



## A STUDY ON THE EFFECTIVENESS OF ONLINE ADVERTISING ON CONSUMER PURCHASE

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### **Abstract**

*With the rapid advancement of technology, the user base of the internet continues to expand, resulting in a surge in online users. This increase in internet users has transformed the internet into a significant platform for promotion through online advertising. Therefore, it becomes imperative to delve into the impact of online advertising on consumer purchasing behavior in the digital realm. Additionally, investigating the interplay between consumer behavior, subjective standards, attitudes, and interests in the context of online purchasing is crucial. Advertisers are driven to enhance the appeal of their ads, aiming for greater engagement. Interactive advertising, wherein customers initiate most of the action, fosters deeper customer involvement.*

**Keywords:** *Technology, Online Advertisement, Consumer Behavior, Consumer Purchase.*

### **Introduction**

In the contemporary digital landscape, online advertising assumes a pivotal role in molding consumer behavior and exerting influence over purchasing choices. The advent of the internet has brought about a transformative shift in how businesses promote their offerings, presenting a diverse toolkit and platforms for engaging potential clientele. As a consequence, comprehending the intricate interplay between online advertising and consumer behavior has emerged as a vital pursuit for marketers and advertisers aiming to establish meaningful connections with their desired audiences. Consumer behavior encompasses the intricate process through which individuals seek, select, acquire, utilize, and dispose of products and services to fulfill their wants and needs. This process is driven by an amalgamation of psychological, social, and cultural elements that guide the decision-making journey. Conversely, online advertising encompasses an expansive spectrum of digital marketing tactics, spanning from display ads and search engine marketing to social media campaigns, email outreach, influencer collaborations, and beyond. In the modern digital realm, online advertising has seamlessly woven itself into the fabric of consumer behavior. By leveraging its potential to precisely target audiences with content tailored to their preferences, and with an abundance of information readily accessible, online advertising molds perceptions, shapes preferences, and ultimately wields a decisive influence on purchase decisions. Thriving in today's fiercely competitive arena demands businesses to grasp the dynamics of online advertising, utilizing its potential to effectively engage with their intended consumer base.

### **Consumer Behavior**

The examination of individuals' and groups' actions and decision-making procedures as they engage in seeking, acquiring, utilizing, and discarding products, services, ideas, or experiences to fulfill their needs and wants constitutes the essence of consumer behavior. Profound comprehension of consumer behavior holds significant importance for businesses and marketers, serving as a cornerstone for formulating impactful marketing approaches, conceptualizing products aligned with consumer requirements, and cultivating gratifying customer interactions.



## **Review of Literature**

Kalia and Mishra (2016), have accepted that online ads are very effective. However, their findings have revealed other important aspects like online movable ads that include music, 7 graphics, and animations are very effective. Online ads only help consumers to know about the product. Because of trust issue, the most consumer prefers to buy through the official sites of the company instead of clicking on online ads. Njuguna Nguire Alvin (2017) has concluded that online advertising plays an important role to communicate, creating interest, and brand awareness among consumers. But some barriers are affecting online advertisement on consumer decision like a customer has an attitude and that attitude influences their mental place for a certain matter. Also consumers with different segments like age, place, and lifestyle have a significant impact on consumer buying behaviour. But the main thing is that online advertising is becoming a tool for consumer decisions. Anusha (2019), in her study, has found that internet advertising has a positive effect on consumer buying behaviour as it increases the awareness of the products. Moreover, it provides an advanced method to target the consumer with immediate effect. It also reduces the cost. One more finding is that there is a trust issue because of fraud and misconduct advertisements, yet consumers use the internet to find information about the products and visit internet advertising sites. Bhat, Shetty, and Maiya (2020) in their study have shown that when contrasted with the Traditional advertisement method, internet advertisement has become the most favored approach to target consumers. The internet offers a wide extent of confirmation, which is noteworthy for some different strategies for publicizing. Online commercials assist associations with anticipating the purchasing conduct of the customers. Given digitalization, the vast majority like to buy on the web, since it is simpler, quicker, and more convenient than the traditional technique. The majority of the consumers were affected by online advertisements.

## **Research Methodology**

This research draws upon a combination of primary and secondary data. The primary data collection was accomplished through a well-structured questionnaire, employing a convenience sampling method to select 128 respondents for the study. The secondary data were sourced from a variety of reference materials, including books, journals, research articles, magazines, and websites. The study's primary objectives encompass an exploration of the effectiveness of online advertising on consumer purchasing behavior, alongside a secondary objective to assess its impact on brand awareness. Additionally, the research seeks to identify the factors influencing the efficiency of online advertising and ascertain the relationship between online advertising and purchase decisions. The study's scope revolves around scrutinizing the effectiveness of personalized and precisely targeted online advertising a pivotal realm of investigation. The research scrutinizes how demographic, behavioral, and contextual targeting influence consumer engagement, conversion rates, and the overall triumph of advertising campaigns. It is important to acknowledge the limitations of this study. The sample size was relatively modest, comprising 128 participants, which potentially affects the research's overall reliability. The adoption of convenience sampling was necessitated by resource constraints, subsequently impacting the data's comprehensiveness. Furthermore, there were instances where participants declined to complete the questionnaire.



**Analysis**

**Percentage analysis**

**Table 1, Attention towards online advertisements**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	63	49.2	49.2	49.2
	No	12	9.4	9.4	58.6
	maybe	53	41.4	41.4	100
	Total	128	100	100	

**Inference:** As the table and chart shows nearly 50% of the respondents will pay attention to the online advertisement.

**Table 2,What do you think about online advertising?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Informative	51	39.8	39.8	39.8
	creates awareness	38	29.7	29.7	69.5
	Entertaining	21	16.4	16.4	85.9
	irritating	7	5.5	5.5	91.4
	Annoying	10	7.8	7.8	99.2
	waste of time	1	0.8	0.8	100
	Total	128	100	100	

**Inference:**As the table shows that 40% of the respondents thinks online advertising as informative.

**Table 3,Does online advertising affect your purchase decision?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	56	43.8	43.8	43.8
	No	35	27.3	27.3	71.1
	maybe	37	28.9	28.9	100
	Total	128	100	100	

**Inference:** As the table and chart shows 43% of the respondents are agreed that the online advertising affects the purchase decision.

**Table 4, How online advertisement makes you feel**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Pleasure	26	20.3	20.3	20.3
	Informative	65	50.8	50.8	71.1
	Irritating	10	7.8	7.8	78.9
	Annoying	14	10.9	10.9	89.8
	Diverting from the theme	13	10.2	10.2	100.0
	Total	128	100.0	100.0	

**Inference:** As the table and chart shows that 50% of the respondents have felt that online advertisement is informative.



**Table 5, Additional research or seek more information about a product or service after seeing an online advertisement**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	73	57	57	57
	No	20	15.6	15.6	72.7
	sometimes	35	27.3	27.3	100
	Total	128	100	100	

**Inference:** As the table and chart shows that 57% of respondents will conduct additional research or seek more information about a product or service after seeing an online advertisement.

**Correlation analysis**

Correlation analysis in research is a statistical method used to measure the strength of the linear relationship between two variables and compute their association. Simply put - correlation analysis calculates the level of change in one variable due to the change in the other.

To find out the significance relation between the frequency of brand remembrance and products seen through the past month.

**Ho:** There is no significance difference between frequency of brand remembrance and products seen through the past month.

**H1:** There is a significance difference between frequency brand remembrance and products seen through the past month.

**Inference:** From the above table, we find that the significant value is 0.043, which is less than table value 0.05, so the Null hypothesis is rejected and Alternative hypothesis is accepted.

Therefore, there is a significance difference between the purchase decision and gender of the people.

**Table 6, Correlations**

		what kind of products you have seen through online advertisements in the past month?	How likely are you to remember a brand after seeing its online Advertisement?
what kind of products you have seen through online advertisements in the	Pearson Correlation	1	0.1
	Sig. (2-tailed)		0.262
	N	128	128



past month?			
How likely are you to remember a brand after seeing its online advertisement?	Pearson Correlation	0.1	1
	Sig. (2-tailed)	0.262	
	N	128	128

**Inference:** From the above table, we find that the significant value is 0.262, which is greater than table value 0.05, so the Null hypothesis is accepted and Alternative hypothesis is rejected.

Therefore, there is no significance difference between frequency of brand remembrance and products seen through the past month.

### Chi-square analysis

Chi-square is a statistical test used to examine the differences between categorical variables from a random sample in order to judge the goodness of fit between expected and observed results.

To find out the association between the purchase decision and gender of the people.

**Ho:** There is no significance difference between the purchase decision and gender of the people.

**H1:** There is a significance difference between the purchase decision and gender of the people.

**Table 7**

	Gender	Does online advertising affect your purchase decision?
Chi-Square	21.125 <sup>a</sup>	6.297 <sup>b</sup>
df	1	2
Asymp. Sig.	0	0.043

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 64.0.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 42.7.

### Regression analysis

Regression analysis is a statistical method that shows the relationship between two or more variables. Usually expressed in a graph, the method tests the relationship between a dependent variable against independent variables.

To find out the association between the overall satisfaction and the attention of the online advertisement.

**Ho:** There is no significance difference between the overall satisfaction and the attention of the online advertisement.



**H1:** There is a significance difference between the overall satisfaction and the attention of the online advertisement.

**Table 8**

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.675	0.165		22.231	0
	Do you pay attention to online advertisements?	-0.034	0.077	-0.039	-0.44	0.661

a. Dependent Variable: On a scale of 1 to 5, how satisfied are you with the relevance and targeting of online advertisements you encounter? (1 = Very dissatisfied, 5 = Very satisfied)

**Inference:** From the above table, we find that the significant value is 0.661, which is greater than table value 0.05, so the Null hypothesis is accepted and Alternative hypothesis is rejected.

Therefore, no significance difference between the overall satisfaction and the attention of the online advertisement.

### Findings

The data reveals that approximately 50% of the surveyed participants exhibit an inclination to pay heed to online advertisements. Around 40% of respondents perceive online advertising as a source of information. Notably, the tabulated results illustrate that 48% of participants acknowledge that online advertisements trigger an intention to make a purchase. A significant 43% of respondents concur that online advertising plays a role in influencing their purchase decisions. Moreover, over 50% of those surveyed reported encountering clothing and accessories advertisements in the past month. The tabulated information underscores that 40% of respondents are in agreement regarding the notable impact of celebrities in attracting attention through online advertising. Similarly, the data highlights that nearly 47% of participants express a likelihood to click on advertisements offering discounts or promotions. Further analysis of the data indicates that 50% of the participants find online advertisements to be informative. Impressively, the data also reflects that a majority surpassing 60% of respondents place their trust in online advertisements.

### Suggestions

Online ads predominantly attract individuals who are actively involved on social media platforms, potentially excluding those lacking digital literacy. Consequently, it becomes imperative to investigate alternative approaches to bridge this disparity. Prioritizing authentic user experiences over sole reliance on celebrity endorsements, maintaining product transparency, and integrating customer feedback and queries present valuable improvements to tackle this concern. Ads should refrain from undue product embellishments and, instead, spotlight authentic customer feedback while responding to possible inquiries.



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