

Effectiveness of Online Advertising: A Study with Reference to Selected Cities

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ABSTRACT

The growth of Internet usage has created a platform for businesses to attract and retain customers. This study will provide an analysis of online advertising and its effectiveness. A study was conducted to test the consumer's perception of online advertising on the popular social webpages: Facebook, YouTube and Twitter. The difference when it comes to consumer's receptiveness to online advertising on these sites. The main objective is to determine the factors which are more influential in determining perception regarding online advertising. To know which type of online advertising more effective viz text, banner or video is as per the respondents' preference. The tools used to collect feedback and get points FINDINGS The findings based on the primary data collected are listed here. The numbers of respondents who use internet daily for an hour are more as opposed to those who use the internet for two hours and more than two hours. Most of the respondents prefer advertised products more than non-advertised products.

Keywords: Online advertising, Traditional advertising, Media advertisement.

INTRODUCTION

Online Advertising is the fastest growing advertising medium in history. Now we cannot imagine life without online advertising. Of its 17 years of existence, it has reached success by leaps and bounds. It is an interesting story filled with money and irritated users. Up to now there are still people who hate seeing advertisements on websites, as much as people a decade ago hated them. Indeed colorful, it helps spread words of services and products. Now for the earliest form of advertising Let's review the four key elements of that definition of advertising: It's a message that is mediated (rather than being communicated directly as in personal selling), someone who can be identified pays for that message, the primary purpose is to persuade, and the action that results from that persuasion may take place now or in the future. On first glance, this seems to fairly well describe things that we associate with online advertising such as on-site banners and pop-up messages. Online marketing offers great opportunities for businesses. Marketing activities supported by online advertisements allow companies to directly communicate with their consumers without time or location barriers. The topic of advertising via internet is of major interest. It addresses consumers with individualized advertising messages. The growing usage of social media indicates a potentially effective new platform for advertisers. However, little academic research examines how advertiser use these platforms for marketing and communications. This study sought to provide an analysis of current commercial social media usage by conducting interviews at a digital creative agency and full-service agency, in addition to conducting a state-wide online survey of advertising professionals Results

REVIEW OF LITERATURE

Online Advertising Review

1. Bausch and Han (2006), stated that with the advent of popular Web destinations such as My Space and Facebook, a new kind of online community now occupy the center stage in e-commerce, namely, online advertising community. Marketer (2009) projects that online advertising revenue from social network

websites in the United States will reach more than 17.9 million, or 15% of total U.S. online advertising revenues, by 2013. McLeod (2006) establishes the popularity of online communities also has been growing in other parts of the world. A research report by Decent (2012) suggests more than 20000 million users per month visit.

2. Hart (2007) establishes the rapid growth of online advertising has caught the attention of advertisers that hope to find new ways to harness these communities for their advertising purposes. Measure and Griggs (2007) established as the community's battle to garner long-term, sustainable advertising revenues, they encounter the severe risk that members will feel exploited if the sites suddenly appear over-run with ads.
3. Bagozzi and Dholakia (2002) DeKay (2009) Gangadharbatla (2008), little academic research addresses the concerns held by community organizers about how to convince users to be more receptive to advertising in online communities. In particular, though various e-commerce studies investigate online communities none has explored members' perceptions or acceptance of advertising in online network communities. To gain insights into this important area of research and application, we draw on sociology and advertising literature to examine how social identity and group norms of online community members may influence perceptions of and behavioral responses to advertising.
4. Bagozzi and Dholakia (2002) suggested in their study that First, an emerging stream of e-commerce literature uses sociological perspectives to examine how social factors may influence community members' participation in communities; we extend this line of inquiry by exploring a different set of outcome measures, namely, how community members perceive and react to advertising in community sites. Second, we bridge the link between sociological factors in online communities and advertising responses by including group intentions and establishing that group intentions to accept advertising in online community's shapes community members' perceptions of that advertising. This application of the group intention perspective is novel in this context and identifies a route by which community members may demonstrate receptiveness to advertising in online communities. Third, by integrating both sociological perspectives and advertising literature, we develop a conceptual model that illuminates the key factors that underlie community members' responses to advertising in online social networking communities.
5. Chabrow (2006) stated that online rich media include a range of interactive methods that display motion and exploit sensory traits, such as video, audio, and animation. The term "rich media" provides an umbrella expression to describe online content that has multimedia elements, such as sound, video, or content that moves when a user clicks on the page that features the content. A patent issued on February 14, 2006, allows almost any rich media Internet application to perform across a range of devices and networks. The patent covers all rich media technology implementations, including Flash, Java, Ajax, Flex, and XAML Chabrow (2006).
6. Chabrow (2006) asserts that online rich media coupled with handheld devices and embedded technology represents a convergence among consumers, workplaces, and appliance interactions. Types of rich media include but are not limited to online commercials, floating ads, expandable ads, video ads, interactive ads, Webisodes, expandable banner ads, podcasts, ghost ads, averages, and video ads with blogs.

Respondents Details:

Respondents Detail is an important factor and it is being measured. The following table shows the details of the respondents.

I. RESPONDENTS DETAILS

Category	No of respondents	Percentages
Student	80	80
Employee	20	20
Total	100	100

Source: Primary data.

The above table represents the distribution of respondents by marital status. The data were collected from 100 respondents among the 100 respondents 24% were unmarried and 76% were married.

Time spend in Online:

This table shows how many times spend in online in a day by the respondents. This factor is important to analyse the effectiveness on online Advertising.

II. TIME SPEND IN ONLINE

Duration	No of respondents	Percentages
One hour	41	41
Two hours	15	15
More than two hours	21	21
Nil	23	23
Total	100	100

Source: Primary data

Shows that 41% of the respondents use internet daily for one hours. 15% of the respondents use internet for two hours and 21% of the respondents use internet more than two hours a day and only 23% do not use internet at all. Therefore, the analysis reveals that majority of the respondents use internet daily for one hour.

Preferences in Advertisement:

People prefer various type of advertisement. This table shows the performance of the advertisement in purchasing the products by the respondents.

Preferences in Advertisement

Advertisements	No of respondents	Percentages
Online	29	29
TV	47	47

Magazine	5	5
Banners	2	2
Others	13	13
Total	100	100

Source: Primary data

From the above table, it is clear that 29% of the respondents prefer online advertising. However, 47% of the respondents find TV as a convenient mode of advertising. 5% prefer advertising in magazines, 2% prefer advertising in banner, 13% prefer other kinds of advertising and none of the respondents prefer advertising in banners. A conclusion can be reached that majority of the respondents prefer television advertisement.

Time spending on online purchasing:

Shows the time spending in online for purchasing the products. Most of the respondents spend time for online for now the information about the products.

III. TIME SPENDING ON ONLINE PURCHASING

Category	No of respondents	Percentages
Nil	50	50
Half on hours	30	30
One hour	10	10
Two hours	8	8
More than two hours	2	2
Total	100	100

Source: Primary data

Shows that 50% of respondents are time not spend on online purchasing, 30% of respondents are spend on half an hour, 10% of respondents are spend on one hour, 8% of respondents spend on two hours and only 2% of respondents are spend on more than two hours respectively.

RESEARCH METHODOLOGY

SIGNIFICANCE OF THE STUDY

Advertising on the Internet is almost a necessity for modern businesses, especially those that do business outside their local community. Consumers use the Internet for more than simply entertainment or information, as they do with radio, television, magazines and newspapers.

SCOPE OF THE STUDY

With the introduction of internet in our daily life, it has become a need for everyone. People use internet for everyday tasks. Internet is no longer just a medium of getting information for people. It has now taken shape of the most powerful medium of communication, entertainment and shopping for people.

METHODOLOGY OF STUDY

The primary data for the study was collected by using a structured questionnaire. The sample size for the study consists of 100 respondents

Sources of Data

The study is based on both primary and secondary data

Primary Data

Primary data is collected through internet users having email accounts in Gmail, Yahoo or Red mail only.

Secondary Data

Secondary data was collected from the following sources:

- Journals & Magazines
- Companies' websites
- Data base
- Manuals, leaflets, brochures, pamphlets and other printing material of the companies under study
- Books and other literature in the following related areas:

Objectives of the Study

- To know what consumers', think and feel about online advertising.
- To know if the personal characteristics of gender, age, education, profession, and internet experience have any influence on the consumers' Perception towards Advertising.
- To determine the factors which are more influential in determining perception regarding online advertising.
- To know which type of online advertising is more effective viz text, banner or video as per the respondents' preference

Hypothesis

- **Ho-1** There are no significant differences in respondents' perceived usefulness between different online ad types.
- **Ho-2** There is no significant difference in respondents' perceived ease of use between different online ad types.

- **Ho-3** There is no association between respondents' perceptions of the usefulness of different online ad types and their preference of ad types
- **Ho-4** There is no association between respondents' perceptions of the ease of use and their preference of an online ad type

TOOLS & TECHNIQUES PERCENTAGE Ratio is very often expressed as percentages ratio established the relationships between two variables. In the calculation of percentages also one figure is taken as base and is divided by another number and multiplied by hundred.

LICKERTS SCALING TECHNIQUE A5 points lickertsrealing technique is used to find out more preferable features which attract the respondents towards features of the brand. Points were given as below
5 points-excellent, 4 points- very Good, 3 points -good, 2 points – average, 1 point- poor

Data Analysis Methods

The responses obtained from the respondents through questionnaire has been analyzed by using statistical techniques viz., Mean, Standard Deviation, Factor Analysis, Regression,, Chi-Square Tests.

Regression Analysis

Regression is a statistical technique to determine the linear relationship between two or more variables. Regression is primarily used for prediction and causal inference. This technique is adopted to find the consumer attitude and satisfaction level of the consumers with suitable scores through regression co-efficient.

Factor Analysis

Factor analysis is a collection of methods used to examine how underlying constraints, influence the responses on a number of measured variables. In this study, the factor analysis is used to identify the important aspects relating to online purchase through principal component analysis of vari max and Kaiser Normalization

Chi – Square Test

The chi-square test is used to determine whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories. In this study the factors are classified under two categories namely personal factors and study factors. Each of the personal factors is compared with the study factors

Finding

The findings based on the primary data collected are listed here.

- ❖ The numbers of respondents who use internet daily for an hour are more as opposed to those who use the internet for two hours and more than two hours.
- ❖ Most of the respondents prefer advertised products more than non-advertised products.

- ❖ Out of the types of advertisements, online advertisements are preferred most next to television advertisements.
- ❖ Out of all the different types of online advertisements, video advertisements are preferred by majority of the respondents.

Suggestions

The number of companies advertising online is soaring, but even then, fraud and deception may reduce consumer confidence. Therefore, it should be ensured that products and services are described truthfully in online advertisements. Trust or confidence can be built in online business by using testimonials with the permission of customers.

CONCLUSION

The study titled 'Effectiveness of online advertising' reveals that the most effective media of advertising is online advertising. Internet advertising offers increased awareness of companies, an easy method to distribute information, advanced methods of targeting consumers, an immediate and direct line to the customers, and reduced costs in performing these tasks. The main problem related to this is the interference of online advertisements in the work of people and the fear of falling prey to online advertising fraud and malpractice. As people get more accustomed to finding product information on the web, more and more readers will actively seek out Internet advertising sites.

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