



## IMPACT OF ONLINE ADVERTISING ON CONSUMERS

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### **Abstract**

*In the recent times there is a rapid development in technology and which is becoming an inevitable part of our life. The multiple ranges of online advertisements are increasing drastically due to globalised economy. Business organizations are spending more on online advertisement than manufacturing the products. Understanding the factors that influence online advertisement effectiveness is very important than manufacturing the products. They are interested to make Internet advertising more like television advertising, social media, digital media and they want to make it better than TV advertising, all visuals impact of traditional broadcast with the additional value of interactivity. The goal of advertisers is to make their ads more involving. Interactive advertising which allows customers to become more involved because they initiate many actions. Experiences during this interaction will drive brand attitudes. The purpose of this study is to focus on overview and significance of online advertising and explore how online advertisements are attracting the consumers for purchase decisions.*

**Keywords:** *Online Advertisement, Digital Media, Social Media*

### **Introduction**

Advertising is one of the important functions marketing. Advertising is derived from the Latin work, “Advert ere<sup>1</sup>” which means “to turn the attention”. According to American Marketing Association<sup>2</sup> “AMA”, advertising defined as any paid form of non-person presentation and promotion of ideas, goods and services through an identified sponsored”. Advertising is used as a weapon by the marketer to give communication to the consumers and customers and to influence their mind to purchase the products which were being advertised. Online based advertisement business utilized electronic commerce (EC) instruments to build advertising procedure, set up client connections, speculations on commercial and consumer buying behavior results in potential market division. Similarly, online based advertising incorporate relevant advertisements on inspect banner promotions, rich media advertisements, informal community promoting, online grouped publicizing, and showcasing email like spam. To the extent, online based promoting correspondence offers, numerous chances to improve the buying behavior capability and enhances item material accessibility or administration data, qualifying direct multi-trademark assessments, and decreasing the customer costs. Additionally, in internet publicizing market components like security, protection and purchaser recognitions are essential in influencing buyer's choice. Though buyers might manage remote salespersons, they have never met and items that can't be touched and felt. Likewise, purchasers have a tendency to be unwilling to lead organizations construct just with respect to the data given by electronic commerce shippers in market because some data is not dependable.

### **Review of literature**

Online advertisement reaches the target audience very easily. In this study, the effectiveness of online advertising and also online shoppers is discussed elaborately. In this technological period, people of all age group have access to internet. The trend of physical shopping is slowly reducing in this online shopping revolution (Loudon, K. C et al 2010). Most human values have opposing elements - this refers to the distinction between the desired (cultural values) and the desirable (cultural practices) (De Moil, 2013). Hosted measured individual behavioral preference, which is the desired aspect of cultural values; the statements about the desired values do not necessarily correspond to the way people behave in reality and the actual practices in a society (Hosted et al., 2010; De Moil,



2013). The research by Fischer (2006) provides evidence of a discrepancy between values and practices as he found very little overlap (7.84%) between seven of Schwartz's cultural values and practices scales. A 2011 survey reports revealed that consumers spend around 33% of their time online. In view of this, the Internet has turned out to be a significant channel that companies and businesses use to reach out to consumers which invariably has led to the advent of online advertising. More so, compared with the traditional, online advertising is the only advertising permitting for an instant feed-back on the effectiveness of a marketing campaign and real time changes. Statistics show that the number of users of the web in Jordan doubled three times to reach 1.7418 million in 2010. The internet users encourage marketing companies to develop their marketing strategy to improve the purchasing and spending time in between the internet. The online advertisement is a major key factor in online marketing (Clark, 2002). This research seeks to justify the exploring factors and impact of online advertisement among online customers; especially this chapter describes the detailed view of online advertisement with various angles using different literatures. Also this chapter aims at exploring detailed information on major domains of the dissertation topic by reviewing past research, books and related articles. Modern studies and past theories concerning these domains are presented. These theories will be the foundation for the dissertation.

### **Objectives of the study**

1. To study an overview and impact of online advertising on consumers
2. To know the significance of online advertisements

### **Evolution of Online Advertisements**

With an expanding rate of the shopper demographics picking to shop on the web, online advertising is presently a multi-billion dollar industry. This outlook change, nevertheless, is a consequence of a vivid past. The first spam email to infuriate email proprietors was sent on May 3, 1978. The beneficiary rundown was 400 clients in length and was taken from the Arpanet registry. Arpanet, for the nerds within each one of us, stands for Advanced Research Projects Agency Network. It is thought to be the antecedent to what we now know as Internet. Broadly known as the "main web", it was utilized as a very secure medium for data stream amongst colleges and research focuses over the globe. The initial four hubs that were associated with this system were situated at UCLA, UC Santa Barbara, University of Utah and Stanford Research Institute. Swerving back to the subject, the maker of the primary spam email commercial at any point to hit the inbox was Gary Turk, otherwise called the father of spam, not an exceptionally motivating title. He was a promoting director at the Digital Equipment Corporation. In spite of the fact that DEC had a solid awareness in the east coast, considering the way that it was an East Coast based enterprise, the email was an endeavor to achieve the West Coast mechanical fans. In particular, the email was a solicitation to West Coast clients to an item exhibition of the then new Decsystem-20 by Digital (. In the year 1980 when Usenet, which was an online dialog discussion where individuals could post messages on new groups, was made, it used to get overwhelmed with new posts, however after the spam and mass informing, individuals where conveying immense number of messages. Online advertising can also be said as web advertising or internet advertising which is the form of marketing. The main audiences for these advertisements are those who surf and use internet for their needs. Through online advertising, it is possible for the online customers to know about the promotional marketing. Consumers who surf internet consider online advertising as the wanted distraction that have few benefits and sometimes ad blocking may be used for certain reasons. Online advertising like search engine marketing, email marketing, social media marketing and display advertising like web banner advertising, mobile advertising and more are done. Like any other medium of advertising medium, online advertising also involves both the publisher who advertises using online content and the one who provides the advertisements which will be advertised or displayed on the publisher's content. There has been an enormous increase in Internet infiltration in India amid the previous 10 years, things for which there was an entire day put should now be possible in few ticks in Internet. Taking a look at the massive open door, organizations have made this a decent stage to promote.

### **Types of online Advertisements**

1. Display Advertising.
2. Affiliate marketing.



3. Content Marketing.
4. Mobile advertising.
5. Social network.
6. Search engine advertising.
7. Commercial sites.
8. Pop up advertisements.



### **Advantages of Online Advertising**

Online advertisement helps to target the market of specific interests and to access information. Through online advertising messages can be delivered quickly in an instant to all places. Because of the global approach, messages become more exposed and this is why online advertisement is more successful. In this electronic atmosphere, marketers are looking for new possibilities which can be performed with traditional marketing strategies. Jamal (1995) mentioned that the best media tools are offered by the internet to give information through the World Wide Web.

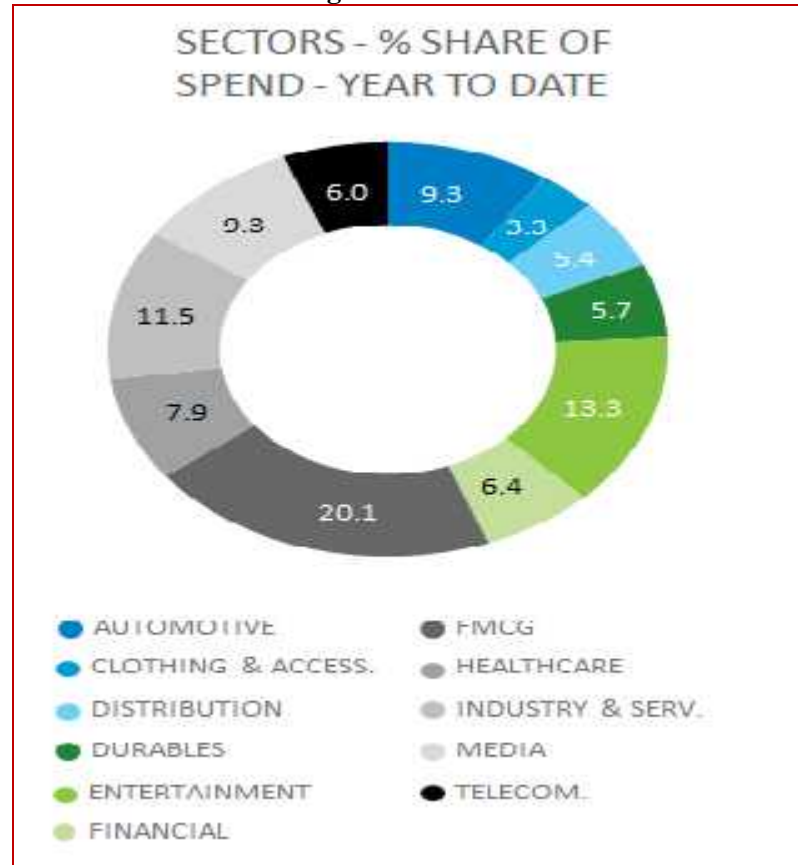
1. Less Expensive
2. Easy access
3. Wider Geographical Reach
4. No Rigorous Payment
5. Easy Result Measurement
6. More Targeted Audiences
7. Informative
8. Easy Audience Engagement
9. Better Branding
10. Geo targeting
11. Constant Exposure

### **Disadvantages of Online Advertising**

1. Customers Ignore Ads. ...
2. Technical Viewing Problems. ...
3. Expensive Ad Prices. ...
4. Consumers Get Distracted.
5. Poor Internet Connections
6. Too many choices



### Indian Online Advertising Sectors



### Concept of E-Commerce

E-commerce is justified from Oxford Dictionary in the year of 2012; every commercial transactions accompanied by electronically using Internet'. Another definition made by Financial Times (2012) as a buying and selling activity over the Internet. The concept of e-commerce is termed by buying, exchanging and selling of goods through an electronic medium (Internet) by businesses, consumers and other parties without any physical contact and exchange. 'The rise of these new information and communication technologies and of Internet users, has introduced a new marketing reality' (Xavier and Pereira, 2006). This new presence changes the relations between the players. Furthermore the business activities realized and controlled by Internet and because of the e-commerce business context. Then most companies can be seen as a complement. The significance of a superiority and competitive power has become foreground and organization understanding of competition has changed dramatically. Now a day, businesses use e-commerce channels to easily communicate with customers and to enhance the competitive advantage.

### Types of E-commerce

E-commerce has been divided into four categories considering the characteristics of the buying and selling parties.

1. Business to- business (B2B) – for integrating chain supplier and customer base.
2. Business to consumer (B2C) or consumer to consumer (C2C)- for online shopping.
3. Government to business (G2B) - for E-procurement.
4. Government to Consumer (G2C) – Government Online.



Transaction procedure for Business to consumer (B2C) is shown in following figure.



### Conclusion

The increased influence of the Internet, World Wide Web is becoming gradually a standard advertisement platform. The Web is offering different business advertisements world with more rich media tools, interactive services, and global reach. The need is to understand the target consumers and then prepare the strategies wisely in order to gain maximum out of this new medium. In the case of mass media, there are companies that measure the size of the audience per commercial message. However, the advertiser still does not know whether the receiver actually read the message or not. Refined measures and methods are being proposed for the Internet. The aim of advertising is to make the customer aware of the product, tell them the benefits of the product, promote trial and urge the consumer into action. The goals of online advertising are identical to traditional advertising. One of the goals of online advertising is to form positive attitudes of consumers toward the advertisement as well as the brand being advertised. This can inspire the customer to purchase the product. Also online advertising is aiming to increase brand awareness. Brands which are recalled easily have competitive advantage over the brands which are not easily recalled. This means there is a need for a positive attitude of the customer towards product and advertisement also. Thus it can be concluded that online advertisement has always a great impact on the purchasing behaviors of the consumers. At the same time ROI of the merchandise and premium are also admitted with their substantial impact on buying behavior of consumers and the online celebrity endorsement also matters in the purchase decision of the consumer.

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