

“A Descriptive Study of the Effectiveness of Internet Advertising on Consumer Buying Behavior in Nagpur City”

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Abstract: The present research report emphasizes on studying the impact of internet advertising on consumer buying behaviour, which raises the consumers' intentions towards the product and buying behaviours. The purchasing behaviour is strongly influenced by the image of the product which is built by the advertisers. Advertisers are expected to shift their focus and spend millions in internet advertising in the coming years than TV, print ads and another traditional advertising media. Online shopping is a growing trend in India and the numbers of both sellers and buyers are increasing daily by whopping percentages. India's total online sales figure is estimated to reach the US \$100 billion by 2020. With the rapid growth in technology, the internet is becoming an important one stop point for consumers in finding most of their needs. Be it communication, entertainment, information search or shopping, internet serves as a panacea for all their requirements. According to the global networking giant Cisco, Digital transformation will take India's internet users from 373 million (28 percent of population) in 2016 to 829 million (59 percent of the Indian population) in 2021. This clearly demonstrates that India is growing fast and people are becoming habitual of using the Internet as the evolution of human society, the improvement in Communication processes and Digital Convergence open up innovative opportunities and challenges for Marketing. Subsequently, the Internet has moved ahead to play a significant role in the Consumer Decision Making Process. Many consumers are online every day for their personal & official work, but do they notice the ads, banners displayed on that webpage and most important thing is to check what their recall value is. The current study investigated the impact of internet advertising on consumer buying behaviour by conducting a survey.

Keywords: Internet, advertisement, internet advertising, consumer, buying behaviour

Introduction:

The greatest product or service in the world won't make money unless consumers know it exists, this is why advertisement is considered so important. Advertising is a form of marketing communication used to promote or sell various products or services. In Latin “advertere” means “to turn towards”. There are various ways putting up an advertisement as per the audience to be addressed.

Internet advertising is a form of promotion that uses the Internet and World Wide Web for the expressed purpose of delivering marketing messages to attract customers. Examples of online advertising include contextual ads on search engine results pages, banner ads, Rich Media Ads, Social network advertising, online classified advertising, advertising networks and e-mail marketing. Response to brand communication is instantaneous, and conversion to business is very high. This is because in contrast to conventional forms of interruptive advertising, the viewer has actually chosen to see the commercial.

The time when only top-notch businesses set sail on internet marketing has gone now. It is time to explore the advantages of internet marketing! Now internet marketing is much more cost-effective, all-inclusive, easy to handle, and just a tick of mouse can, without much of a stretch do a great part of the specialized work that, once upon a time required outsourcing. This provides ascend to huge opportunities for the businesses to enhance their sales through internet marketing in an efficacious fashion.

Consumer buying behavior is the sum total of a consumer's attitudes, preferences, intentions, and decisions regarding the consumer's behavior in the marketplace when purchasing a product or service. Researchers, businesses and marketers study consumer behavior to understand what influences a consumer's shopping preferences and selection of

products and services. Multiple factors affect consumer behavior, among them economic status, beliefs and values, polish, personality, age and education (Kotler, 2004). Findings on consumer behavior are used to develop methods that will boost company performance and gross revenue.

Literature review:

“Study on growth of Online Shopping in India” IJCSMC, Vol. 2, Issue 6, June 2013, pg. 65 – 68 talks about the growing proclivity and economic growth of online shopping. The world of electronic commerce, also known as e-commerce, enables consumers to shop at online stores and pay for their purchases being contented at home. Dr. Renuka Sharma, Dr. Kiran Mehta and Shashank Sharma in their research “Understanding Online Shopping Behaviour of Indian Shoppers” IJMBS Vol. 4, Issue 3, Spl- 1 July - Sept 2014 has emphasized on the primary objective of the current study is to understand the online buying behaviour of consumers in India. It has also made an attempt to get information about the scope of improvement in online shopping website. Binoy Mathew in his research of “A Study on Changing Trends in Online Shopping of Indian Consumers in Apparel Segment” has elaborated on changing trends in online shopping of Indian consumers in the apparel segment. He talks about the beginning stages of online shopping as to how the consumers were reluctant to buy apparels online as it had many limitations. But today the market is able to overcome many of the limitations and build confidence among the consumers to buy online. Prof. Pritam P. Kothari and Prof. Shivganga S. Maindargi in their study of “A Study on Customers Attitude towards Online Shopping in India and its Impact: With Special Reference to Solapur City” had spoken about the factors which online Indian customers keep in mind while shopping. They further conclude that cognition, sensed usefulness, comfort of use; sensed enjoyment and security are the five components which affect consumer perceptions about online purchasing.

Problem of the study:

Internet is one of the important mediums that own all kinds of features, which implies a great potential and powerful advertising medium in the future. In addition, Internet has a better impact than traditional media in the features like format variety, affinity and storage. Furthermore, Internet is the only medium so far which owns the feature of interactivity. Internet creates lots of new communication opportunities and possibilities that were unable to be achieved in the past because of the limitation of media technologies. In spite of these whether the online advertisement is effective in influencing the potential buyers in modern era is the key question that the researcher is going to explore.

Objectives of the study:

1. To determine the effectiveness of internet advertising on reach and creation of awareness.
2. To determine the influence of internet advertising on consumer buying behaviour.
3. To determine the relationship between internet advertising and purchase decision.

Hypothesis:

Ho: There is no significant impact of internet advertising on Consumer Buying Behavior

Research Methodology:

The study is based on secondary as well as primary data. The primary data was collected form the respondents at Nagpur through a structured questionnaire. Any questionnaire which was incomplete was not taken into consideration for the analysis. This study used descriptive research. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection. It often uses visual aids such as graphs and charts to aid the reader in understanding the data distribution and therefore offered a better clarification on online advertising, and ultimately gives a clear picture on the effectiveness and reliability of internet advertising and its relationship to purchase decision. The technique used for primary data collection was simple random sampling method. Secondary data was collected form Company’s profile, journals and various literature studies are important sources of secondary data.

Sampling Detail

- 1. Target population:** 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.
- 2. Sampling unit:** In this study the sampling unit is individual consumer.
- 3. Sample size:** 100 consumers.
- 4. Sampling method:** The sample is selected by using cluster sampling method.

The study area was spread across Nagpur District and 100 samples were taken for the study of the topic.

This research studied the psychology behind online consumer's behaviour and also their perception of Internet advertisements

Limitations:

1. The study has confined to urban areas as it assumed that the rural areas do not have good Internet connection yet. Hence the entire findings are limited and refer to urban consumers only.
2. Geographical coverage, as only limited areas have been taken from Nagpur, India. It is not sure whether the findings will apply to the whole country.
3. Respondents below 18 years of age were not included in the present study, as it was assumed that these respondents 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.

Data Analysis

Table 4.2.1 Gender distribution of the respondents

	Frequency	Percentage
Male	55	55
Female	45	45
Total	100	100.0

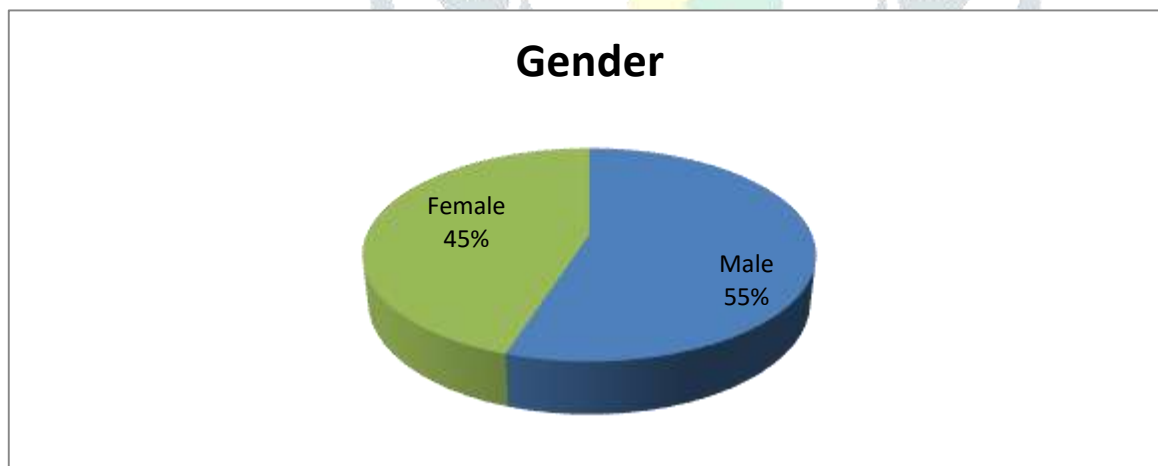


Figure 4.2.1

According to table 4.2.1, the number of male respondents is more than the female respondents. The number of male respondents is 55(55%), where female respondents are 45(45%). The total sample of the respondents in this research is 100 people.

Table 4.2.2 Distribution of the respondents by age bracket

Age Bracket	Frequency	Percentage
19-25 years	60	60
26-40 years	35	35
41-55 years	3	3
Above 55	2	2
Total	100	100

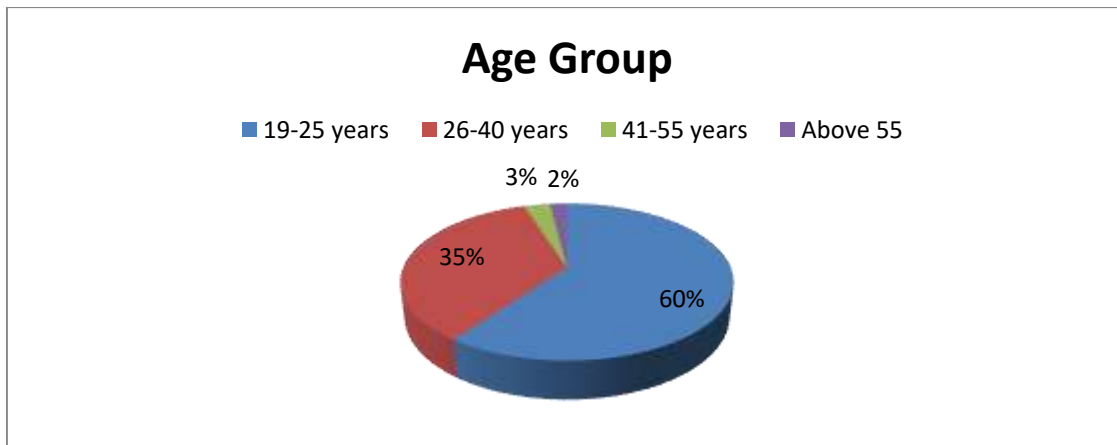


Figure 4.2.2

Based on Table 4.2.2 and Figure 4.2.2 majority of the respondents are the age group between 19 and 25 years old which represent 60(60%) individuals of the whole sample size. The following groups fall under the age group of below 19-25 (60.0%) and 26-40 (35%) years old with 35 people. There are 3 (3.0%) respondents are under age group of 41-55 years old and above. Lastly, only 2 (2.0%) respondents are falls under age group above 55 years old.

Table 4.2.3 Distribution of the respondents by hours spent on internet daily.

Particulars	Frequency	Percentage (%)
< 1hr	8	8
1hr to 2hrs	32	32
3hrs to 4hrs	34	34
4hrs to 5hrs	11	11
>5hrs	15	15
Total	100	100

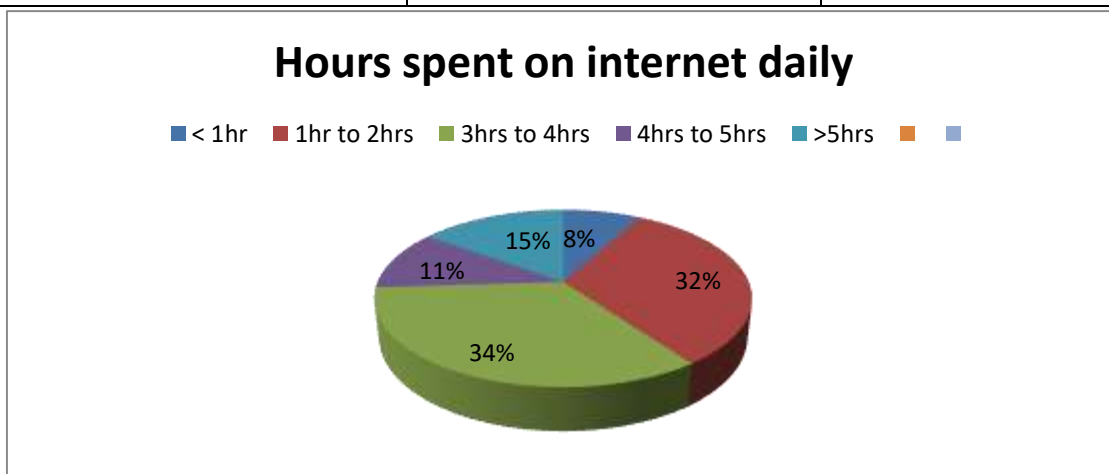


Figure 4.2.3

The above graph shows how many hours spend by the consumer daily on internet. We can see that 34% people spend around 4 hours on internet where as 32% people spent around 1hr to 2hr and 11% people spent 4hr to 5hr respectively.

Table 4.2.4 Distribution of the respondents paying attention to Internet ads.

Particulars	Frequency	Percentage (%)
Yes	65	64
No	35	36
Total	100	100

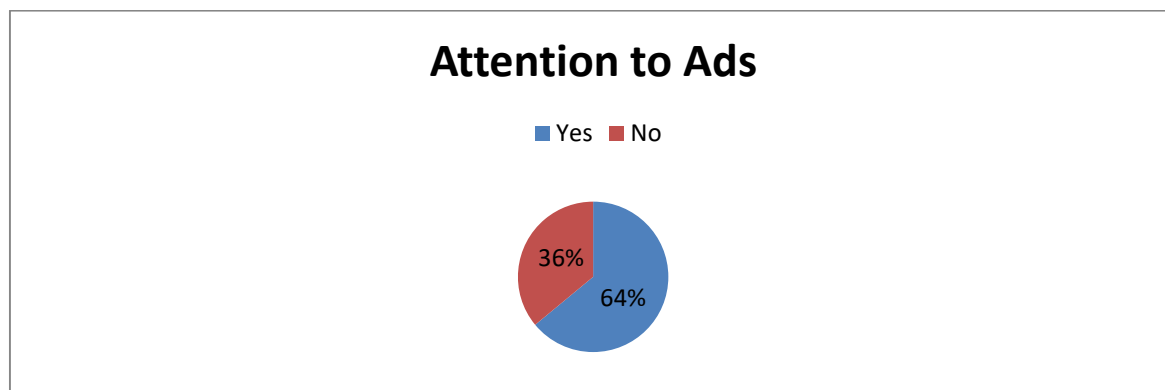


Figure 4.2.4

The figure 4.2.4 shows that people pay attention on online advertisement. We can see that almost 65% people pay attention on various Ads whereas only 35% don't pay attention.

4.3 Effectiveness of internet advertising on reach and create awareness

The first objective of the study was to determine the effectiveness of internet advertising on reach and creation of awareness. The study sought to establish whether the respondents were aware of various forms of advertisements adopted by various companies. Majority of the respondents (34%) attested to being aware of various forms of advertisements. This illustrates that the effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements.

The respondents were asked to indicate their attitude towards advertisements. Table 4.3 illustrates the study findings.

Table 4.3 Attitude towards Advertisements

Particulars	Frequency	Percentage
Informative	21	21
Creates Awareness	35	35
Irritating	25	25
Entertaining	15	15
Waste of time	4	4
Total	100	100

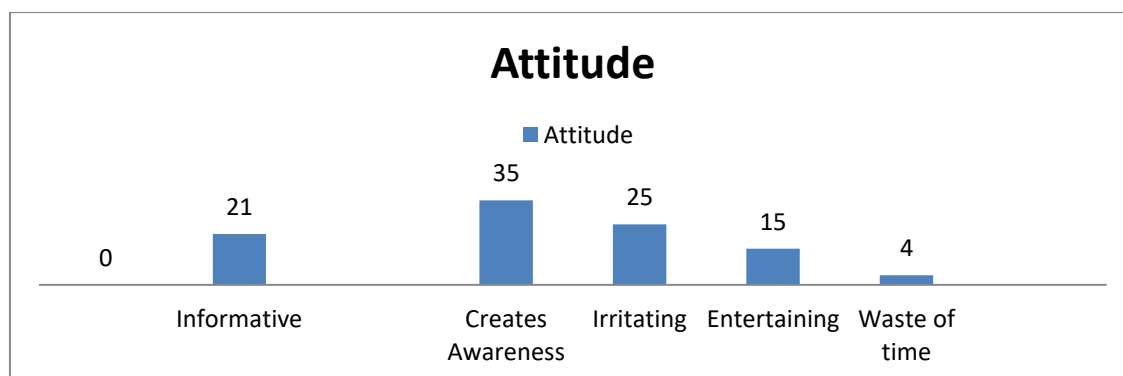


Figure: 4.3

As shown in Table 4.3, most of the respondents (21%) indicated that advertising was informative, with a closer percentage of 34 % indicating creation of awareness. 25% indicated that advertising was irritating,. 15% indicated that advertising was entertaining. 4% indicated that advertising was a waste of time These findings mean that most of the respondents had a positive attitude towards advertising as illustrated by their various perceptions about the use of advertising. This clearly shows a positive attitude toward advertising and hence is a good indication for marketers.

4.4 Influence of internet advertising on consumer buying behavior

The second objective of the study was to determine the influence of internet advertising on consumer buying behaviour. Respondents were asked to indicate the of influence advertisement in buying behaviour. The results were shown in pie chart 4.4

Table: 4.4 Influence of internet ads. on consumer buying behavior

Influence	Frequency	Percentage (%)
Large Influence	16	16
Medium Influence	53	53
Not Sure	31	31
Total	100	100

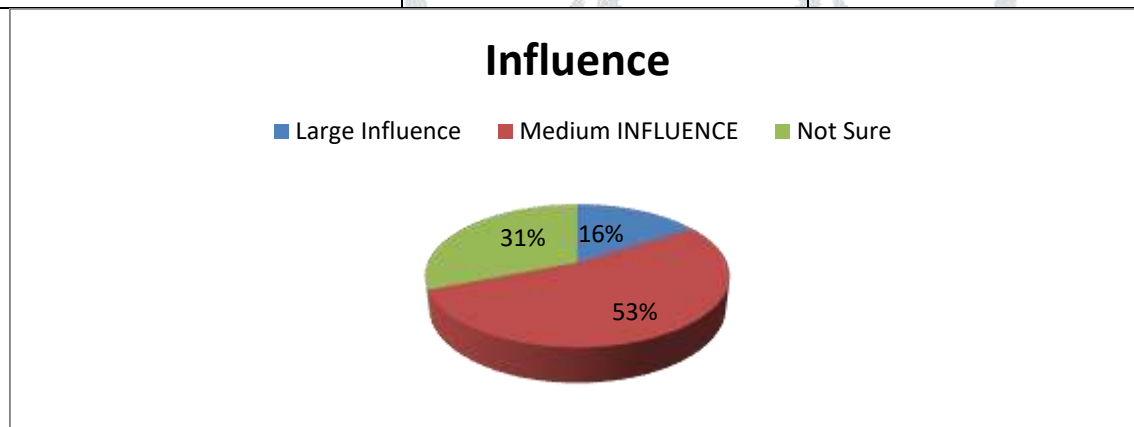


Figure 4.4

As shown in Table 4.4, most of the respondents 53% indicated that advertising was medium influencing, with a closer percentage of 31 % indicated that advertising was largely influential. 16% of respondents were not sure about the influence of advertising. These findings mean that most of the respondents have considered internet advertisings are largely influencing in buying behaviours.

4.5 Relationship between internet and its usage.

The respondents were further asked to indicate their purpose of using internet. The study findings are illustrated in table 4.5 and figure 4.5

Table 4.5 Internet Usage

Particulars	Frequency	Percentage (%)
Chatting and social networking	45	45
Email	11	11

Information	35	35
E-commerce	3	3
Downloading	6	6
Total	100	100

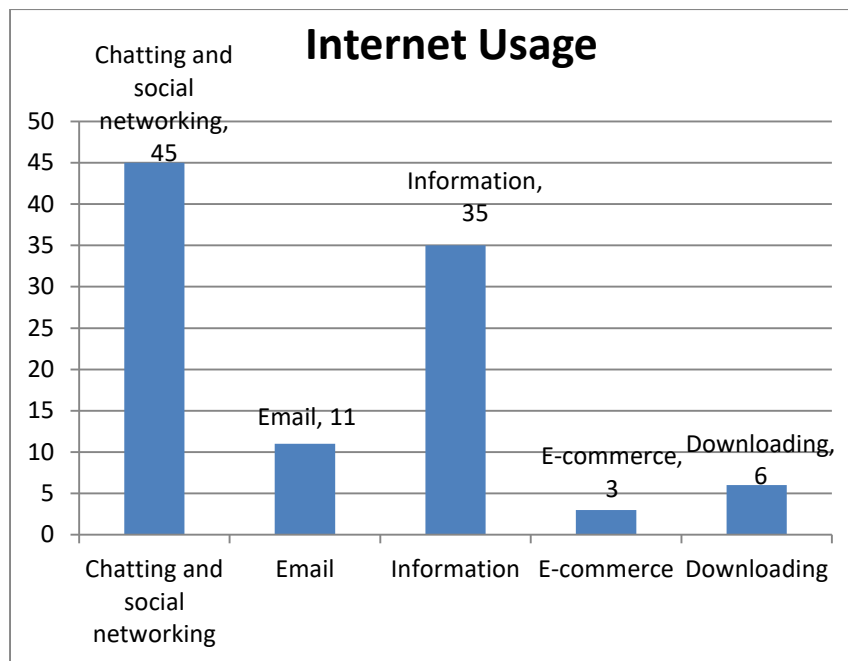


Figure 4.5

As shown in Figure 4.5, 11% of the respondents used internet for E-mail, 35% for information, and 45% for chatting and social networking, indicating that communications has been the fundamental value of the internet to consumers. There was a higher chance of interaction with various online ads through chatting and social networking which influence consumer buying behaviours as reflected by the diverse usage of internet.

4.6 Reliability of internet advertising through recall

One of the objective of the study was to establish the reliability of internet advertising through recall. First, the respondents were asked whether they would check an online advertisement and the findings presented in the Table 4.6 Table 4.6 checking an online advertisement.

Particulars	Frequency	Percentage
Yes	64	64

No	36	36
Total	100	100

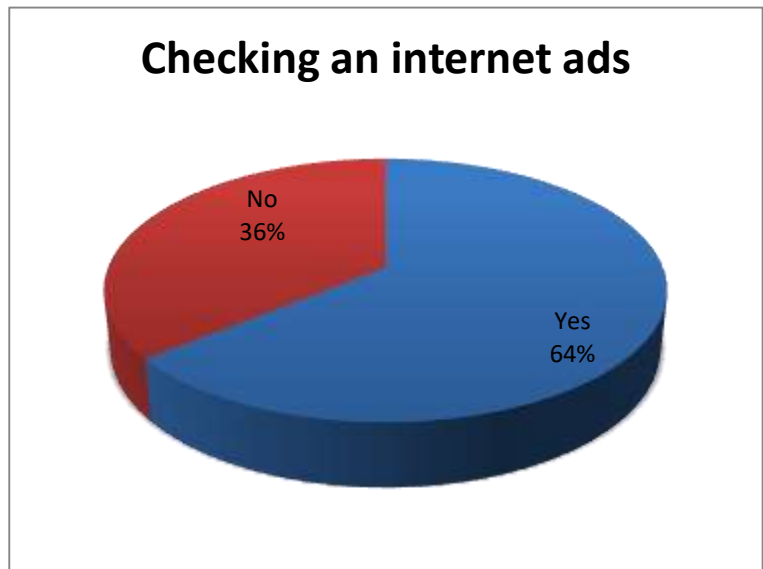


Figure 4.6

In case of online advertising, majority 64% of consumers ignored the advert completely while 36% indicated that they would check an online advert. Further the study found out that, out of the 36% respondents, 18% said that the intention was not to see the ads, but they didn't have any option but to see them as they were Interstitial. Adverts, Pop – up ads or Floating ads. These ads either block the view of the content, or appear right in the middle of the page, or keeps on floating (moving) around which is considered to be very irritating for the consumers. Checking the ads determined the level of interaction with the online ads. Therefore, even though the reach of internet is much higher than that of other modes, its ability to attract consumers for awareness creation is very low.

4.7 Relationship between internet advertising and purchase decision

The third objective of the study was to determine the relationship between internet advertising and purchase decision. Respondents were asked to indicate the mode advertising that mostly influenced their decision to purchase a product. The results were tabulated in Table 4.6

Particulars	Frequency	Percentage (%)
Print ads	13	13
TV Commercials	33	33
Online Ads	24	24
Social Media	30	30
Total	100	100

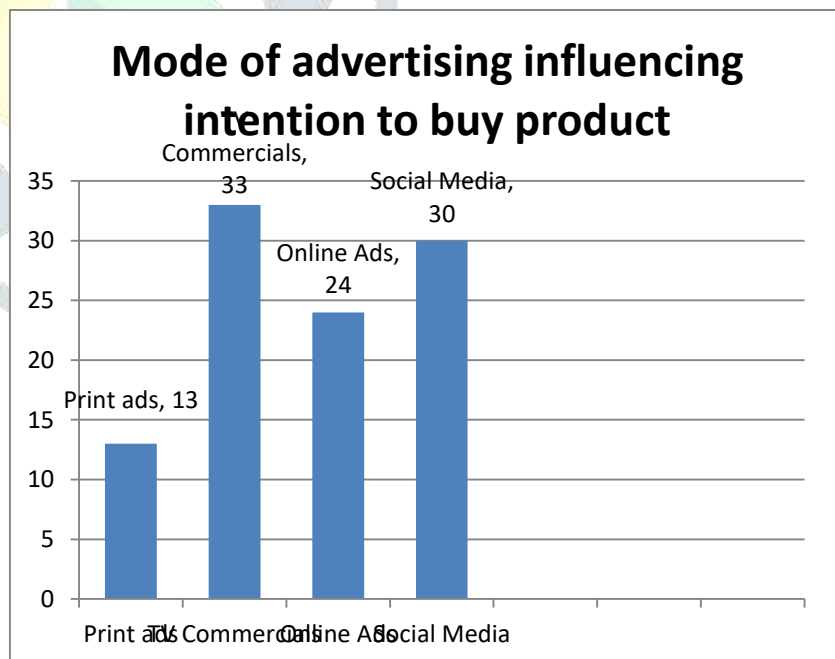


Table 4.7 Mode of advertising influencing intention to buy product

Figure 4.7

Based on Table 4.6 above, 33% of the respondents were influenced to buy a product based on information provided by TV commercials. Online advertisements were second in influencing their decision at 24 %. Therefore, TV

commercials were the major influencers behind decision making. This depicts that traditional form of advertising has an edge over internet advertising in terms of consumer preference to mode of advertising.

Secondly, the respondents were also asked to indicate whether the internet ads they came across influenced their purchase decision. 76% of the respondents indicated that the internet ads they came across never influenced their purchase decision while 24% posited that the internet ads they came across influenced their purchase decision. This depicts that the internet advertising influenced purchase decision of the customers to a moderate extent as only nearly half of the respondents were influenced purchase decision.

4.8 Effectiveness of internet advertising in actual purchase decision

Table 4.8 Actual Purchase Decision made through internet advertisement

Particulars	Frequency	Percentage (%)
Yes	67	67
No	33	33

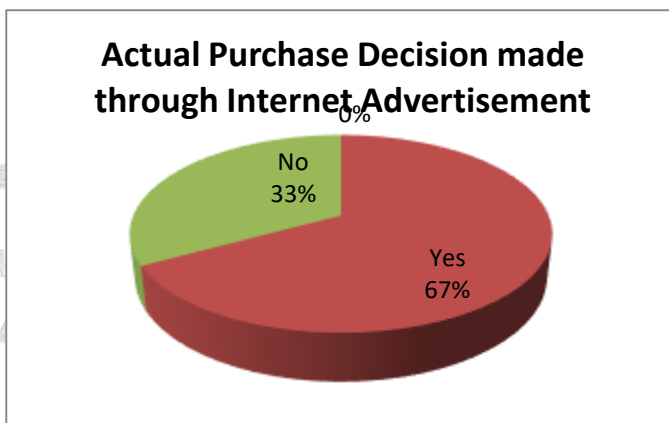


Figure 4.8

Based on figure 4.7 above, 67% of the respondents were purchased a product based on information provided by internet advertisements. 33% respondents were not influenced by internet advertising and didn't make any actual purchases after advertising. This indicates that internet advertising were the major influencers behind purchase decision making

4.9 Repeated advertising affect consumer behaviour. This repetition serves as a reminder to a consumer. In order to further determine the relationship between internet advertising and purchase decision, the respondents were requested to indicate level of extent to which repeated internet ads serves as a reminder to them which affect the buying behaviour.

Table 4.8 Repeated ads serves as a reminder to a consumer.

Particulars	Frequency	Percentage (%)
To no extent	13	13
To little extent	51	51
To moderate extent	26	26
To a great extent	10	10
Total	100	100

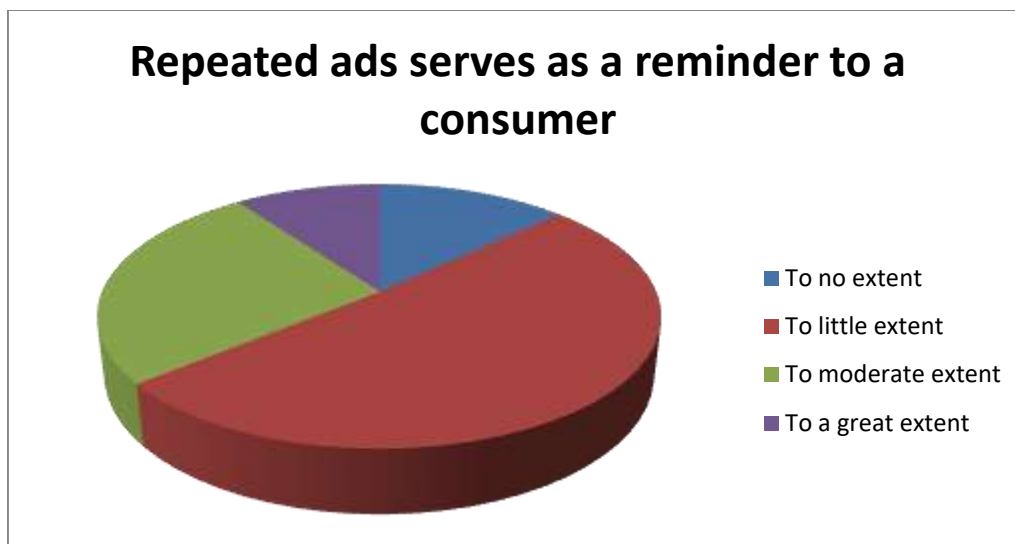


Figure 4.9

Based on figure 4.8, 51% respondents were agreed that repeated advertising affect consumer behaviour to little extent. , 26% respondents were agreed that repeated advertising affect consumer behaviour to moderate extent. While 13% respondents were agreed that repeated advertising affect consumer behaviour to no extent. This indicates that repeating advertising serves as a reminder to a consumer and affects buying behaviour.

Hypotheses Testing

1.

4.4 Influence of internet advertising on consumer buying behavior

The second objective of the study was to determine the influence of internet advertising on consumer buying behaviour. Respondents were asked to indicate the of influence advertisement in buying behaviour. The results were shown in pie chart 4.4

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Total	100	100

Recommendation and Conclusion:

As we come to the end of the study, this report provide an in depth and very comprehensive picture on effectiveness of internet advertising on consumer buying behavior in Nagpur city. Overall in a study on effectiveness of internet advertising on consumer buying behaviour, the outcomes which came from the survey which is conducted over the 100 number of people is as follows. In a research, the researchers found that the Internet users (all age groups people) have the similar perception towards the internet advertisements.

The study established that the effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements. Most of the respondents had a positive attitude towards advertising as illustrated by their various perceptions about the use of advertising. This clearly shows a positive attitude toward advertising and hence is a good indication for marketers. The findings augment that marketing is perceived by the internet users as a major source of information on available product in the market as reflected by their positive attitude in the world over. Internet advertising is an effective channel for marketing as the ad are attractive and appealing which changes from time to time.

The study established that even though the reach of internet is much higher than that of other modes, its ability to attract consumers for awareness creation is very low. The study concludes that the reliability of internet advertising through recall was low as only a small percentage of the respondents could recall the online ads they had seen.

The study established that internet advertising influenced purchase decision of the customers to a moderate extent as only nearly half of the respondents were influenced purchase decision. The study established that internet advertising is a key determinant of purchase decision of the customers. The study also established that internet advertising has significant relationship with purchase decision of the consumers. The findings augment that internet advertising is a key determinant of purchase decision by the customers and that internet advertising has an association with purchase decision.

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