



**THE EFFECT OF ONLINE ADVERTISING ON CONSUMER BUYING BEHAVIOUR – A STUDY IN
AND AROUND INDORE.**

DR. VIVEK SAPRU

Associate Professor
Amity Global Business School
Email: vsapru@idr.amity.edu

ABSTRACT

In today's digital era, internet is the most sought-after medium used by advertisers. The biggest reason for it besides being cost effective, is the absence of geographical barriers. Marketers are using the 'internet' to advertise their products. This survey has been undertaken to appraise the perception of male and female respondents on how the internet advertising affects consumer buying behaviour. The study also reviewed the effectiveness of the online advertisements on males and females, to buy product through recall and remembrance of Internet advertisement and their reaction towards online advertisements. The data for this research is collected from 195 respondents, out of which there were 97 males and 98 females. A structured questionnaire, based on the prior literatures, was constructed, and applied for primary data gathering. The survey reports that perception of the two genders on the efficacy of the online advertisements on consumer buying behaviour were similar. With other demographics such as their age, education, occupation, and income, besides education, perceptions of the respondents did not have much statistical significance. They all in principle agreed that online advertising has had a direct effect on their purchases online. The difference of opinion occurred only between graduate and postgraduate respondents.

Key Words: Buying Behaviour, Consumer Behaviour, Digital Marketing, e-Marketing, Internet Advertising, Online Advertising

Introduction

Advertising is the most glamorous element of marketing mix. Advertising defined by American Marketing Association (AMA) as, "any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor". Advertising is a compelling and vibrant marketing instrument which helps marketers create demand for their goods, services, images, and ideas. Advertising acts as a stimulant in the purchase activity of people. "Advertising is considered as a major and important element in the economic growth of the marketers and different companies in competition" [10].

Advertising reaches to the selected target audience through a channel of communication referred to as a medium. However, with the increasing development in information technology, the internet, has become another fascinating advertising media generally used by advertisers to communicate messages to current and prospective consumers ⁽²⁾. Out of all the available media, internet has become the most powerful source that manages to expand more and more. Advertising influences audiences be it through print, broadcast, or others, but the internet does not only influence the individual's mindset but also his behaviour and lifestyle⁽⁹⁾. The advertisers are attracted to use this medium

as it is more constructive source to bring in consumers. The consumers can see the variety, compare the prices, decide to buy it instantly, or keep it in the wish list for future purchase.

e-Commerce market in India has experienced an exponential growth with the development in the internet and online infrastructure. The government of India, in 2014, announced many initiatives, one of them being *Digital India*. "The Indian eCommerce market is expected to grow from 3550.70 Billion Indian Rupee to 10494.38 Billion Indian Rupees by 2024, compound annual growth rate (CAGR) of ~18.15% in which the online retail market is expected to dominate the e-commerce market in India and reach a value of 4289.64 Billion Indian Rupees, expanding at a CAGR of ~20.22%" ⁽¹⁷⁾.

As of January 2020, the digital population of India has reached 687.6 million and active eCommerce penetration has reached a phenomenal 74% ⁽¹⁶⁾. "The internet users as of the recent research on consumer behaviour, can be conspicuously categorised into four distinctive factions based on their intentions and motivations viz. Exploration; Entertainment; Shopping, and Information". ⁽⁴⁾

Buying behaviour is the process of decisions taken by the consumer pre, during and after the purchase is done. "Consumer behaviour is the study of the processes involved when an individual or groups select, purchase and use, or dispose of merchandise, services, ideas, or experiences to satisfy needs and desires" ⁽¹¹⁾. It is the behaviour of the ultimate user of the product, be it a tangible or intangible. Marketers and academic researchers study this stream to understand

factors influencing their shopping preferences in selecting products.

Literature Review

The advertising strategy planned on this digital platform is referred as *online advertising*, where marketers deliver their promotional messages using the digital medium. Internet users, using computers and smart phones, receive these marketing messages through emails, text messages, or are exposed to them while surfing the internet or using phone applications. According to Ducoffe (1996) "internet advertising was perceived to be edifying, entertaining, useful, valuable and important". Tutaj and Reijmersdal (2012) defined "online advertising as a promotional tool that uses the internet and worldwide web to deliver marketing messages to attract customers". According to Ha (2017), "online advertising is placing deliberate messages on third-party web sites, including search engines and directories available through internet access."

Singh and Dalaal (1999) explained that "an online advertisement is different from a conventional advertisement in many ways, for example it is available to the consumer on-demand at any time of the day, and a surfer may as well visit a web site from any place". "Consumers have direct control over web-based advertisements on what ads, when, where, and how long they would like to see them" (Gallagher et. al., 2001). Forting and Dholakia in their article in *Journal of Business Research* (2005) assessed the effects of different levels of interactivity and brilliance of an advert on attitudes and behavioural intentions within a web-based advertisement.

Burns and Lutz (2006) in their research found, "consumers to have different

attitudes to different online ad formats. Their study examines six distinct online ad formats commonly used in the industry: banners, floating ads, large rectangles, interstitials, skyscrapers, and pop-ups. Banners are horizontal, rectangular shaped graphical elements found on a web page. Pop up ads open another window over the user's browser. They can only be removed from the screen by closing or minimizing the window. Skyscrapers are vertically located on the margins of a web page. Rectangle ads placed within the copy of the web page. Floating ads combine Flash and Dynamic Hypertext mark-up language to create a layer over the web page with animation. Interstitials are presented automatically to users when they move between two content pages. Once the requested page loads, the interstitial disappears".

According to Kotwal (2008) "A major advantage of online advertising is the ability to gain a broad audience for a fraction of what it would cost in traditional advertising. Another beneficial portion of online advertising is the ability to measure statistics easily, accurately, and inexpensively. Analysing online advertising campaigns have become somewhat of a science, as there are so many ways to trace, measure and test results. These analytics make it lots more comfortable to optimize online advertising campaigns and estimate return on investment".

Ashraf and Alkubise (2012), delved into the factors contributing to the success of online communications and ability to influence consumer buying intent from the viewpoint of developing countries. Their theoretical model is centred on five dimensions, empirically analyses the

influence of online adverts on purchase objectives. They are *Income, Internet Skills, Internet Usage Per Day, Advertisement Content* and *Advertisement Location*. Along with these five factors, two significant findings surfaced: first, the language in which the website is made plays key role and second the influence of other people opinions on the effectiveness of online communications. The internet users cannot avoid getting exposed to these online adverts, and if they close these advertisements, they must see them. This forced viewing disrupts their visual process.⁽¹⁾

Salem et al., (2016) showed in their study that value of the advertising on the internet platform depends completely on its informativeness, credibility and entertainment value. Consumers attitude towards online advertising primarily gets affected by its integrity. In the end, the study showed attitude playing an intermediating role between alleged advertising value and purchase intent.

Objective of the Research

1. To establish, as a promotional tool, the significance of online advertising.
2. To establish the effectiveness of online advertising on consumers' buying behaviour.

Research Methodology

The present investigation is an exploratory study. A sample size was of 195 respondents, 97 males and 98 females, drawn using convenience sampling method. The respondents were classified into two segments viz. male and female. All respondents were exposed to online advertisements and had done online shopping. A non-disguised structured questionnaire, containing statements measured on 5-points Likert Scale, was

applied in collection of the primary data. The questionnaire was tested for reliability on Cronbach's Alpha test. The r value for the 20 items in the questionnaire came to 0.897 signifying a high level of internal

Conclusions and Recommendations

The study stipulated a thorough and conclusive inference about online advertising's influence on buying behaviour of Indore consumers. The researcher found that the internet users have analogous perception towards the impact of online advertisements have on the buying behaviour of consumers. Study established that there is no doubt about the efficacy of on reach online advertising and creation of awareness. Majority of the respondents agreed to the statement and had positive stance towards online advertising which is a good marker for the marketers. The findings of the study strengthen that online adverts are identified by the internet users as a key source of information on available products in the market. The present era is of digitisation, where from groceries to durables, all are available online. Online promotional advert is an effective route for marketers to attract customers to the products they offer. The study recognised that online advertising has considerable link in conjunction with consumers' buying decisions. The conclusions, the study strengthen the status of internet advertising as a key influencer in the purchase decision of the customers. Online advertising extends increased awareness about companies, a simple and easy way to deliver information, enhanced systems of pursuing targeted consumers at lowered costs in accomplishing these chores.

References:

- [1]Aasma, Jaafri, Raja, & Shahzad. (2013) "Factors Affecting Attitude towards Web Advertising - A Scenario of University Student in Pakistan" Vol.2 (No.2)
- [2]Ashraf, B.M., & Mohammed, A. (2012). How Online Advertisements Do Affect Consumer Purchasing Intention: Empirical Evidence from a Developing Country. *European Journal of Business and Management*, 4(7), 208-218.
- [3]Burns, Kelli S. & Richard L. Lutz (2006), "The Function of Format: Consumer Responses to Six Online Advertising Formats," *Journal of Advertising*, 35(1), 53-64.
- [4]Cotte J., Chowdhury T.G., Ratneshwar S., & Ricci L.M. (2006). *Journal of Interactive Marketing* 20 (1), 45-57
- [5]Ducoffe R.H. (1996). Advertising Value and Advertising on the Web. *Journal of Advertising Research*. 36:21-35
- [6]Gallagher, Katherine; Dale K. Foster, & Jeffrey Parsons (2001). "The Medium is Not the Message: Advertising Effectiveness and Content Evaluation in Print and on the Web," *Journal of Advertising Research*, 41(4), 57-70.
- [7]Ha Louisa. (2012). Online Advertising Research in Advertising Journals: A Review. *Journal of Current Issues & Research in Advertising*. 30. 10.1080/10641734.2008.10505236.
- [8]Kotwal N., Gupta N. & Devi A. (2008). Impact of TV Advertisements on Buying Pattern of Adolescent Girls, *Journal of Social sciences*, vol. 16 no. 1
- [9]Latif, Abdul, Saleem, Salman, Abideen & Zain, (2011). Influence of Role Model on Pakistani Urban Teenager's Purchase Behaviour. *European Journal of*

Economics, Finance and Administrative Sciences 31, 7-16

[10] Ryans C. (1996). Consumer Resources. *Journal of Small Business Management*. 63-65

[11] Salem B., Che M., & Mohamad B., (2016). Asia Impacts of Online Banner Advertisement on Consumers' Purchase Intention: A Theoretical Framework. *Asia Pacific Journal of Education, Arts and Sciences* 3 (1) 75

[12] Singh Surendra & Dalal Nikunj. (1999). Web Home Pages as Advertisements. *Commun. ACM*. 42. 91-98. 10.1145/310930.310978.

[13] Tutaj K., & Van Reijmersdal E.A., (2012). Effects of Online Advertising Format and Persuasion Knowledge on Audience Reactions. *Journal of Marketing communications*. 47-73

[14] <https://www.ibef.org/industry/ecommerce.aspx>

[15] <https://www.researchandmarkets.com/reports/5013097/e-commerce-market-in-India-2019>

[16] <https://www.statista.com/statistics/792047/india-e-commerce-market-size/>

[17] <https://www.statista.com/topics/2157/internet-usage-in-India/>

List of Graph:

1. Indian e-commerce market size - 2014 to 2017 with forecasts until 2025

List of Tables:

1. Reliability Statistics
2. Group Statistics - H₀₁
3. Independent Sample Test - H₀₁
4. One Way Anova Descriptive - H₀₂
5. Anova Statistics - H₀₂
6. One Way Anova Descriptive - H₀₃
7. Anova Statistics - H₀₃
8. Tuket HSD - Multiple Comparison - H₀₃
9. One Way Anova Descriptive - H₀₄
10. Anova Statistics - H₀₄
11. One Way Anova Descriptive - H₀₅
12. Anova Statistics - H₀₅

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.897	.897	20

Table 1: Reliability Statistics

consistency for the scale with this specific sample. The secondary data, the sources were online research journals, websites of research institutions, and other internet sources.

Data Analyses and Findings

H₀₁ - *There is no significance difference in perceptions toward the effect of online advertisement on consumers' buying behaviour between male and female.*

Gender	N	Mean	Std. Deviation	Std. Error Mean
--------	---	------	----------------	-----------------

Mean	Male	97	3.8335	.56553	.05742
	Female	98	3.7031	.51201	.05172

Table 2: Group Statistics

From Table 2, it can be seen that the mean for males almost same as mean for females.

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Mean	Equal variances assumed	.334	.564	1.689	193	.093	.13044	.07724	-.02190	.28279
	Equal variances not assumed			1.688	190.719	.093	.13044	.07728	-.02199	.28288

Table 3: Independent Samples Test

Referring Table 3, p value $0.564 > 0.05$ for Levene's Test for Equality of Variances, implies variances are equal, Hence for t test p value of $0.093 > 0.05$ (equal variances assumed) H_{01} is not rejected, which mean that males and females have no significant difference in perceptions toward online advertisement on consumers' buying behaviour between male and female.

H_{02} - *There is no significance difference in perceptions toward the effect of online advertisement on consumers' buying behaviour between different age groups.*

Age Group	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
15-20	127	3.7614	.50337	.04467	3.6730	3.8498	2.05	4.80
20-30	47	3.7894	.57379	.08370	3.6209	3.9578	2.20	4.60
30-40	21	3.7595	.70225	.15324	3.4399	4.0792	2.00	4.50
Total	195	3.7679	.54187	.03880	3.6914	3.8445	2.00	4.80

Table 4: One-way Anova Descriptive

From the above Table 4, it can be noted that respondents of all age groups have almost similar perception.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.028	2	.014	.048	.953
Within Groups	56.934	192	.297		
Total	56.962	194			

Table 5: Anova Statistics

Referring the above Table 5, p value $0.953 > 0.05$, H_{02} is not rejected, implying that no significant difference in perception toward the effect of online advertisement on consumer's buying behaviour for different age groups has been found.

H_{03} - *There is no significance difference in perceptions toward online advertisement on consumers' buying behaviour for different education level.*

Education	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
High School	39	3.7051	.51832	.08300	3.5371	3.8731	2.00	4.40
Graduate	70	3.9193	.52387	.06261	3.7944	4.0442	2.20	4.80
Postgraduate	86	3.6733	.54545	.05882	3.5563	3.7902	2.05	4.60
Total	195	3.7679	.54187	.03880	3.6914	3.8445	2.00	4.80

Table 6: One-way Anova Descriptive

From the above Table 6, it is noted that respondents of different education level considered have different perception.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.528	2	1.264	4.459	.013
Within Groups	54.434	192	.284		
Total	56.962	194			

Table 7: Anova Statistics

Refer the above Table 7, which shows the p value $0.013 < 0.05$, that means H_{03} is rejected implying that there is statistically significant difference in perceptions toward online advertisement on consumers' buying behaviour for different education level.

(I) Education	(J) Education	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound

High School	Graduate	-.21416	.10639	.112	-.4655	.0371
	Postgraduate	.03187	.10279	.948	-.2109	.2747
Graduate	High School	.21416	.10639	.112	-.0371	.4655
	Postgraduate	.24603*	.08571	.013	.0436	.4485
Postgraduate	High School	-.03187	.10279	.948	-.2747	.2109
	Graduate	-.24603*	.08571	.013	-.4485	-.0436

Table 8: Tukey HSD - Multiple Comparison * The mean difference is significant at the 0.05 level.

Further to the rejection of the H_{03} hypothesis, Tukey post hoc test was applied. The results of one-way ANOVA found a statistically significant difference between groups as p value $0.013 < 0.05$ (refer Table 8). Whereas, the Tukey post hoc test revealed, the opposite, that there was no statistically significant difference between respondents finishing only high school and those who are graduates; and respondents finishing only high school and those who are Postgraduates, but there is significant difference between the acuities of graduate and postgraduate respondents. Thus, the study infers that education level graduate and postgraduate were significant.

H₀₄: *There is no significance difference in perceptions toward online advertisement on consumers' buying behaviour for different occupation.*

Occupation	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Student	103	3.7316	.55311	.05450	3.6235	3.8397	2.05	4.50
Service	60	3.8100	.46119	.05954	3.6909	3.9291	2.20	4.60
Business	29	3.8241	.64733	.12021	3.5779	4.0704	2.00	4.80
Professional	3	3.6333	.73711	.42557	1.8022	5.4644	2.80	4.20
Total	195	3.7679	.54187	.03880	3.6914	3.8445	2.00	4.80

Table 9: One-way Anova Descriptive

From the above table number 9, it is noted that respondents of all occupation groups considered have almost equal perception.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.388	3	.129	.437	.727

Within Groups	56.574	191	.296		
Total	56.962	194			

Table 10: Anova Statistics

Table number 10 shows that the p value $0.727 > 0.05$, H_{04} is not rejected, implying that there is no significant difference in perceptions toward online advertisement on consumers' buying behaviour for diverse occupation groups.

H_{05} - *There is no significance difference in perceptions toward online advertisement on consumers' buying behaviour for different income groups.*

Income	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
< 25000	109	3.5615	.51808	.04962	3.6631	3.8598	2.05	4.50
25000-50000	26	3.5519	.81492	.15982	3.2228	3.8811	2.00	4.80
50001-75000	47	3.8394	.40966	.05975	3.7191	3.9596	2.60	4.60
> 75000	13	3.9962	.35559	.09862	3.7813	4.2110	3.30	4.55
Total	195	3.7679	.54187	.03880	3.6914	3.8445	2.00	4.80

Table 11: One-way Anova Descriptive

From the above Table 11, it is noted that respondents of different income groups considered to have different perception. Still it can be seen clearly, despite means being very close to each other, the respondents with income less than 50000 have means on the lower side than of the respondents with higher income.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.135	3	.712	2.479	.063
Within Groups	54.828	191	.287		
Total	56.962	194			

Table 12: Anova Statistics

Referring Table 12, the p value $0.63 > 0.05$, thus H_{05} is not rejected, implying that there is no significant difference in perception toward online advertising on buying behaviour of consumers for different income strata.

Graph 1: Source: statista.com

