A Study on Impact of Online Advertising

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ABSTRACT

In today’s media landscape where it’s very difficult to shape consumer’s attitude and intentions and move them to next level of buying process, advertisers find it even more difficult and challenging to break through the clutter of competing advertisement. The advertising industry has experienced dynamic changes over the last several decades. The changes have been good in terms of Technology advancement, Medium and more methods to attract consumers and on Creativity. This study represents how creativity impacted advertising, also understanding the value of creativity in advertising through the review of various literatures. The importance of creativity factor in advertising has got wide recognition by many researchers, practitioner, but there is a miss of true & systematic research to define advertising creativity and how it relates to ad effectiveness. The review study discusses some campaigns that have left their strong impression on consumers.

Keywords--- e-mail, internet-marketing, consumer behavior

I. INTRODUCTION

The internet has become an ongoing emerging source that tends to expand more and more. The growth of this particular media attracts the attention of advertisers as a more productive source to bring in consumers. Aclear advantage consumers have with online advertisement is the control they have over the item, choosing whether to check it out or not. Online advertisements may also offer various forms of animation. In its most common use, the term "online advertising" comprises all sorts of banner, e-mail, in-game, and keyword advertising, on platforms such as Face book, Twitter, or Myspace has received increased relevance.

There are four distinct consumer groups with different intentions and motivations:

- Exploration
- Entertainment
- Shopping
- Information

Majority of young adult’s active information seekers. A high level of technological confidence within this group tends to be an encouraging factor when it comes to product information research online.

INTERNET MARKETING

Marketing efforts done solely over the Internet. This type of marketing uses various online advertisements to drive traffic to an advertiser's website. Banner advertisements, pay per click (PPC), and targeted email lists are often methods used in Internet marketing to bring the most value to the advertiser. Internet marketing is a growing business mainly because more and more people use the internet every day. Popular search engines such as Google and Yahoo have been able to capitalize on this new wave of advertising.

II. TYPES OF INTERNET MARKETING

Internet marketing is broadly divided in to the following types:

DISPLAY ADVERTISING

Display advertising these of web banners or banner ads placed on a third-party website to drive traffic to a company's own website and increase product awareness.

SEARCH ENGINE MARKETING (SEM)

Search Engine Marketing a form of marketing that seeks to promote websites by increasing their visibility in search engine result pages (SERPs) through the use of either paid placement, contextual advertising, and paid inclusion, or through the use of free search engine optimization techniques.

SEARCH ENGINE OPTIMIZATION (SEO)
Search Engine Optimization the process of improving the visibility of a website or a web page in search engines via the "natural" or un-paid ("organic "or "algorithmic") search results.

III. SOCIAL MEDIA MARKETING

Social Media Marketing the process of gaining traffic or attention through social media sites.

EMAIL MARKETING
Email Marketing involves directly marketing a commercial message to a group of people using electronic mail.

REFERRAL MARKETING
A Marketing a method of promoting products or services to new customers through Referrals, usually word of mouth.

AFFILIATE MARKETING
A marketing practice in which a business rewards one or more affiliates for each Visitor or customer brought about by the affiliate’ s owned marketing efforts.

CONTENT MARKETING
Involves creating and freely sharing informative content as a means of converting prospects into customers and customers into repeat buyers.

IV. E-MAIL MARKETING

Email marketing is a type of direct digital marketing that uses electronic mail (also called email or e-mail) as the marketing communication delivery method. Email marketing is used in a number of ways by organizations and marketers for brand and customer loyalty building, acquiring or converting customers, company advertisements, or for communicating promotional offers and more.

V. EMAIL NEWSLETTERS

Email Newsletters are direct emails sent out on a regular basis to a list of subscribers, customers. The primary purpose of an email newsletter is to build upon the relationship of the company with their customers/subscribers. Transactional Emails Transactional emails are usually triggered based on customer’s action with a company. Triggered transactional messages include dropped basket messages, purchase or order confirmation emails and email receipts. The primary purpose of a transactional email is to convey information regarding the action that triggered it. But, due to its high open rates(51.3% compared to 36.6% for email newsletters), transactional emails are a golden opportunity to engage customers; to introduce or extend the email relationship with customers or subscribers, to anticipate and answer questions or to cross-sell or up-sell products or services.

Many email newsletter software vendors offer transactional email support, which gives companies the ability to include promotional messages within the body of transactional emails. There are also software vendors that offer specialized transactional email marketing services, which include providing targeted and personalized transactional email messages and running specific marketing campaigns (such as customer referral programs).

VI. DIRECT EMAILS

Direct email involves sending an email solely to communicate a promotional message (for example, an announcement of a special offer or a catalog of products). Companies usually collect a list of customer or prospect email addresses to send direct promotional messages to, or they can also rent a list of email addresses from service companies.

VII. LITERATURE REVIEW

An estimated figure is around Rs. 100 core worth of ads on the net. Ads on the net are still not paid to the extent of 60-70%. Even billed ads are at discounted rates. The real ad businesses the net is still Rs. 25-30 core. A lot of agencies are coming or ward to do net advertising. Clients still are not comfortable with this new medium. On-line media planning is emerging as a new business. In the US, the leading firm is the Double-click. In India, firms are Macromedia, Media cope and Intercept. A net can narrowcast and target ads at a sharply defined segment. Some sites have a revenue model based on ad income. Adson the net have to buy audience rather than space or banners. An advertiser can approach his target through a variety of sites, but with one single media buy. Advertisers can select audiences’ location wise, say a BPL mobile ad in Mumbai and Bharati Telecom ad in Delhi. Ads can be targeted to editorial content of the web pages, say cosmetic ads to the health and beauty pages. Ads can be targeted in terms of time, does in the afternoon rather than in the morning. Research can increase the effectiveness of online communication. SHH Kazmi and Satish K Batra “Advertising and SalesPromotion” p. 320, edition 2. ISBN 81-7446-394-1(PB) It was certainly a sad day for newspapers and magazines when E-Marketer released a report early in 2012 stating that this year would be the year that spending for online advertising would surpass spending for print advertising. Print publishers, of course, knew that this day was coming. After all, in 2011, online ad spending grew 23% in the United States, just surpassing the $32 billion mark. In 2012, spending on online ads will grow another 23% to nearly $40 billion. Meanwhile, the more spending for online ads grows, the more spending for print ads shrinks. Spending for magazine and newspaper...
ads is anticipated to fall by 6.1% this year to a scant $36 billion. www.onlineadvertising.com.

VIII. OBJECTIVE OF THE STUDY

- To analyze consumer’s attitude towards Internet advertising & its effect on their purchase behavior pattern.
- To analyze consumer’s perception of online ads & the degree to which it contributes to Internet advertising.
- To analyze consumer’s response to online advertisements & their perception of companies.

IX. SAMPLING

The research study has focused on urban consumers of Above 18 years of age. So that they can recall the reasons, which affect their perception of Internet advertisements. This research studied the psychology behind online consumer’s behavior & also their perception of Internet advertisements. It also seeks the effect of Internet ads on the attitude of online consumers. A cluster sampling has been used. A total number of 100 respondents were surveyed. 50 respondents from Coimbatore, Erode and 50 from Gobi.

X. METHODOLOGY

Secondary Research: I first of all surveyed the available literature related to the problem. The published data from various sources like Journals, Internet, Books were studied. Quantitative research: After the collection of secondary data, the questionnaire was designed to collect the primary data. It is analyzed on the basis of suitable table by using – Bar technique and percentage analysis. Chi-Square test is applied to test the goodness of fit to verify the distribution of observed data. Test \( x^2 = \frac{(O - E)^2}{E} \) Degree of freedom = \( V = (R-1)(C-1) \).

XI. HYPOTHESIS

1. Analysis of Internet user’s perception of online advertisements. H0–The six options (entertainment, informativeness, irritation, credibility, interactivity and purchase) i.e. Perception behind the online advertisements is same for all people (each of these options have same influential value on the respondents).

H1–The six options (entertainment, informativeness, irritation, credibility, interactivity and purchase) i.e. perception behind the online advertisements is different for all people (each of these options have different influential value on the respondents).

XII. ANALYSIS

1. Analysis of the relationship between the websites that are most searched for & Age of the Respondents.

<table>
<thead>
<tr>
<th>Age</th>
<th>Entertainment</th>
<th>Informativeness</th>
<th>Irritation</th>
<th>Credibility</th>
<th>Interactivity</th>
<th>Purchase</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>3</td>
<td>7</td>
<td>5</td>
<td>5</td>
<td>3</td>
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<td>7</td>
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<td>4</td>
<td>5</td>
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<td>&gt;50</td>
<td>12</td>
<td>3</td>
<td>6</td>
<td>0</td>
<td>3</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>22</td>
<td>2</td>
<td>14</td>
<td>16</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>

FIGURE 1- INTERNET USER’S PERCEPTION
At 95% of confidence Table value of Chi Square at n=15 is 24.996.
Chi Square value observed here is 10.82125416 which is lesser than table value. This proves the hypothesis

H0 is accepted “Perception behind the online advertisements is same for all people”

2. Analysis of the relationship between Internet usage and the Age of the respondents.

<table>
<thead>
<tr>
<th>Age</th>
<th>Entertainment</th>
<th>Informativeness</th>
<th>Irritation</th>
<th>Credibility</th>
<th>Interactivity</th>
<th>Purchase</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>3</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>30-40</td>
<td>4.5</td>
<td>3</td>
<td>4</td>
<td>4.5</td>
<td>25</td>
<td>9.522</td>
<td>29</td>
</tr>
<tr>
<td>41-50</td>
<td>3.6</td>
<td>6.38</td>
<td>5.22</td>
<td>4.06</td>
<td>4.64</td>
<td>5.22</td>
<td>30</td>
</tr>
<tr>
<td>&gt;50</td>
<td>1.63.52</td>
<td>5.4</td>
<td>4.8</td>
<td>5.4</td>
<td>2.88</td>
<td>2.88</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
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<td>22</td>
<td>22</td>
<td>23</td>
<td>18</td>
<td>14</td>
<td>16</td>
</tr>
</tbody>
</table>

At 95% of confidence Table value of Chi Square at n=9 is 16.911.
Chi Square value observed here is 2.456560586 which is lesser than table value. This proves the hypothesis

H0 is accepted “Age of the respondents and the websites that are most clicked at, are independent”.

<table>
<thead>
<tr>
<th>Age</th>
<th>Access E-Mail</th>
<th>Download</th>
<th>Netsurfing</th>
<th>Window Shopping</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 30</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>23</td>
</tr>
<tr>
<td>30-40</td>
<td>12</td>
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<tr>
<td>40-50</td>
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<td>6</td>
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</tr>
<tr>
<td>&gt;50</td>
<td>5</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>22</td>
<td>22</td>
<td>23</td>
<td>100</td>
</tr>
</tbody>
</table>

= (4-1)*(4-1) = 9
At 95% of confidence Table value of Chi Square at n=9 is 16.911.
XIII. LIMITATION OF THE STUDY

- The study has confined to urban areas as it assumed that the rural areas do not have Internet connection yet. Hence the entire findings are limited and refer to urban consumers only.
- Geographical coverage, as only two areas have been taken from Coimbatore, erodes, India. It is not sure whether the findings will apply to the whole country.
- Respondents below 18 years of age were not including the present study, as it was assumed that respondents of the age 18 years & above can answer questions relating to Internet advertising. This is a limitation as respondents below 18 years also use the Internet and if they had been included in the sample, their opinion on issues relating to Internet advertising may have given important insights.

XIV. SUGGESTIONS FOR EFFECTING ONLINE ADVERTISING

* Make sure that the audience of the site matches with the audience you are advertising.
* Online advertising should be valued in terms of the value of the business it creates from the new users it attracts to your site.
* Placing advertisement in the right content vehicles.
* Determine optimal frequency can be the factor, which determines the effectiveness of any advertising campaign.
* Keep Innovating.
* Use of animation to attract the audience.
* An effective presentation simply shows your visitors the right answer to the questions they have.
* Keep it simple.
* Considering the human factor of selling on the web.
* Don't forget to follow advertising ethics online.
* In almost all cases you want your message to be very short. People don't have time to drill into your advertisement for meaning.
* Don't make outrageous claims and don't lie.
* Make sure that you offer something worthwhile.

XV. CONCLUSION

Overall in a study on impact of online advertising on consumer behavior, the outcomes which came from the survey which is conducted over the 100 number of people. In research, I found that the Internet users (all age groups people) have the same perception towards the websites
advertisements. But they all age group people (22 respondents) agreed that the online advertising is very informative, but at the same time these advertisements creates irritation among all age group people (18 respondents), people (18 respondents) have done purchasing through Internet i.e. e-commerce. According to 16 respondents, the internet advertisements have interactivity. Credibility aspect of the online advertisements is assessed by 14 respondents. At last 12 respondents agreed that online advertisements are entertaining.

Secondly I analyze the relationship between Age of the respondents and the websites that are most clicked at, are independent. In a survey of 100 respondents, 33 people used internet for Access E-mail, 23 respondents used internet for window shopping, 22 respondents used internet for downloading, and similarly 22 respondents used net surfing. Finally I concluded that the online advertising is informative for all age group of people and basically it issued for accessing E-mail.

REFERENCES
