

Effectiveness of Internet Advertising on Consumer Behaviour

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ABSTRACT

Advertisers are expected to shift and spend millions in internet advertising in the coming years than TV, print ads and other traditional advertising media. With the rapid growth in technology, the internet is becoming an important one stop point for consumers in finding most of their needs. Be it communication, entertainment, shopping, information search, internet serves as a panacea for all their requirements. Many consumers are online every day for their personal work, but do they notice the ads, banners displayed on that webpage, and most important their recall value. The current study investigated the effectiveness of internet advertising on consumer behavior by conducting a case study . The study sought to determine the effectiveness of internet advertising on reach and creation of awareness; to establish the reliability of internet advertising through recall; and to determine the relationship between internet advertising and purchase decision. The study used a case study research design. The target population was people around me using internet i.e friends, family , students etc. The primary data was collected using questionnaires. Content analysis was used to analyze qualitative data while the quantitative data was analyzed using descriptive statistics . Regression and Correlation analysis was used to show the relationships among the variables. The data was presented through percentages, means, standard deviations and frequencies. The study found that internet advertising was effective on reach and creation of awareness due to diverse usage, and established that its reliability as an advertising media was low compared to TV. Internet advertising has significant relationship with purchase decision of the consumers and therefore is a key determinant in influencing consumer behaviour. The study determined that there is a positive relationship between internet advertising and consumer purchase decision and further recommends that companies should conduct a market research on the different markets in various countries to ensure that the internet advertising initiatives being implemented suits the targeted markets to improve product purchases.

INTRODUCTION

Internet has grown tremendously in both its applications and number of users due to its unique characteristics of flexibility, interactivity, and personalization. It has been a very useful tool for communication, entertainment, education, and electronic trade. The revolutionary change brought forth by information technology has an important impact on the daily lives. It has transformed the way we do business by allowing retailers to offer unlimited range of products and services to all consumers from around the world at any point in time. The Internet has emerged as an advertising medium. Many companies have turned to the Internet to advertise their products and services; and the Internet is deemed to be the most significant direct marketing channel for the global marketplace.

The Internet has given consumers more control in accessing information on products and services. Consumers play a much more active role in searching for information online with some goal in mind, and that goal can influence individual behaviors and responses to online information and advertisements. With the rapid advancement in the computer industry, many companies have made the Internet as part of their advertising media mix to take advantage of the online technologies.

Marketing strategies have evolved with technology leading to the internet creating unprecedented opportunities for digital marketers to connect with customers to create an immersive connected digital environment, influence and drive purchases, fuel new growth and create new market share.

Internet advertising is a form of promotion that uses the Internet and World Wide Web for the expressed purpose of delivering marketing messages to attract customers. Examples of online advertising include contextual ads on search engine results pages, banner ads, Rich Media Ads, Social network advertising, online classified advertising, advertising networks and e-mail marketing, including e-mail spam. Online video directories for brands are a good example of interactive advertising. These directories complement television advertising and allow the viewer to view the commercials of a number of brands. If the advertiser has opted for a response feature, the viewer may then choose to visit the brand's website, or interact with the advertiser through other touch points such as email, chat or phone. Response to brand communication is instantaneous, and conversion to business is very high. This is because in contrast to conventional forms of interruptive advertising, the viewer has actually chosen to see the commercial.

The term "consumer behavior" refers to actions and decisions that factor into a customer's purchase. Customers are becoming more powerful, more knowledgeable and more sophisticated, and research into modern consumer behaviour is increasingly important for businesses. Advertising to attract consumers, providing better environment, product, services and policies is important in improving today's consumer

experience to support businesses in retaining customers. This study seeks to determine and explain the effectiveness of internet advertising in stimulating consumer response.

1.2 Research Problem

Advertisers are expected to shift and spend millions in internet advertising in the coming years than traditional advertising. The problem is that, volumes of consumers are online everyday for their personal work, but do they notice the ads, banners etc. displayed on that webpage, most important what is their recall/remembrance value. What about the reach of online advertising, is it effective across over all target groups?

1.3 Research Objectives

The objectives of the study were to;

- i. Determine the effectiveness of internet advertising on reach and creation of awareness.
- ii. Establish the reliability of internet advertising through recall.
- iii. Determine the relationship between internet advertising and purchase decision.

LITERATURE REVIEW

In the modern era, digital marketing has increased its importance in Jordan. Consequently, to grow sales of products & services, marketers use this new form of marketing strategy. Furthermore, the development of digital marketing has changed the way brands and businesses use digital technologies and channels for marketing activities ([Rai, 2018](#)). Thus, online advertising is a very vital portion of digital marketing. It is similarly called internet advertising, through which firms can distribute letters about products or services. The reason is that online advertising can seizure the chance to reach their users through numerous online platforms, to give awareness of their products, and to increase their sales in the future ([Dhore & Godbole, 2019](#))

The importance of internet advertising in consumer decision-making proces By Aleksandra Krysiak (2021) has information on the pros and cons used in the internet and its' future development can be found. Empirical chapter was based on survey consisting of 28 questions conducted among 108 people. The main conclusion from taken survey is that advertisements play a huge role in customer's purchase decisions because they are spread everywhere and everyone is exposed to them every day. A Descriptive Study of the Effectiveness of Internet Advertising on Consumer Buying Behavior in Nagpur City" Prof. Anupkumar Dhore (2018)

RESEARCH METHODOLOGY

Research Design

This study used descriptive research. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection. It often uses visual aids such as graphs and charts to aid the reader in understanding the data distribution and therefore offered a better clarification on online advertising, and ultimately give a clear picture on the effectiveness and reliability of online advertising and its relationship to purchase decision.

Population of the Study

The people of Udaipur, of different age groups such as teenagers, adults etc. Having different characteristics and personalities and different type of work on internet.

Sample Design

Stratified sampling technique was used to select the units for study. A small group was used as a study sample to represent the population of consumers. This sample was stratified into each of the four years of study and respondents were randomly selected from each stratum to come up with the representative sample of 300 for the entire population. This was a viable sampling technique since it gave the advantages of focusing on important subpopulations and allowed the use of different sampling technique for different subpopulations in improving the accuracy of estimation.

Data Collection

The research made use of primary data, which was collected using structured questionnaire distributed to the 300 respondents sampled.

Data Analysis

The study applied both nominal and ordinal scale to measure a range of factors establishing the effectiveness of internet advertising on consumer behaviour and an interval scale in determining the relationship between internet advertising and consumer behaviour.

Descriptive statistics was used to analyze this data. The mean responses, standard deviation and other relevant statistics were computed to better understand the data. Regression and Correlation analysis was applied in this study to reveal relationships among variables in the findings from the data.

Background information

The study initially sought to ascertain the general information on the respondents involved in the study with regards to the year of study, age, and gender. The demographic information points at the respondents' suitability in answering the questions on the effectiveness of internet advertising on consumer behaviour.

The respondents were asked to indicate their year of study.

Table 4.1 Distribution of the respondents by age bracket

Age bracket	Frequency	Percentage
19-25 years	246	82
26-35 years	54	18
Total	300	100.0

Source: Field data.

The findings indicate that majority were aged 19-25 years.

The study sought to establish the gender of the respondents and the findings are as shown in Table

Table 4.2 Gender distribution of the respondents

	Frequency	Percentage
Male	216	72
Female	84	28
Total	300	100.0

Effectiveness of internet advertising on reach and creation of awareness

The first objective of the study was to determine the effectiveness of internet advertising on reach and creation of awareness. The study sought to establish whether the respondents were aware of various forms of advertisements adopted by various companies. Majority of the respondents (98%) attested to being aware of various forms of advertisements adopted by various companies. This illustrates that the effectiveness of

internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements adopted by various companies in India.

The respondents were asked to indicate their attitude towards advertisements. Table 4.4 illustrates the study findings.

Table 4.4 Attitude towards Advertisements

	Frequency	Percent
Informative	105	35
Creates awareness	93	31
Entertaining	75	25
Irritating	9	3
Annoying	9	3
Waste of time	9	3
Total	300	100

Source: Field data.

As shown in Table 4.4, most of the respondents (35%) indicated that advertising was informative, with a closer percentage indicating creation of awareness. 3% indicated that advertising was either irritating, annoying or a waste of time. These findings mean that most of the respondents had a positive attitude towards advertising as illustrated by their various perceptions about the use of advertising. This clearly shows a positive attitude toward advertising and hence is a good indication for marketers. In order to further identify the effectiveness of internet advertising on reach and creation of awareness, the respondents were requested to indicate the amount of time spent on various platforms of advertising. The responses were rated on a five point Likert scale where: 1=less 1hr, 2=1 - 2hrs, 3=2 - 4hrs, 4=4 - 6hrs while 5=over 6hrs.

Table 4.5 Time spent on various platforms of advertising

	Mean	Standard deviation
TV, Movies	2.42	1.241
Newspaper, Mags	1.11	1.372
Radio	1.03	0.927
Internet	4.21	0.515

Source: Field data.

According to the findings in Table 4.5, on an average, a person spends more than 4 hours on the internet during his free time which is more than that of TV and movies, radio and print medium. Hence, on an average the exposure of internet to an individual is around 40% more than that of other mediums i.e. the reach of medium internet is much better than that of others.

The study sought to establish whether the respondents watched the TV/ or listened to Radio commercials during commercial break. The findings are as shown in Table 4.6.

Table 4.6 Watching the TV commercials during commercial break

	Frequency	Percent
Yes	210	70
No	90	30
Total	300	100

Source: Field data.

According to the findings, the majority of the respondents attested to watching the TV/ commercials during commercial break. This implies that for television commercials, around 70% of consumers had a positive perception towards advertising on TV.

Table 4.7 Change the channel during commercial breaks

	Frequency	Percent
Never	78	26
sometimes	51	17
depends on ad	99	33
Often	39	13
every time	33	11
Total	300	100

Source: Field data.

Respondents were asked to indicate if they changed channels during commercial and the results were tabulated. Table 4.7 shows that the degree of attractiveness of the advert and its relevance to the respondents

determined their attention to the advert. The viewers would see the advertisement if the ad is attractive and appealing. Hence there is a probability of 0.75 of a consumer viewing the particular advertisement (for creating awareness and information) on television making it an effective mode of communication.

4.4 Reliability of internet advertising through recall

The second objective of the study was to establish the reliability of internet advertising through recall. First, the respondents were asked whether they would check an online advert and the findings presented in the Table 4.9.

Table 4.8 Checking an online advert

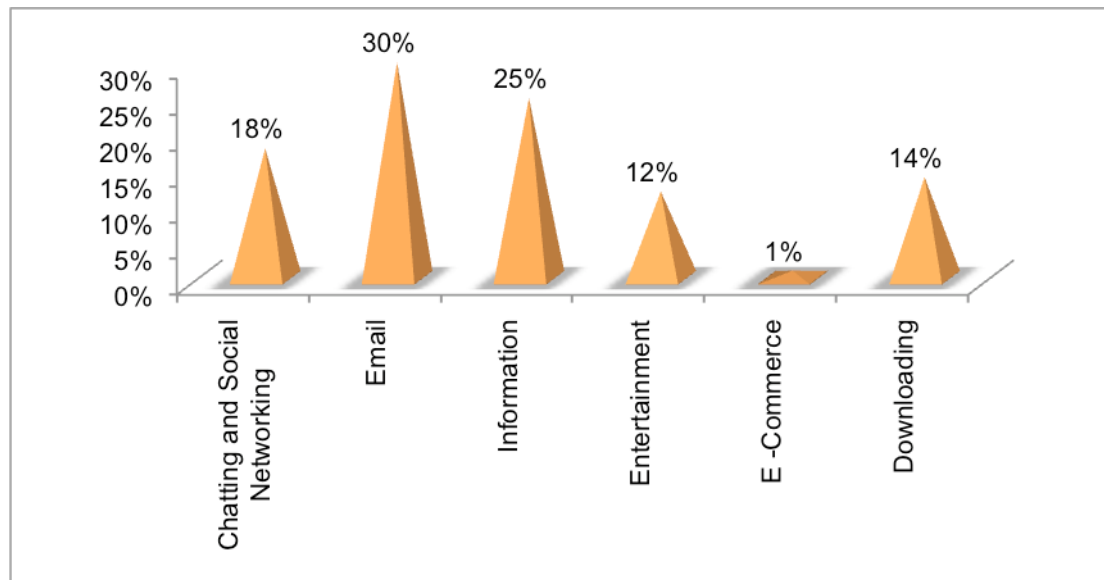
	Frequency	Percent
Yes	63	21
No	237	79
Total	300	100

Source: Field data.

In case of online advertising, majority (79%) of consumers ignored the advert completely while 21% indicated that they would check an online advert. Further the study found out that, out of the 21% respondents, 15% said that the intention was not to see the ads, but they didn't have any option but to see them as they were Interstitial Adverts, Pop – up ads or Floating ads. These ads either block the view of the content, or appear right in the middle of the page, or keeps on floating (moving) around which is considered to be very irritating for the consumers. Checking the ads determined the level of interaction with the online ads. Therefore, even though the reach of internet is much higher than that of other modes, its ability to attract consumers for awareness creation is very low.

The respondents were further asked to indicate their purpose of using internet. The study findings are illustrated in Figure 4.1.

Figure 4.1 Internet usage



Source: Field data.

As shown in Figure 4.1, 30% of the respondents used internet for E-mail, 25% for information, and others for chatting and social networking, indicating that communications has been the fundamental value of the internet to consumers. There was a higher chance of interaction with various online ads as reflected by the diverse usage of internet.

To establish the reliability of internet advertising through recall, the respondents were asked to indicate whether they would recall the last three TV and online ads.

Table 4.9 Ad recall

	Recall		
		Frequency	Percent
TV	Yes	252	84
	No	48	16
Online ads	Yes	90	30
	No	210	70
Total		300	100

Source: Field data.

4.5 Relationship between internet advertising and purchase decision

The third objective of the study was to determine the relationship between internet advertising and purchase decision. Respondents were asked to indicate the mode advertising that mostly influenced their decision to purchase a product. The results were tabulated in Table 4.10.

Table 4.10 Mode of advertising influencing intention to buy product

	Frequency	Percent
Magazines and newspaper	51	17
Friends and relatives	120	40
TV Commercial	87	29
Online advertisements	18	6
Social Media – Blogs, forums, Social Networking sites	24	8
Total	300	100

Source: Field data.

In order to further determine the relationship between internet advertising and purchase decision, the respondents were requested to indicate their level of agreement on relevant statements on effects of internet advertising on purchase decision. The responses were rated on a five point Likert scale where:

5-To a very great extent,

4To a great extent,

3-To a moderate extent,

2-To a little extent, and 1-To no extent.

The mean and standard deviations were generated from SPSS and presented in Table 4.11.

Table 4.11 Statements on internet advertising and purchase decision

Statements on Internet advertising and purchase decision	Mean	Standard deviation
Internet advertising influences customers' purchase decision	4.21	0.513
duration of page viewing is a strong determinant of the ability to recall banner ads	4.13	0.746

Animation content, the shape of the banner ad, and frequency of the ad (repetition) leads to higher advertising recall	3.92	0.841
Companies should aim to strengthen customer interactions with advertisements on the Web	4.11	0.62
Most companies provide a generic experience to all customers rather than relying on customer analysis to deliver a personalized experience.	4.01	0.738
When customers weigh benefits, they become emotionally involved with advertising and promotion.	4.05	0.673
Repeated advertising messages affect consumer behavior. This repetition serves as a reminder to the consumer.	3.98	0.847

Table 4.15 Correlation matrix and the coefficient of determination

	Consumer behaviour	Internet advertising
Consumer behaviour (r) (p) Sig. (2 tailed)	1.000	
Internet advertising (r) (p) (2 tailed)	0.894 0.018	1.000

4.7 Discussion of findings

The study established that the effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements adopted by various companies in Kenya. Most of the respondents had a positive attitude towards advertising as illustrated by their various perceptions about the use of advertising. This clearly shows a positive attitude toward advertising and hence is a good indication for marketers. The findings augment the findings of Baltas (2003) who indicated that marketing is perceived by the internet users as a major source of information on available product in the market as reflected by their positive attitude in the world over. According to Calisir (2003) internet advertising is an effective channel for marketing as the ad is attractive and appealing which changes from time to time.

The study established that even though the reach of internet is much higher than that of other modes, its ability to attract consumers for awareness creation is very low. The study concludes that the reliability of internet

advertising through recall was low as only a small percentage of the respondents could recall the online ads they had seen.. The study found that TV ads are much reliable than internet advertising and other forms of advertising. The findings are corroborated with Danaher and Mullarkey (2003) who posited that TV ads are much reliable than internet advertising.

The study established that friends and relatives were the major influencers behind decision making. This depicts that traditional form of advertising has an edge over internet advertising in terms of consumer preference mode of advertising. Traditional mode got high preferences than that of internet advertising which is a huge margin. According to Cho (2003) in the developing economies the traditional form of advertising has a greater market share compared with the internet advertising in terms of consumer preference mode of advertising.

The study established that internet advertising influenced purchase decision of the customers to a moderate extent as only nearly half of the respondents were influenced purchase decision. The study established that internet advertising is a key determinant of purchase decision of the customers. The study also established that internet advertising has significant relationship with purchase decision of the consumers. The findings augment earlier findings of Goldsmith and Lafferty (2002) that internet advertising is a key determinant of purchase decision by the customers and that internet advertising has an association with purchase decision of the consumers.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary of the Study

The study found that the effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements and time spent on these media. On average, a person spent more than 4 hours on the internet during his free time than that of TV and movies and print medium and therefore the reach of internet medium is much better than that of other media. A higher percentage indicated that they were made aware of existence of various products through internet advertising and therefore it was effective in creating awareness. Internet advertising is a key determinant of purchase decision of the customers as they consider it to be an interaction point between them and the company from which they buy their products from. The study also established that internet advertising has significant relationship with purchase decision of the consumers. From the Pearson's correlations analysis, the study established that there is a positive relationship between consumer behaviour and internet advertising

Conclusion

The objective of the study was to determine the effectiveness of internet advertising on consumer behaviour using a sample. After analysis of the study findings, the study concludes that the effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements adopted by various companies and time spent on various media. Internet advertising was effective in providing higher reach and creation of awareness. However, in spite of the diverse usage of internet and wide interaction with various internet advertisements, fewer respondents were able to recall the internet ads they had seen. This implies that the reliability of internet advertising is quite low. The research established that TV advertising is more reliable than internet advertising therefore conforming, that TV ads are much reliable than internet advertising.

The study concludes that internet advertising influenced purchase decision of the customers to a moderate extent as only nearly half of the respondents were influenced purchase decision. However, internet advertising is a key determinant of purchase decision of the customers as they consider it to be an interaction point between them and the company from which they buy their products from. The study also concludes that internet advertising has significant relationship with purchase decision of the consumers. The study further concludes that internet advertising contributes most to the consumer behavior and that internet advertising was a significant factor in predicting the consumer behaviour. In addition, there is a positive relationship between consumer behaviour and internet advertising. This implies that companies should invest more in internet advertising to increase their market share and conduct a market research on the different markets in various countries to ensure that the internet advertising initiatives being implemented suits the targeted markets to improve product purchases.

5.4 Recommendations

The study established that the reliability of internet advertising is low and therefore recommends that the management of companies using internet advertising should provide unique experience to its customers based on customer analysis to deliver a personalized experience to the customers, The study also found that internet advertising is effective in reach and creation of awareness and recommends that the companies should invest more in internet advertising to increase their market share and provide product information.

Finally, the study determined that there is a positive relationship between internet advertising and consumer purchase decision and further recommends that companies should conduct a market research on the different