A Perceptual Study of Factors Affecting the Online Advertising

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ABSTRACT

Online advertising is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. This study examines how consumers perceive the Internet as an advertising medium. It explores the perception and attitudes of respondent toward major factors affecting the Online advertising. In order to review the relevant literature, research papers have been collected from the referred journals related to advertising, marketing and management. Qualitative approaches have been used in order to analyse and compare the main findings as well as applicability of the research papers. Hence, using an interpretative and critical approach through content analysis of the studies reviewed, the important measures viz. Research Methodology, Sample size, Respondents’ profile have been taken into account for further inquiry.

Keywords---- Online advertising, Perception and Attitude of Respondent, Internet

I. INTRODUCTION

Advertising on the Internet and World Wide Web has become an important component of marketing communication worldwide. Global marketers and advertisers are turning to online advertising because of the unique and versatile capabilities of the Internet. These capabilities include interactivity, global reach, multimedia capacity, and audience involvement (Wolin, Korgaonkar and Lund 2002). Online advertising is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing (SEM), social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. In many ways, online advertising is similar to traditional advertising. Publishers use content to attract viewers and then sell advertisers access to those viewers. Advertisers can display text (like classifieds), graphics (like magazines) and video (like television) ads in the space supplied by the publishers.

It is a broad term used to describe the paid advertising that publishers put on their websites to enable them to provide the content and services for free. Online advertising is a" two- sided market" as is advertising generally.(Rochert and Tirole 2003; Simon and Gabszewicz, 2005). The ways consumers communicate with each other have been changing dramatically over the last decade, and the same is true for how consumers gather and exchange information about products and how they obtain and consume them. The rise of new media has provided consumers with extensive options for actively providing information on services and products: “The digital innovations of the last decade made it effortless, indeed second nature, for audiences to talk back and talk to each other” (Deighton and Kornfeld 2009)

With the advent of the Internet, online advertising has become a topic of increasing interest to academic research (Ha,2008; Kim and McMillan,2008). In the past decade, online advertising has grown beyond simple banner advertising to include new advertising models and online channels (e.g., on-demand advertising like search engine advertising and price comparison website advertising) that make better use of the Internet's unique potential for interaction between consumer and advertiser (Rappaport,2007). However, research on the effectiveness of these particular online advertising channels is still rare. In particular, the distinction between a various channels of online advertising regarding their short- and long-term sales effects has been hinted at but has yet to be addressed in academic research (Ha,2008). In fact, to the best of our knowledge, no published research has taken time lags into account in looking simultaneously at the short- and long-term effectiveness of multiple online advertising channels. As a consequence, an inefficient allocation of marketing budget may arise. By incorporating the time lags of online advertising into marketing-effectiveness models, researchers and practitioners can improve the timing of the elements of an advertising...
campaign to ensure that the maximum ad impact occurs
during and/or shortly before the advertised event.

The online advertising industry concerns buying
and selling advertising space that is accessed by viewers
through the Internet. Industry observers often divide the
online advertising industry into: (1) “search advertising”
that appears on search-results pages; (2) “display
advertising” that appears on non-search web pages; (3)
classified listings that appear on web sites; and (4) Internet
e-mail based advertisements.

II. OBJECTIVE OF THE STUDY

To study the perception and attitude of
respondent toward major factors affecting the online
advertising and its implications for the marketers.

III. SOURCES AND METHODOLOGY

In order to review the relevant literature, research
papers have been collected from the referred journals
related to Online advertising, Advertising, Consumer
perception and attitude viz. International Journal of
Business Management, European Journal of Marketing
Management, Internet Research, Journal of Product &
Brand Management, Journal of Marketing Research from
Emerald, Interactive advertising, Google scholar, Science
Direct, Journal of Consumer Research from JSTOR and
Journal of Internet Banking and Commerce. These journals
provide the admirable work of various scholars worldwide
which ultimately help the researchers to conduct their
work in a convenient manner.

IV. LITERATURE REVIEW

According to MacKenzie and Lutz (1989),
consumer attitude towards online advertising can be
indicated through consumer’s favorable or unfavorable
response towards a particular online advertisement. After
consumer exposure to the online advertising, they will then
form either positive or negative attitudes towards the
advertising (Schiffman and Kanuk, 2000). Mehta
(2000), consumer’s attitude towards online advertising is
one of the influential factors of effectiveness of online
advertising as consumer’s cognitive ability towards the
online advertisement are reflected in their thoughts as well
as feelings and subsequently will influence their attitude
towards online advertising (Mackenzie and Luts, 1989).

<table>
<thead>
<tr>
<th>Author(Year)</th>
<th>Country</th>
<th>Sample</th>
<th>Respondent</th>
<th>Methods</th>
<th>Significant factors/Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brrio-garcia et al. (2001)</td>
<td>Spain</td>
<td>720</td>
<td>18 to 65 years old individuals</td>
<td>Experiment Study</td>
<td>Greater the comparative advertising intensity</td>
</tr>
<tr>
<td>Fareena et al. (2002)</td>
<td>USA</td>
<td>6831</td>
<td>MBA Stundent</td>
<td>Regression Analysis</td>
<td>Navigation, Brand,No Errors, Good order fulfillment</td>
</tr>
<tr>
<td>Xueming luo (2002)</td>
<td>USA</td>
<td>268</td>
<td>Undergraduate Business Students</td>
<td>CFA/EFA</td>
<td>Usefull information, Entertaining, Loyalty, And Repeated use</td>
</tr>
<tr>
<td>Mc millan et al. (2003)</td>
<td>US</td>
<td>311</td>
<td>Students</td>
<td>Field Experiment</td>
<td>Unique characterstics</td>
</tr>
<tr>
<td>Lagrosen et al.(2005)</td>
<td>Sweden</td>
<td>19 Swedish service companies</td>
<td>Companies</td>
<td>Multiple case study</td>
<td>Three different communication stratigies are used depending on the scope of internet use</td>
</tr>
<tr>
<td>Sicillia et al. (2005)</td>
<td>Spanish</td>
<td>233</td>
<td>Different Undergraduate</td>
<td>Annova</td>
<td>Individual flow intensity is increased, Website interactive</td>
</tr>
<tr>
<td>Author</td>
<td>Country</td>
<td>Sample Size</td>
<td>Description</td>
<td>Method</td>
<td>Significant Findings</td>
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<tr>
<td>Way et al (2005)</td>
<td>US</td>
<td>303</td>
<td>College student 13 undergraduate and graduate classes</td>
<td>Factor analysis</td>
<td>Entertainment, Credibility, Interacting</td>
</tr>
<tr>
<td>Mehta et al. (2010)</td>
<td>India</td>
<td>450</td>
<td>Young executive working in banking, insurance and retail</td>
<td>Z test</td>
<td>Critical insights for service companies</td>
</tr>
<tr>
<td>Eze et al. (2012)</td>
<td>Malaysia</td>
<td>217</td>
<td>Southern region</td>
<td>Personal adminstration</td>
<td>Consumer manipulation emerged negative</td>
</tr>
<tr>
<td>Jansen et al. (2012)</td>
<td>US</td>
<td>200</td>
<td>Specific gender</td>
<td>Anova</td>
<td>Neutral phrases perform the best overall</td>
</tr>
<tr>
<td>Ali Bassam et al. (2013)</td>
<td>Syrian</td>
<td>384</td>
<td>Active internet users</td>
<td>Cross sectional correlation field study</td>
<td>Direct relationship</td>
</tr>
<tr>
<td>Bevan-Dye et al. (2012)</td>
<td>South Africa</td>
<td>400</td>
<td>Registered higher education institutions</td>
<td>Z test , Correlation and regression</td>
<td>Informativeness</td>
</tr>
<tr>
<td>Li-ming et al. (2013)</td>
<td>Malaysia</td>
<td>207</td>
<td>Private education institutions</td>
<td>Survey</td>
<td>Usability, Trust, Information</td>
</tr>
<tr>
<td>Nikhashemi et al. (2013)</td>
<td>Malaysia</td>
<td>570</td>
<td>Previous experience of online purchasing</td>
<td>Factor</td>
<td>Service quality, social network and brand recognition</td>
</tr>
<tr>
<td>Amjad et al. (2014)</td>
<td>Pakistan</td>
<td>280</td>
<td>Internet users</td>
<td>Regression Analysis</td>
<td>Enjoyment information seeking, economics system</td>
</tr>
<tr>
<td>Peter et al. (2014)</td>
<td>Kenya</td>
<td>153591</td>
<td>University students</td>
<td>Cross sectional survey</td>
<td>Purchase intention</td>
</tr>
</tbody>
</table>

**Source:** DEVELOPED FOR THIS STUDY

**Key determinants of consumer's attitude towards online advertising**

<table>
<thead>
<tr>
<th>Author</th>
<th>Key dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lim et al. (2011)</td>
<td>Three Factors: Online ads, recall online ads, clicking online ads.</td>
</tr>
<tr>
<td>Nasir et al. (2011)</td>
<td>Four Factors: Respectively, functionality, customization, credibility.</td>
</tr>
<tr>
<td>Ali Bassam (2013)</td>
<td>Seven Factors: Information, entertainment, social role, materialism, falsity, irritation, value corruption.</td>
</tr>
<tr>
<td>Ming et al. (2013)</td>
<td>Three Factors: Usability, trust and informatin.</td>
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</tbody>
</table>

Source: Adapted from different studies.
V. CRITICAL ANALYSIS AND FINDINGS

As per Table 1, the main contents which are taken into consideration for the content analysis of the empirical studies are the year in which the study was conducted, sample description and the technique used to collect the data from various types of respondents, and research methodology used in it to come out with relevant results along with the findings obtained in nutshell have been studied therein. In Table second various researchers have studied numerous factors that have impact on consumers attitude towards Online advertising. All researcher have found that entertainment and informations were the main factors which has impact on consumers' attitude and other factors also effect the attitude. The findings in this study show that the various factors--entertainment, informative, usability, trust and credibility significantly influence consumers' attitude toward online advertising. These findings were consistent with results of past research. All researchers found that information was positively related to attitude toward online advertising. The main reason consumers click and read online advertising is to seek information. Thus, information search is important in the consumer decision making process. They also found that trust is a predictor for attitude toward online advertising. This means that when consumers trust online advertising more, they tend to have more positive attitude toward online advertising. This was also supported by past studies. In their research, they found that consumers’ attitude and decisions to go online very much depends on trust between the consumers and computer system as well as the internet merchant. This study suggests implications especially for marketers who use online advertising as one of their promotional tools. Marketers must bear in mind when they develop online advertising that consumers put emphasis on usability, information and also trust when surfing on online advertisements. After understanding their consumers better, advertising agencies should be able to come out with more creative and innovative ads that could attract their consumers and thus giving them an added competitive advantage.

Sample and Respondent selection

In general, the data used in customer oriented studies is collected through primary sources. In the given study, it has been found that the researchers have used different approaches to reach to respondents or customers i.e. through mail survey, tele- phonic interview, questionnaires, electronic mail etc. The number of respondents in the sample used by the studies ranges between 207 to 153591. The samples have been selected mainly by convenience sampling technique followed by quota sampling. Most of the studies have taken into consideration the educated population like graduate students, academicians, professionals, faculty members etc.

Research Methodology

Factor analysis and Annova is the most preferred technique used for primary data and consumers’ research. Beside it, correlation has also been widely used by many of the innovation researchers. However, the extensively used research methodology by many of the researchers is regression analysis.

VI. CONCLUSION

The findings in this study show that the various factors--entertainment, informative, usability, trust and credibility significantly influence consumers’ attitude toward online advertising. These findings were consistent with results of past research. All researchers found that information was positively related to attitude toward online advertising. The main reason consumers click and read online advertising is to seek information. Thus, information search is important in the consumer decision making process.

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