



Journal Homepage: -[www.journalijar.com](http://www.journalijar.com)  
**INTERNATIONAL JOURNAL OF  
 ADVANCED RESEARCH (IJAR)**

Article DOI:10.21474/IJAR01/4615  
 DOI URL: <http://dx.doi.org/10.21474/IJAR01/4615>



### RESEARCH ARTICLE

#### IMPACT OF ONLINE-ADVERTISING ON CONSUMERS.

Ashamayee Mishra<sup>1</sup> and Dr. D. K. Mahalik<sup>2</sup>.

1. Research scholar, Department of Business Administration, Sambalpur University.
2. Reader, Department of Business Administration, Sambalpur University.

#### Manuscript Info

##### Manuscript History

Received: 26 April 2017  
 Final Accepted: 28 May 2017  
 Published: June 2017

##### Key words:-

Online Advertising, Internet, Consumer, Communication

#### Abstract

Online Advertising is the form of promotion that uses Internet and World Wide Web to deliver marketing message to attract, retain and enhance the customers. A consumer can have idea and information of even a small business enterprise with respect to large business enterprises regarding products and services. Focus on different trends of online advertising also has been done which results with the fact that online ads has become a challenge for the print ads as various online applications, social site help to lead towards the data instantly than other advertisement media existing. This is an attractive awareness creating tool of promotion of the business. Online Advertising is a booming sector on which the research is going on.

Copy Right, IJAR, 2017,. All rights reserved.

#### Introduction:-

Advertising is a form of communication which persuades the consumer for making purchase decision and to provide information to the viewer. When the information is presented in an enjoyable context, it is readily accepted. Thus, we can term advertising as an infotainment concept. The concept of advertising came into existence with the Marketing Mix. Marketing mix well known as 4 Ps of marketing i.e.; Product, Price, Place, Promotion and advertising is a component of Promotional mix, which is to create awareness among the consumers about the products and services for making the purchase decision. Advertisement can be seen from date backs in the ancient time also. Thus according to the Marketing Legend, Philip Kotler, "Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor". With the economic and social effects advertising also covers two main functions i.e.; the provision of information and persuasion (Norris 1984).

In modern days, advertising has become the most important form to promote the products and services and is used for the purpose of communication as well. The internet emerged as a new tool in the mid-1990s, for reaching consumers and also provided a variety of technologies for influencing opinions and desires (Boudreau and Watson, 2006). The evolution of the Internet provides the new opportunities into the globalization as well as the local region. This new technology refers the communication and information to be globalized. Even the internet and website provide convenient services to the customers who can efficiently manage their resources. In today's scenario, the internet plays a vital role in the consumer buying decision. According to the marketing researchers, the Internet has become the "mainstream" and for the most parts, the offline world is mirrored by online world (Hoffman and Novak, 1996).

Thus, online advertising is the form of promotion that uses internet and worldwide web to deliver marketing message to attract the consumers. A consumer can have idea of even a small business enterprise with respect to large

**Corresponding Author:-Ashamayee Mishra.**

Address:-Research scholar, Department of Business Administration, Sambalpur University.

business enterprises. Focus on different trends of online advertising also has been done which results with the fact that online ads have become a challenge for the print ads as various online applications, social site help to lead towards the data instantly than other advertisement media that exist. This is an attractive awareness creating tool of promotion of the business. Marketing communication consisting of sales promotion, public relations, direct marketing and compiles an important element of E-commerce strategy, where electronic marketer project these weapons to create awareness, preference and choice (Strauss and Frost, 2001). In the future of advertising industry (in 10-15 years), the web advertising will have the most vital influence (Ducoffe 1996).

In 21<sup>st</sup> century, online advertising provides more exposure and control to the customers and they can also select how much commercial they wish to view. Consumers can explore promotion, get pricing information, participate in product design, arrange deliveries, sales and also can receive post purchase support.

#### **Literature review:-**

The term online advertising is simply a term that relates to advertising online, or advertising over the Internet. It is a form of promotion that uses the internet and the World Wide Web to deliver marketing message to attract the consumers. Advertising has a strong impact on the mind of viewers than other marketing tools, as its exposure is very high (Katke, 2007). Advertisement plays an effective role in developing brand awareness and positive attitudes among consumers (Briggs & Hollis, 1997). Online advertising creates a cost effective and on-going relationship with the consumers, by letting them to know about the product and services whenever and wherever they want to with the wish to purchase or repurchase (J Suresh Reddy, 2003). Comparison among the variety of products and services is possible with the advertisements published in the internet (VikasBondar, 2000).

According to the recent studies the internet has emerged as a domain for channel of sales. Online advertising is playing a vital role in changing the consumer buying behavior and their preferences and also create new forms of purchasing products (V.Kumar&Denish Shah, 2004). Online advertising, viz, online marketing is very much cost effective than the traditional form of advertising; marketing due to the use of the power of internet network and interactive media results in reaching the objectives of marketing (Scott F. Geld, 2003).

In case of online advertising, the consumers have a direct control on what the advertisement is, when, where and for how long the ad should be posted on so that they can have a regular update (Gallagher et. al., 2001). A prominent and positive relationship can be observed within the expectation of online consumers and effectiveness of online advertisement (Palanisamy& Wong, 2003). Online advertising has become the highest revenue generator for Google. In India, online advertising has been accepted as a medium for a wider industrial segment such as, automobiles, telecom, education, banking, insurance, credit cards, FMCG, apparels, durable goods, media, business, services, tourism (Neelika Arora, 2004). The long term success of a website often depends upon the ability of it to balance the fundamental and frequently conflicting needs i.e., the need to sell ad space on the site to make money and the need to keep the users satisfied for their continuous visit to the sites (Christian Rohrex& John Bod, 2004).

According to the study done by Nicholas Ind, Maria Chiara Riondino, 2001; the web is both a distribution and a communication channel which results in facilitating the interaction community building, openness and comparability of the advertisement. Thus the branding of the product is emphasized by the online ads. Online advertising is very much interactive in nature emerging as a strong advantage for the marketers which provide new and virtually limitless opportunities to reach the new as well as the existing audiences (Robin Farewell, 1998). The majority of marketers prefer online medium for advertisement as it facilitates the advertisers to focus how well their advertisement is doing on a daily basis.

Along with the focus on the status update of the ads online on daily basis, web banners have an important space. Advertising on the web was preferred as sorted banner advertisement which was also termed as target advertisement (Hoffman & Novak, 1996). The banner advertisement was specified as a rectangular graphic image that is linked to a target advertisement which serve as a lead-in for surfing and collecting information to the viewers. At the initiation of online advertising, banners added attraction for the viewer and the online marketing decisions count on its effectiveness (Bhat et. al., 2002). Response of the consumer towards the online advertising is as similar to the traditional advertising as per the empirical study done (Novak & Hoffman, 1996). Focus of consumer on online advertising is as similar to the traditional media except that online advertising seems to be easier to be avoided (Dre`ze&Hussherr, 1999). One of the new emerging niche is online advertising with some peculiar creative capabilities and constraints and also is as preferred as radio and television advertising (Caroline Cartellieri et.al.).

Online advertising can be considered as a valid option to traditional media and the reach and frequency acts as the standard measures for evaluating the effectiveness of online advertising (Dreze, 1998). The attention of the online consumers can be retained longer with the multimedia concept of the web which expose to more entertaining and exciting (Ghose & Duo, 1998). The most important barrier for online advertising acts to be the no proof of ROI or other effectiveness measure (Bush & Harris, 1998). Online advertising equips the marketers with powerful weapons of communication which plays a vital role in creating an effective branding conveyance. The information and data can be displayed in a number of ways such as text, images, videos, and sound and thus results to be a flexible medium. The businesses are shifting to the online or virtual business as the marketing strategy are changing with the new trends of technology, intending to focus on online advertising. According to Rochet & Tirole, 2003; Anderson & Gabszewicz, 2005; "online advertising is termed as Two-Sided Market", as the advertising generally is termed. Online advertising started in the year 1994 with the sale of a banner ad to At&t done by HotWired, a web magazine by displaying the ad on its webpage (Kaye & Medoff, 2001). As per the research done by Berthon, Pitt and Watson, 1996; five advantages of online advertising are suggested on the basis of virtual flea market for a website as well as the metaphor of electronic trade show are (i) Awareness efficiency, (ii) Locatability, (iii) Contact efficiency, (iv) Conversion efficiency and (v) Retention efficiency. The entertainment and information in online advertising are positively correlated to the perceived value of ad and irritation is negatively affiliated (Ducoffe's, 1996).

Objectives of the Study

To study the Effectiveness of Online advertising.

### Methodology:-

The study focuses on the effectiveness of Online advertising towards the consumers. It is vital to collect primary data to interpret and understand the study.

The data of the study were collected with the help of questionnaire from five different areas of Odisha namely; Bhubaneswar, Berhampur, Cuttack, Rourkela and Sambalpur consumers. The customer segments are done on the basis of the age groups which has been considered as an independent variable. Different factors associated with online advertising has been considered to be a dependent variable. The methodology used is Goodman Kruskal Lambda. Goodman's lambda indicates a measure between two variables that are measured on nominal scale, i.e., each variable with 2 or more categories. The value of lambda lies between 0 and +1. A zero lambda value indicates that the predictor variable is of no use in predicting the dependent variable and that both dependent and predictor variables are independent of each other.

- ❖ The lambda signifies the degree of relationship between two nominal-scaled variables and enables to measure how much the predictability of dependent variable will improve by knowing the value of independent variables.
- ❖ The lambda value can be compared with each other to make a meaningful interpretation.
- ❖ Even in situation where it is not known anything about what should be the dependent variable and independent variable, the lambda can still be effectively computed. This type of lambda indicates as symmetric which is used to find out the mutual predictability.
- ❖ The formula involved to interpret the data is as follows;
 
$$\text{Pre} = \frac{\text{error without independent variable} - \text{error with independent variable}}{\text{error without independent variable}}$$

The other frame of calculation refers to the formula, i.e.,

$$\text{Lambda, } \lambda = \frac{A - M_{dv}}{N - M_{dv}}$$

The factors that are considered for the base of the effectiveness are as follows:

- ❖ Entertaining: Refers to a delightful, enjoyable, pleasing advertisement which attracts the individual to have a view.
- ❖ Intensity: Forceful content of the advertisement that creates an impact on the individuals.
- ❖ Informative: Advertisement which provides useful or intensifying information leading to enlighten the consumers.
- ❖ Reliability: The quality of being trustworthy or performing consistently well, one of the specification for advertisement.
- ❖ Economic: Can be termed as affordable and less costly or can be said to be in budget with qualitative item.
- ❖ Annoyance: Some advertisement that irritates or creates inconvenience and loses its value.
- ❖ Trustworthiness: Advertisement having the ability to be relied on as honest or truthful.
- ❖ Credibility: Having the quality of being believable, convincing and even valuable.

- ❖ Accessibility: The ability to be able to reach and enter with being easy to obtain or use having good understanding and appreciation.
- ❖ Feasibility: The state or degree of being easily or conveniently carried out and be sensible while presented.

**Table 1:-** Factors of effectiveness

Factors	Below 18	18-25	25-40	40-65	Above 65	Total
Entertaining	15	20	11	7	3	56
Intensity	22	26	28	6	2	84
Informative	3	28	27	8	4	70
Reliability	9	30	24	5	1	69
Economic	2	24	30	12	5	73
Annoyance	1	7	8	20	24	60
Trustworthiness	22	28	22	10	3	85
Credibility	19	22	21	7	3	72
Accessibility	24	28	23	13	4	92
Feasibility	23	26	24	11	5	89
<b>Total</b>	140	239	218	99	54	750

**Table 2:-** Goodman's Lambda Analysis

Age		Age		Factor		
Error(without)	658		92		239	
	116	$M_{dv}$	24	$M_{dv}$	24	20
	209		30		30	28
	188		30		30	28
	79		20		20	30
	30		24		24	30
Errors(with)	622	$A_{vii}$	128	$A_{vii}$	128	24
						28
$\Lambda$	0.054711	$\lambda$	0.054711			22
						28
						26
						264
				Lambda, $\lambda$	0.048924	

**Findings:-**

The lambda value of 0.055 indicates a very less association between the Age-groups and the factors associated with online advertising. 0.05 is the level of statistical significance of Lambda obtained. The result can be interpreted that minimal or no improvement is required and can be said that the predictor variable is somewhat of no use in predicting the dependent variable and that both dependent and independent variables are somewhat independent of each other and thus prediction can be done independently.

**Conclusion:-**

The effectiveness of Online Advertisement is there which is not necessary to club with the age groups. All are independent. Any of the factor can persuade individuals with no distinctive barriers. As strong the effectiveness of online advertising, as more will be the purchase and accordingly be the relation between E-Commerce and advertisement.

Thus, advertisement can be termed as an infotainment which is very intense, accessible, feasible and reliable as well by creating its own credibility with being economic and stands up to be trustworthy by avoiding negativity which may lead to annoyance.

**Reference:-**

1. Arora N, (2004), "Trends in Online Advertising"; *Advertising Express*, Dec
2. Bhat S., Bevans M. and Sengupta S., 2002, "Measuring Users' Web Activity To Evaluate And Enhance Advertising Effectiveness"; (*Journal of Advertising*) Vol. (31)3, pp.: 97-106.
3. BondarVikas, (2000), "Discuss how sales and marketing strategies have changed as a result of developing technology. What changes have occurred in advertising with the development of computer technology? How has developing technology expanded the marketplace for both businesses and consumers?"; *Focus discipline projects business*, ESL 91, Spring
4. Boudreau, M & Watson, R.T., (2006), "Internet advertising strategy alignment"; *Internet research* 16(1), pp.: 23-37.
5. Briggs, R & Halls, N., (1997), "Advertising on the Web: Is there response before click-through?"; *Journal of Advertising Research* 37(2), pp.: 33-45.
6. Bush Alan, Bush Victoria, and Harris Sharon, (1998), "Advertiser perceptions of the internet as a marketing communications tool"; *Journal of Advertising Research* 38(2), 17-28.
7. Cartellieri Caroline, Parsons Andrew J. , Rao Varsha , Zeisser Michael P., "The real impact of Internet advertising Competition on Price, Quality, and Distribution"; *Marketing Science*, 19 (1)
8. Christian Rohrex and John Boyd, (2004), "Ads that work on the Web".
9. Dreze, X. and F-X. Husherr, (2003), "Internet advertising: Is anybody watching?"; *Journal of Interactive Marketing*, 17 (3), pp.8-23
10. Ducoffe, Robert H., (1996), "Advertising Value and Advertising on the Web"; *Journal of Advertising Research*, 36(5), pp.: 21-35.
11. Gabszewicz, J.J. and X.Y. Wauthy (2004), "Two-Sided Markets and Competition with Multihoming"; *Mimeo, CORE*.
12. Gallanger, Foster K, K.D. and Parsons, J, (2001) "The Medium Is Not The message: Advertising Effectiveness and Control Evaluation in Print and on Web"; *Journal of advertising Research*, Vol. (41) 4, pp57-70.
13. Geld Scott F., (2003), "Cost savings between Traditional marketing and Internet Marketing", *Marketing Blaster.com*
14. Ghose, S., & Dou, W. (1998). "Interactivity functions and their impacts on the appeal of Internet presence sites"; *Journal of Advertising Research*, 38(3) March/ April, pp.:29-43.
15. Hoffman, D. & Novak, T., (1996). "Marketing in hypermedia computer-mediated environments: Conceptual foundations"; *Journal of Marketing* 60(3) Jul, pp.: 50-68.
16. Ind Nicholas, Riondino Maria Chiara, (2001), "Branding on the Web: A real Revolution?"; *Journal of Brand Management*, Vol.9, No.1, p.8-19 September 2001.
17. Katke, K. (2007); "The Impact of Television Advertising on Child Health & Family Spending"; *International Marketing Conference on Marketing & Society*. Retrieved on Dated: 10-04-2009 from <http://www.itu.int/ITUD/ict/newslog/content/binary/20-2008.jpg>.
18. Kaye, Barbara K., and Norman Medoff, (2001). "Just a Click Away: Advertising on the Internet"; *Massachusetts: Allyn and Bacon*.
19. Kumar V. and Shah Denish, (2004), "Pushing and Pulling on the Internet"; *Marketing research*, Spring.
20. Norris V. P., (1984), "The economic effects of advertising: a review of the literature"; *Current Issues and Research in Advertising*, 23(2), pp.: 130-143.
21. Palanisamy, R. and Wong S.A, (2003), "Impact of Online Consumer characteristics on Web-based Banner Advertising Effectiveness"; *Global Journal of Flexible Systems Management*, Vol. ( 4)1 and 2, pp15-25.
22. Reddy J Suresh, (2003) "Impact of E-commerce on marketing", *Indian Journal of Marketing*, May, vol xxxiii, No.5.
23. Robin Farewell, (2008) "Web banner ads fit in new marketing mix", *Business Journal Serving Southern Tier, CNY*, 11/09/98, Vol.12 issue 23, p27
24. Rochet, Jean-Charles, and Tirole Jean. (2003) "Platform Competition in Two-Sided Markets"; *Journal of the European Economic Association*, 1(4), pp.: 990-1029.
25. Strauss, J. Ad Frost, R, (2001) "E-Marketing". *New Jersey: prentice-hall*.
26. Source: <http://techcircle.vccircle.com/2013/02/01/2013-india-internet-outlook/>
27. Israel, D.: "Data Analysis in Business Research"