity has penetrated into all levels of marketing communication. Creative communication is to create marketing communication effect by relying on creativity to create communication and content.

The third part is communication contact. How to communicate with the target [4]? It is a problem encountered by enterprises in the new communication environment. To produce a communication effect, it is necessary to find a channel to communicate with the target. In the traditional advertising industry, the media is the main communication channel, while in the new environment, the media has been fragmented and fragmented. The communication contact of new marketing communication is to determine the contact point with the target object according to the enterprise's budget, and use the combination of enterprise website, public communication, accurate communication and word-of-mouth communication to communicate with consumers [4]. Communication management, creative communication and communication contact are interrelated and support each other to jointly complete the task of enterprise marketing and communication in the new environment. In the new marketing communication service industry, these three types of services may be provided separately by different companies or completed by comprehensive companies.

### **3. The Effect of Different Components of Advertisements on Consumers**

In today's digitally-driven world, businesses are constantly looking for innovative ways to stay ahead of the competition and connect with their target audience. The use of different strategies has proven to be a game-changer in this regard. By harnessing the power of personalized marketing, businesses can tailor their campaigns to better engage and persuade their audience, ultimately influencing consumer behavior and driving demand for their offerings [5].

#### **3.1. The Effects of Different Genres of Advertisements on Consumers**

Different genres in commercial will influence consumer's decision, mainly based on their affection on these commercials. The impact of advertisements on consumer demand is a fascinating topic to explore. Different genres in commercials can indeed influence consumers' decision-making process, primarily based on their emotional connection with these advertisements. Understanding how various types of commercials resonate with consumers can provide valuable insights for marketers aiming to drive demand and increase sales [2]. By analyzing the effectiveness of different advertising strategies, businesses can tailor their campaigns to better engage and persuade their target audience, ultimately influencing consumer behavior and driving demand for their products or services.

#### **3.2. The Effects of Different Components of Advertisements on Consumers**

Different components in commercials will affect consumer's opinion, such as celebrities as a representative of this brand or background music in the commercial. Specifically, they mention celebrities as brand representatives and background music in commercials. These elements play a significant role in shaping consumer perceptions and ultimately impacting their purchasing decisions. In many studies, it is said that consumers have a positive attitude towards commercial

products that use images. By using celebrities or catchy tunes, advertisers can effectively attract the attention of consumers and establish positive connections with their brands. This insightfully review reveals how different aspects of advertising affect consumer demand [1].

#### 4. Cultural Difference

Different countries have certain “rules” of commercials, therefore elements that don’t fit the believe of local people will not be accepted, cause a failure in propaganda of the brand. The impact of advertisements on consumer demand is a fascinating topic that varies across different countries [2]. It’s important to note that each country has its own set of regulations and cultural beliefs, which can greatly influence the success or failure of a brand’s advertising campaign. When elements in advertisements do not align with the values and beliefs of local people, it can lead to a lack of acceptance and ultimately result in the failure of the brand’s propaganda efforts. The impact of advertisements on consumer demand is a captivating subject that exhibits significant variations across different countries. It is crucial to acknowledge that each country possesses its own distinct set of regulations and cultural beliefs, exert a profound influence on the triumph or downfall of a brand’s advertising campaign [3]. When the elements incorporated in advertisements fail to resonate with the values and beliefs held by the local populace, it can result in a lack of acceptance and ultimately lead to the failure of the brand’s propaganda endeavors. Therefore, comprehending and adapting to these cultural nuances becomes imperative for devising effective advertising strategies in diverse markets.

In today’s society, cultural differences in different regions can affect the effectiveness of advertising. For example, in Europe, the image in advertisements is bolder and more free, while in Asia, the image of family members and elderly people often appears in advertisements. People exposed to various subcultures may not follow the laws of cultural differences, even if they are required to follow these laws. In the context of globalization, the effectiveness of advertising has become a focus of attention for advertising companies and marketers [6]. By understanding cultural differences in different regions, advertising companies can develop more targeted and attractive advertising strategies for different audiences, thereby improving the impact and sales effectiveness of advertising. Firstly, there are significant differences in advertising culture between Europe and Asia. In Europe, advertising is more daring and free. Bold visual effects, sexy images, and avant-garde designs often appear in advertisements [6]. This bold and free expression has attracted the attention of European consumers, making them interested in the product and willing to purchase it. In contrast, in Asia, advertising places greater emphasis on family values and the image of elders. In advertisements, happy family scenes, filial children, and respected elders often appear. This warm and familial expression is in line with the family concept in Asian culture, causing Asian consumers to resonate with the product and develop a desire to purchase. Secondly, consumers in different regions also have different attitudes and needs towards products when accepting advertisements. In Europe, consumers place greater emphasis on individuality and fashion sense. They hope to showcase their personality and taste by purchasing special and unique products. Therefore, advertisements in Europe often emphasize the uniqueness and uniqueness of products.

On the contrary, in Asia, consumers place greater emphasis on the practicality and quality of their products. They pay more attention to the performance and durability of the product, rather than the external image and appearance. Therefore, advertisements in Asia typically emphasize the functionality and high-quality quality of products. In addition, consumers in different regions also pay different attention to the information in advertisements. In Europe, consumers are more concerned about the brand and reputation of their products. They tend to purchase well-known brands and products with good reputation. Therefore, advertisements in Europe often emphasize the brand image and reputation of products. On the contrary, consumers in Asia are more concerned



about the price and cost-effectiveness of their products. They tend to purchase products with high cost-effectiveness. Therefore, advertisements in Asia usually emphasize the price advantage and affordability of products. In short, cultural differences in different regions have had a significant impact on the production and dissemination of advertisements. Advertising companies and marketers should fully understand the cultural differences in different regions and develop more targeted and attractive advertising strategies for different audiences. Only by considering cultural differences can advertising truly touch consumers' hearts, stimulate their purchasing desires, and achieve success. By utilizing different forms and types of advertising reasonably, advertising companies and profit organizations can better promote products and increase sales.

## 5. Conclusion

The finding of this paper indicate that, in front of the same audience, different forms and types of advertising can influence people's consumption desires based on their environment and background. This is very helpful for advertising companies and profit organizations in promoting products. This paper identified the key components that affect the the buying decisions of consumers, and concluded the factors that can help the company improve the selling strategies. In the future, different companies can change their products based on the references, and consumers can purchase goods based on their personal preferences.

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