

A STUDY OF IMPACT OF E-ADVERTISING ON CONSUMERS' BUYING BEHAVIOUR IN INDIA

Priyanka Soni
Research Scholar
Department of Commerce,
Iswar Saran Degree College,
University of Allahabad
Prayagraj

ABSTRACT

With rapid growth and adoption of Information Technology there has been drastic change in the advertising world. With the increasing use of social media, platform people are assessing information in new ways rather than the earlier traditional mediums. It has opened ways to reach the customers and has the power to influence their buying behavior. The post liberalization was the era where advertisement was at boom and in late 1990s with advent of information technology new dimensions were being added to it, Internet advertising is one of them. According to Dentsu Aegis Network, digital advertising industry is expected to cross rupee 50000 crore by 2025. Technology and digitalization has unfolded the way business being done, their marketing efforts has evolved with time E-mail marketing, chat box, using social media platform and Artificial Intelligence are the innovations and trends in the field of marketing.

The paper aims to study the background of advertising in India and to explore the impact of digitalization on advertising. It further deals with its impact on the consumers buying behavior.

Keywords: e- marketing, consumer's buying behavior, information technology.

INTRODUCTION

Presently we all are living in a digital era, the development and advancement in Information Technology has increased the volume of sales through online advertising rapidly in India. With increasing use of social media, people are able to access information as per their need and convenience, and this has made advertising more strong in its impact and organizations cannot even imagine of their survival without advertising because it is one the most important communication tool.

According to Ryan, "Advertising is considered as a major and important element in the economic growth of the marketers and different companies in competition."

In India, post liberalization period witnessed significant increase in use of advertisement, during this period traditional advertising media such as newspaper, radio, television, and billboards used as a medium of communication as well as to exhort the consumers to buy the products. With development and innovations in Information Technology, internet became a part of advertising in the late 90's and now the market place of the 21st century is dominated with online advertising. According to Yu & Wu, *"Online shopping has been shown to provide more satisfaction to modern consumers seeking convenience and speed."*

Currently customers prefer to buy online because they can easily find their desired products and services through websites without wasting their time and energy. According to Asraf Bany Mohammed and Mohammed Alkubise.(2012) *"Rise of media and communication channels have tremendously changed the advertisement business landscape, that is why online advertisement is the key to online marketing."* Advertisement is the most important promotional tool that includes various media such as televisions, radio, newspaper, magazines, mail, websites and blogs, which is used for communicating information and to inveigle specific group to buy the companies offerings.

Advertisement has the capacity to change the consumer's opinion towards a particular product and Today's advertisement has the power to influence the consumers buying decision.

Literature Review

Maheshwari, Seth & Gupta. (2016) in their article *'An empirical approach to consumers buying behavior in Indian automobile sector'*, has concluded that advertisement effectiveness positively influences consumer-buying behavior.

M. Aqsa, D, Kartini. (2015) in their study *'impact of online advertising on consumer attitudes and interests buy online (survey on students of internet users in Makassar)'*, stated that the rapid development of internet users have made internet a proper promotional tool using online advertising.

Chakravorty Dipti. (2014) in his study *'Impact of Income on Media Selection by FMCG Consumers: A Study on Kolkata'*. Acknowledged that the way of life and values are strongly influenced by mass media like TV, newspaper, radio and the internet and it has the ability to shape viewer taste.

Bakshi Gaurav, Gupta Surender. (2013) in their study *'Online Advertising And Its Impact on Consumer Buying'*, concludes that comparing traditional communication with online advertisement, it is easy to recognize that online advertisement is one of the type of mass communication due to dramatic increase in extent and variety of online advertisement companies would like to spend more on online advertisement than conventional.

Franch, et al; (2013) in his study '*Messages with Impact: Creativity in Traditional outdoor Advertising Platforms in Castellon (Spain) and Warrington (UK)*', stated that with advancement in digital technology, consumer now expect more animation and moving images for paying attention.

Ashraf Bany Mohammed, Mohammed Alkubise. (2012) in their study '*How online advertisement does affect consumer purchasing*' quoted that rise of media and communication channels have tremendously changed the advertisement business landscape, that is why online advertisement is the key to online marketing and consumer attitude is being influenced by factors like utility, other people opinions, previous purchase experience and loyalty.

Gabriel, Loredana, (2012) in their study examined that advertisement research style have changed because of the influence of improved communication technology, which means online ads have more influence on the buying decisions of consumers.

Das. (2012) in his study '*Growing Trends of E-commerce and its role in consumers' buying pattern*' that e-commerce will contribute to cost reduction, improvement in quality and speedy delivery of goods. Time is very valuable for every consumer, so online shopping

Usman, et al., (2010) in his study '*General Attitude towards Advertising: Cultural Influence in Pakistan*' stated that advertisement plays an important role in the promotion of any product and product information provided through advertisement also plays vital role in changing consumer attitude towards advertisement and their purchasing behavior.

Objective of the study

The main objective of the paper is to study the history of advertising in India and to explore the impact of digitalization on advertising .The paper further deals with its impact on the consumers buying behavior

Methodology

This is a descriptive type of research, in this paper attempt has been made to explore the impact of e advertising on consumers buying behavior and for this purpose secondary data has been used such as journals', websites, newspaper and business magazines.

History of Advertising in India

The dawn of Indian advertising marked its beginning when hawkers called out their wares right from the days when cities and markets first began (advertisingindia.wordpress.com). During British era, advertisement became a form of business in India. The advertisement at that time was an effort made by them to promote and advertise their goods.

In the year 1780, the first Indian newspaper was published “Bengal Gazette”, it was started by James Augustus Hickey and it was the beginning of print media in India, advertisement started appearing on newspapers. During 1790, the government advertisement printed on the “Bengal Journal” and soon after this all, the government advertisement published in the Government Gazette. The advertisement published in the newspaper during 17th century was about the merchandise from England.

During world war, advertisement came up as professions in the world but in India, the growth of professional advertisement started with the establishment of advertising agencies namely, J. Walter Thompson and D. J Keymer. B. Datram and company was established in 1907, and The Calcutta advertising agency in 1909, S. H. Bensen in 1928 (wordpress.com). In 1930 the Swadeshi movement played an important role in the advertising industry in India, advertisement was used to popularize the Indian goods against the imported British goods.

Corporate advertising started in the 50s and Radio Ceylon and Radio Goa became the media option (yourarticlelibrary.com). The first TV station in Delhi started as a part of All India Radio on 1 Nov. 1959. In the year 1967 commercials on Vividh Bharti formally introduced, and in the year 1978, the first television commercial was seen (prasarbharti.gov.in). Television and radio played an exceptional role in flourishing the advertisement industry.

In 1990s’ dramatic changes took place in the Indian economy with the introduction of New Economic Policies- Liberalization, Privatization, Globalization (LPG) of Indian government which had a conspicuous impact on the Indian corporate world and also on advertising industry in India.

The economic reforms offered a great avenue for foreign multinationals to enter the new emerging market in India. As a result, the home businesses faced immense competition from these foreign multinationals, in order to survive in the competitive environment the Indian companies started developing separate marketing divisions hence, it opened various new ways of advertising and this led towards the beginning of new era of advertising in India.

Technology and digitalization has unfold the way businesses is being done and as a result their marketing strategies have also been evolved and with ingress of information technology new dimensions were being added to it, E advertising was one of the outcome of innovations in technology. Advertising has been an evolving phenomenon from last few decades with passage of time it has undergone various changes and is still evolving and this has made advertising inevitable from our life, wherever we go advertising is always there. Advertisement not only seeks the public attention towards the business offerings but also influence people to buy the products.

E Advertising in India

Philip Kotler in his book wrote, *“I have had a 38 years romance with marketing and continue to be intrigued when we think that finally we understand marketing, it starts a new dance and we must follow it as best as we can.”* Hence, in the

context the new dance of marketing is e- advertising, the businesses have embraced e advertising in the best possible way. The e- advertising is a way through which companies interact with their consumers in real time. It encompasses all the essential features of traditional advertising and it includes search engine marketing, e-mail advertising, web advertising, blog marketing, and interactive advertising. **Rupert Murdoch** an American media mogul said that, *“The internet has been the most fundamental change during my lifetime and for hundreds of years.”* This statement shows the importance of internet in the world.

E advertising has become one of the most effective advertising medium in the world and it is essential for the success of any business because this media allows businesses to interact with their customers in an interesting and creative way (webguru-india.com).

Bill Gates in his book *Business @ the Speed of Thought* wrote, *“In the digital age, “Connectivity” take on a broader meaning than simply putting two or more people in touch. Internet provides a new medium that takes immediacy and spontaneity.”* Moreover, these two essential features are present in e advertising. Companies are taking this huge opportunity to use internet as a medium to attract and maintain current and potential customers offline as well as to make sales online (Ling et al 2010).

The new age technologies have propelled India to be a digital economy. The Government of India’s Digital India campaign played an enormous role in making India the world’s most promising internet economy.

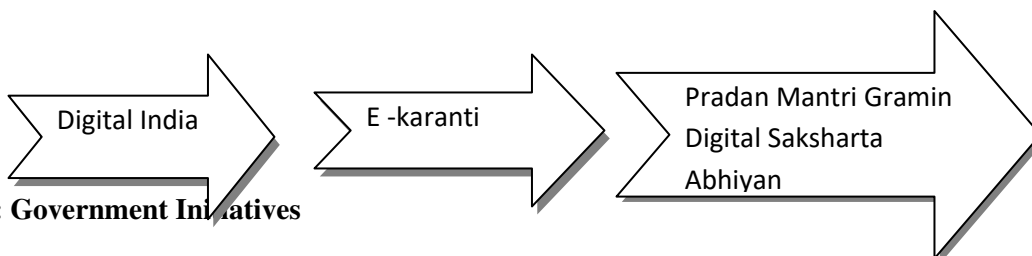


Figure 1: Government Initiatives

According to Indian Ecommerce Industry Report, In FY20, internet penetration in India was 50.52, and the internet penetration expected to grow 45 per cent by 2021 in rural India, compared to the current rate. Smartphone users expected to reach 859 million by 2026 and online shoppers anticipated to reach 220 million by 2025.

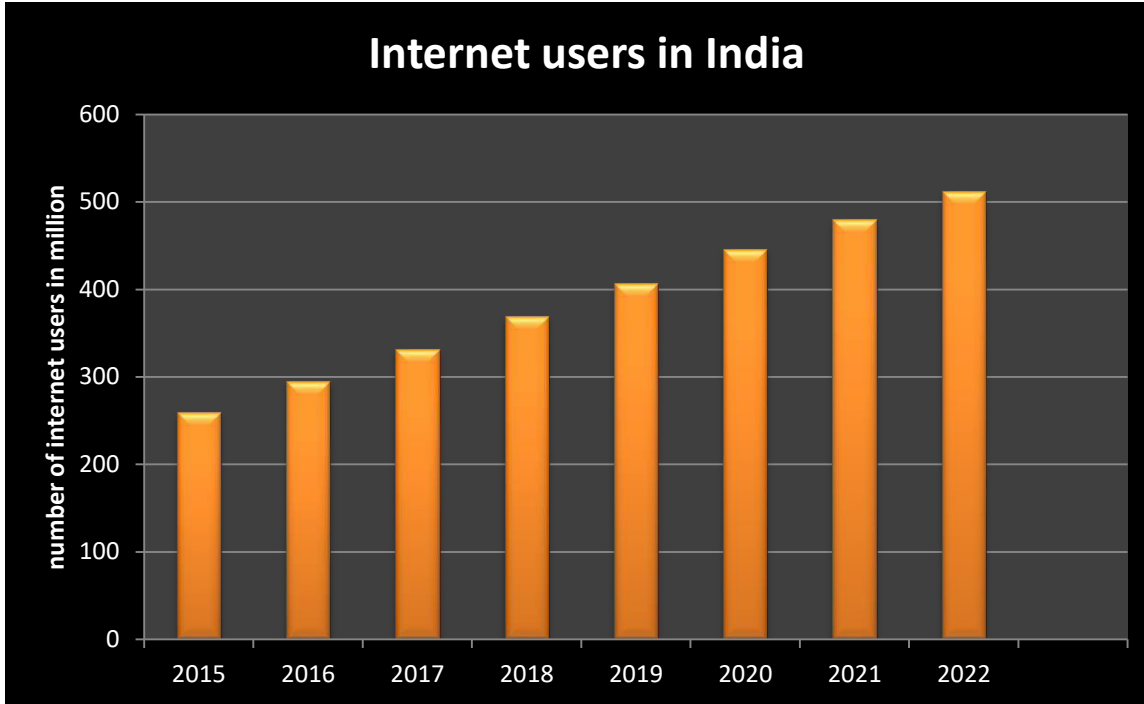


Figure 2: Source-Statistica Digital Market Outlook

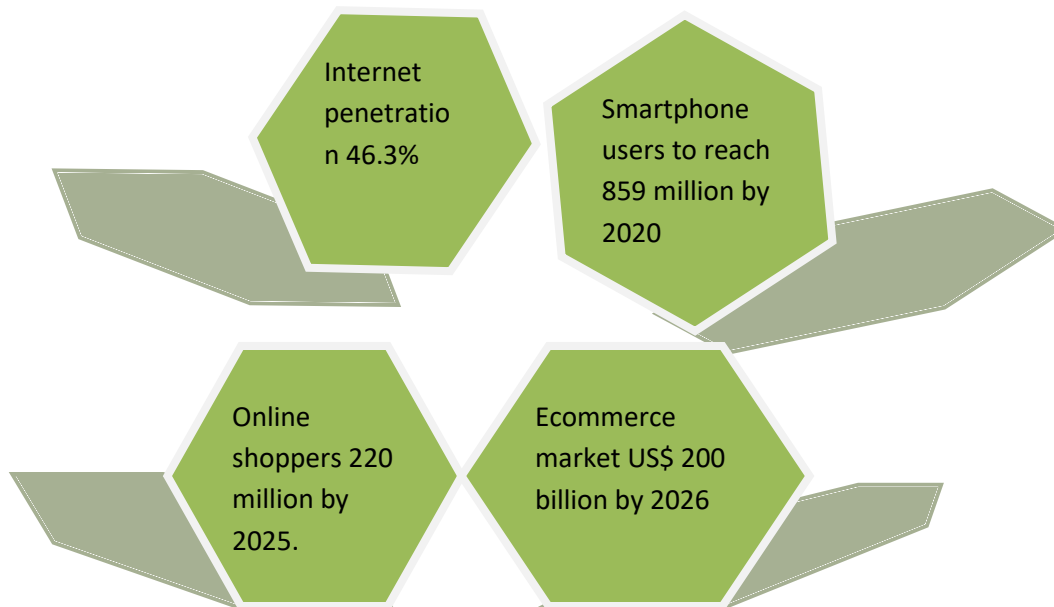
Figure 2 clearly shows that India had 483 million users and is projected to grow to 666.4 million internet users in 2023.

The majority of India’s internet users are mobile phone internet users. Increasing use of internet is possible due to data affordability and also due to the Digital India initiative by the government of India. The Government of India is aiming to create trillion dollar economy by 2025 by its Digital India campaign such as Udaan, Internet Sathi, Umang and BharatNet. Increasing penetration of smartphone users led to rapid adoption of digital media in the country.

Companies prefer using online digital media due to its cost effectiveness, wide reach and the marketers can analyze the effectiveness of their advertising campaign using various tools via digital media. Advertiser are basically concerned about having an impactful bond with their consumers and for this they have leveraged various digital media platform like, social media, video streaming, blog ,etc. to interact with them and also to create awareness about their product and services. The introduction of new interactive media has crafted various business opportunity and therefore businesses started using internet to sell their products and this led to the emergence of e commerce websites through which companies sell their product and services online.

According to secondary research, PwC analysis, “E commerce in India is expected to create 1 million plus jobs by 2022 and the E- commerce market is likely to reach \$ 150 billion by 2022.”

Figure 3: The expected market size and opportunity from E-commerce industry in India:



Source- Indian Ecommerce Industry Analysis, IBEF(DEC.4 2020)

The advent of e-commerce in India has changed the way consumers shop, presently shopping is just a matter of few clicks. It provides convenience and ease for searching products or services moreover it helps to make a secure transaction. Currently, consumers buy any product online, whether its tea or car everything is available online.

Competition among e-commerce companies have benefited the consumers, as they get unlimited range of product and quality of services. consumers shop online instead of offline because they can shop 24/7, ease and convenience in comparing the price of the product, availability of wide range of product at a particular place, etc. Online shopping have changed the lifestyle of people in India, increasing use of smartphone ,easy access to internet have enormously helped the e-commerce industry to grow as a result the number of online shoppers have also increased.

Indian e-commerce industry is on the way to become the second largest e-commerce market in the world. **According to the report by Dentsu Aegis Network**, the e-commerce is the biggest spender on digital media contributing 19% of all digital spends. Indian E-commerce Industry Report shows that the e-commerce market is expected to reach US\$200 billion by 2027 and has the potential to grow to Rs 10,48,350 crore by 2022 triggered by increase in number of internet users.

There are more than 19,000 plus e-commerce companies in India. E-commerce enterprises like Amazon, PayTM, Flipkart, Myntra, Swiggy, BigBasket, MakeMyTrip, Cars24 and so on strives to provide amazing shopping experience

and customer care services. They lure the customers by offering discounts, cashback offers, festive season sales offer, weekly sales, money-saving deals and these strategies have compelled the consumers to buy more and more online on day to day basis.

Post COVID Impact on Consumer behaviour and E Commerce Industry

Indian E-Commerce Industry was expected to grow USD 200 Billion by 2027 but due to the outbreak of Covid-19 the e-commerce Industry will reach this mark much earlier the reason for this is the change in consumer behaviour their need for safety and convenience has caused an inflection in e-commerce penetration. A Bain & Company –PRICE survey of 3000 households were conducted between April and June 2020 reveals that 13% of them started buying online during the covid -19 outbreak and 40% of them buying more online now.

The pandemic has created an unpredictable and changing environment for business and economies however it has brought an unambiguous opportunity for the existing and new potential start ups for utilising the online mode to the fullest. According to the CEO of Unicommerce, *“The increasing change in consumer behaviour to prefer online shopping has come as a great surprise and relief for online sellers and marketplaces.”*

E-commerce enterprises like Amazon, PayTM, Flipkart, Myntra, Swiggy, BigBasket, MakeMyTrip, Cars24 and so on strives to provide amazing shopping experience and customer care services. They lure the customers by offering discounts, cashback offers, festive season sales offer, weekly sales, money-saving deals and these strategies have compelled the consumers to buy more and more online on day to day basis.

CASE STUDY

Amazon

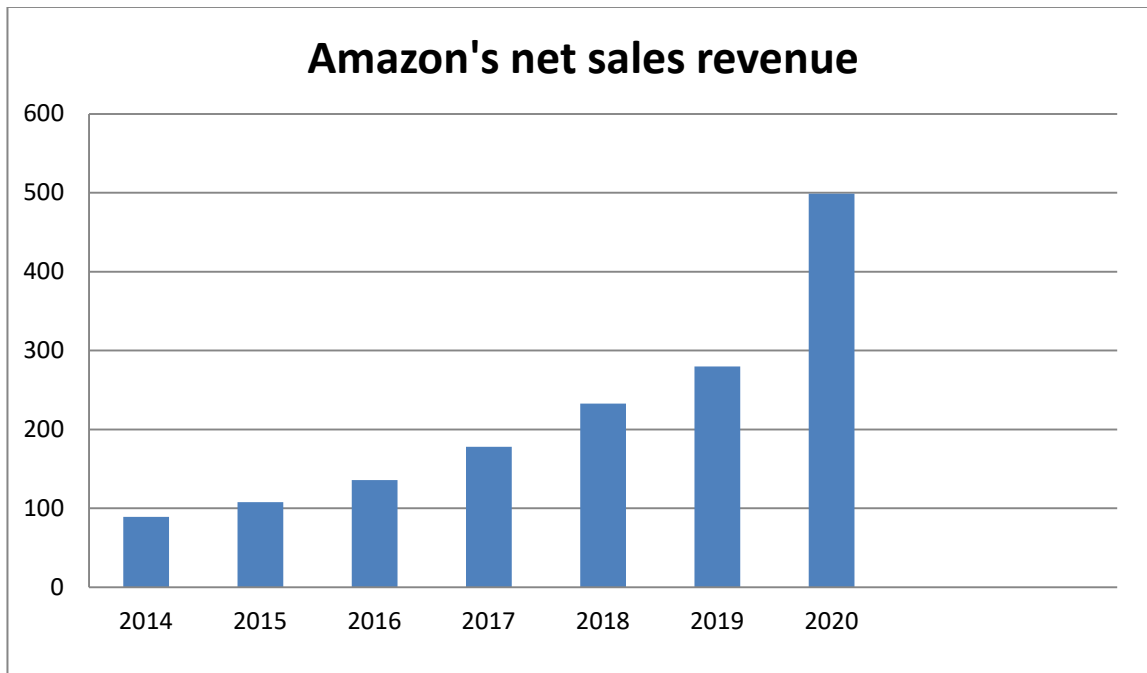
Amazon India started its first online website in July 2013, but now it is one of the biggest e-commerce company in India offering 25 million plus products.

Table showing Net Revenue of Amazon India in billion U.S.dollar:

2014	88.99
2015	107.87
2016	135.99
2017	177.87

2018	232.89
2019	280.52
2020	499.00

Source: Statistica.com



Source: Statistica.com

The above figure shows the net sales revenue of Amazon india during last 7 years . The company generated its majority of revenue through online retail sales, consumers were able to get new and used product on the website at a discounted price. Amazon reported 8% fall in its revenue in the fiscal year ended 31 st march 2019, due to the government revised foreign investment guidelines in November 2018 which came into effect from February 2019. The government of India disallowed the sellers of foreign-owned e-commerce market place to purchase not more than 25% of their inventory from the group companies of the market place.(www.economictimes.com). Despite the fall in revenue in the year 2019 Amazon is expected to gain 35% of market share in indian e-commerce market by 2023.

Amazon works on increasing the customer traffic on their website, by creating awareness about their product and services, using Artificial Intelligence to find residential addresses using various digital media. In order to create brand awareness Amazon used emotional marketing strategies which can be seen from its advertising *# Aur Dikhao, # Adjust no more, # Deliver the Love this Rashabandhan*. This type of advertising helped Amazon to influence the consumers to buy product through their website instead of buying from other websites.

Not only Amazon but other e-commerce companies such as Flipkart, Myntra, BigBasket ,etc has also generated great revenues in last few years.

Today's people are having a busy life and e commerce has emerged as a quick solution for them, last few years have witnessed a drastic change in the way consumers shop. Shopping online saves substantial time of the consumers and the basic feature of e-commerce is that it allows the consumers to buy products and services in just one click, e commerce has been able to provide convenience and reliability while shopping through their websites and this has been one of the major reason of consumers shopping online instead of going to the retail stores.

CONCLUSION

Information technology has brought revolutionary changes in our lives, implementations of new ideas and innovation has transformed the way businesses were been done and the emergence of e advertisement has brought forth vigorous changes in the Indian economy, leading to the advent of e-commerce. E commerce has not only changed the buying behaviour of the consumers but has also generated massive job opportunity in India. The e advertising has benefited the e commerce to a great extent. E commerce enterprises have used the e advertising media such as e mail marketing, blog advertising, interactive advertising, video content successfully to reach their target customer and exhort them to buy online.

E advertising plays a key role in consumers buying decision. Suryawanshi & Khandare, (2016) in their study “Studing the impact of Internet Advertising on Consumer Buying Behavior” concluded that e- advertising contributes most to the consumer buying behaviour and that internet advertising was a significant ingredient in predicting the consumer behaviour.

Consumer buying behaviour keeps on changing under the influence of many factors but e advertising is one of the most important factor. The e advertising has a positive impact on consumers buying behaviour the advertiment on onlne platforms are creative and interactive which has the potential to change the consumers opinion about a particular product.

ACKNOWLEDGEMENT

The idea behind this research paper would not have been viable without the support of my supervisor, Dr. Ruchi Gupta. I am grateful towards Department of Commerce, Iswar Saran Degree College for their costant support.

I owe my gratitude towards my parents,siblings and family for helping me throughtout.

REFERENCES:

- <http://economicstimes.com>
- <https://businesstoday.intoday.in/bt>
- <https://understandingecommerce.com>
- <https://www.iab.net>
- www.futher.co.uk
- www.indianadvertising.wordpress.com
- www.statistica.com
- www.webguru-india.com
- www.yourarticlelibrary.com
- www.prasarbharti.gov.in

Maheshwari,P., Seth, N.& Gupta, A. K. (2016). An emperical approach to consumer buying behaviour in Indian automobile sector. *Industrial and Commercial Training*,48(3), pp.156-162.

M, Aqsa. & D, Kartini. (2015). Impact of online advertising on cosumer attitudes and interests buy online (Survey on students of internet users in Makassar). *International Journal of Scientific & Technology Research* 4(4), 230-236.

Kejriwal,R., & Chakravorty, D. K. (2014). Impact of Income on Media Selection by FMCG Consumers: A Study on Kolkata . *The International Journal of Business & Management*, 2(5).

Bakshi, G., & Gupta, S. K. (2013). Online Advertising And Its Impact on Consumer Buying.

Franch, E. B., et al. (2013). Messages with Impact : Creativity in Traditional Outdoor Advertising Platforms in Castellon (Spain) and Warrington (UK). *Online Journal of Communication and Media Technologies*,3(2).

Das, (2012). Growing Trends of E-commerce in India .*International Journal of Marketing, Financial Service & Management Research Vol.I*, Issue 10,odisa, October 2012.

Mohammed, B. A., \$ Alkubise, M. (2012). How online advertisement does affects consumer purchasing. *European Journal of Business and Management*,4(7).

Ling, K. C.,Chai,L.T.& Piew, T. H.(2010). The Effects of Shopping orientations, Online Trust and Prior Online Purchase Experience towards Customers' Online Purchase Intention, *International Business Research* 3(3), pp.63-76.

Mcdonald, A. M.& Cranor, L.F.(2010). Americans Attitudes about Internet Behavioral Advertising Practices.

Usman,M.,et al. (2010). General Attitude towards Advertising : Cultural Influence in Pakistan. *International Journal of Communication and Media Technologies*,3(2).

Yu, T. K,& Wu, G.S.(2007). Determinants of internet shopping behaviour : An application of reasoned behavior theory. *International Journal of Management*,24, pp.744-762.

Ryans, C. (1996). Consumer Resources. *Journal of Small Business Management*,32(1996):63-65.