

# Role of online advertising in digital era for business sustainability – a conceptual analysis

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**Abstract :** The contemporary ways of doing business has changed tremendously after the internet came into existence, particularly in the last two decades. The internet has huge impact not only among the business establishments but also among the internet users due to exponential growth in buying and selling through various available online options (Tsang & Tse, 2005). The impact of online advertising is phenomenal, with the use of internet as a modern mode of media for advertising has not only increased the business but also it is a contemporary concept for sustainable business. Because, online advertisements are well supported by considerable quantum of increase in the number of internet users all over the world which results in increase in business and its sustainability (Abd Aziz et. al., 2008).

Furthermore, even small and medium business entities also began to think of using the internet as a medium to promote their products via online advertising (Ronald & Barbara, 2002). Now-a-days, online advertising plays a crucial role in the advertising mix of almost all business organizations (Lages 2004). This has enabled, the small, medium or large business organizations can deliver the product information, price, purchase terms, delivery of goods to customers, ordering and payment methods, etc., to their prospective customers directly without the boundaries of time and place.

Online advertisers can reach to the target audience directly through search engine marketing by displaying their advertisements on relevant web pages or related search results with the help of internet (Rodgers & Thorson, 2000). This helps the customers who prefer to shop online to gather the required product information in an easiest way while browsing internet at home or convenience place which also saves their time. Thus, this paper focuses on the use of online advertising for business sustainability in the digital era and draws conclusions based on the review of related research in the field.

**Keywords:** Contemporary Business, Digital Era, Internet, Online Advertisements, Sustainable Business

## INTRODUCTION

In recent days, the internet is becoming an emerging channel for marketing and advertising. Internet is one media which has an exposure across the national boundaries. Portals like Yahoo, Alta vista have the viewership across different countries. Thus, advertisers on the internet have an opportunity to spread awareness about their product at the global level. Further, advertisements displayed on the Internet are targeted to the particular audience type. For example, advertisement of baby products can be placed on the baby centre site, demat and other finance related advertisements can be placed on the financial advertisements, gift items advertisements can be placed on the sites relating to a greetings etc. Since, Internet is a form of one to one communication, the audience is directly targeted. This is due to the fact that the internet has the ability to deliver the product and product information at low cost and easy to access its services without any boundaries of time and place. Further, online advertising and marketing services with the help of internet is facilitating lot of internet users to have easy accessibility and communicate each other at low cost (Lages 2004).

## 1. ONLINE ADVERTISING

The advent of internet technology provides a greater opportunity for marketer and all other people who are involved in internet to carry out their business based on web advertisement. With the rapid growth of internet, several marketers have accepted and adopted new information and communication technologies in performing their activities. This can be achieved by the marketers with the help of establishing their websites as a new channel for business transactions and advertisements. It also enables the customers to make online purchases through internet and the marketers can access the global market for their products at low cost. In addition, websites provides companies and marketers to offer wide information about their products or services. Thus, the development of the internet is resulting in massive growth of online advertising.

In recent days technological advancement has enabled internet penetration into every one's day-to-day life and people are spending more time on internet (Abd Aziz et al., 2008). This ultimately enables the internet users to engage themselves in online advertising. Thus, marketers are capable of reaching their consumers at large level through online platforms to create awareness about their products and services (Abd Aziz et. al., 2008).

Online advertising is a form of advertising that uses the Internet and World Wide Web in order to deliver marketing messages and attract customers. Examples of online advertising include contextual ads on search engine results pages, banner ads, Social network advertising, advertising networks and e-mail marketing. The unique characteristic of online advertising is the availability of information and content that is not limited by geography or time for its audience. Companies are now spending huge amounts on advertising through the online medium that helps them to target their specific group of consumers. With rapid changes and advances in technology, companies are experimenting with various forms of online advertisements like floating ads, click ads, pop up ads, flash ads, pop under ads and video ads. The consumers are also responding in terms of their varying attitudes towards the use of technology for promotions.

The online advertising is highly attracted by the several marketers due to the fact that it is highly flexible and it is easy to update their product information as and when (Ducoffe 1996). This will further enhance the consumers to obtain the up-to-date information about product and service in which they are intended to buy in the market (Ducoffe 1996). Online advertising is highly reachable without any boundaries and gets the attention of larger target audience. In today's internet centric world online advertising covers wide spectrum of geographical areas with the feature of high reachability when compare to traditional advertising (Blech and Blech 1998).

The creative way of delivering advertising message through internet enables the consumers for more surprise and excite. It captures the quick attention of the consumers with attractive animation as in the popup advertisements (Tsang and Tees 2005). Moreover, through online advertising the customer can easily interact with the marketers with the help of the audio-visual effects which allows the consumers to collect information by participating in product sales and post purchase support (Pavlou and Stewart, 2000). Further, it helps the marketers to know about their customers' needs and wants and thereby maintaining the close relationship with them (AbdAzis et. al., 2008).

### 1.1. Growth of Online Advertising in India

Online advertising is still in the embryonic stages in India, while in other parts of the World it has already taken deep roots. Origin of online advertising is a disputed topic amongst the scholars. Still, there is considerable research going on the topic in the developed countries like United States, but in India amount of research on advertising is exiguous. In India, there is little data available regarding the genesis and development of online advertising and there is almost no research being carried out regarding its future prospects at present. The share of India's online advertising in the World is almost negligible. But developing countries like India; where Internet users are growing very rapidly, it has huge potential. India's leading advertisers are starting to advertise online, but at a very slow pace. Indian companies are also showing keen interest in promoting their products or services through online. Currently, finance sector is most dominating sector in online advertising and accounted about 40% of total online advertising in India.

In India, online advertising is almost a necessity for modern business particularly those who do business outside India. In the modern era of IT revolution, consumers of not only in India but also from other parts of the World using the internet not only for information and entertainment but also buying and selling their products and services through internet. For this purpose, the online advertising is an emerging factor to reach the target audience directly. Following are the notable reasons for such emerging trends of online advertising in India:

- Advertisement can reach very large number of potential buyers globally.
- Web media is superiority over other advertising medium.
- Web page (advertisement) can be updated any time and changes or corrections are painless.
- Online advertisement works 24 hours a day, 7 days a week, 365 days a year.
- In online advertisement specific interest groups or individuals can be targeted.
- Online advertisement can effectively use the convergence of text, audio, graphics, and Animation.
- Online advertisements are cheaper in comparison to traditional advertisement. There is no printing costs, no postage costs etc.

### 1.2. Types of Online Advertising

There are two models for advertising which paves way for categorizing the online advertisement. As per the first model, a business or organization creates their own Website called the Homepage in the Web which has a Website in-house for advertisement. They may also purchase the services of an advertising/Web design company that will create and maintain the advertising pages of the organization on a remote server. In both cases, the emphasis of the Website is singular and establishes the business or organization's information as the sole occupant of the site which can be linked to their advertising pages called the "hook page".

A second model involves the placement of advertisements on other Web pages belonging to other businesses and organizations. At a bare minimum, this may be a single word that is a hypertext link to the organization's advertising or home page. More typical is the placement of an image or banner of varying size on the remote page; the image contains the corporate logo (called as logo advertisements) and perhaps a tag line indicating that the user can obtain some information or visit an interesting site by clicking on the image. This type of advertising attempts to lead visitors to the advertising or home pages who have gone to other sites for other purposes; consequently, the placement and appearance of the image or banner is of critical importance. There are several forms of online advertising under this model which are discussed as following:

#### 1.2.1. Sponsorship online advertisements

The online sponsorship advertisements appear on a particular site or a special section on the website where the advertiser pays to a particular event and visible for promotional / marketing activities. This type of advertising is most commonly used in charitable events like blood donation, eye camp, polio medicine apart from sponsoring local sporting teams, sports tournaments and other community events.

#### 1.2.2 Banner Advertisements

The most common form of advertising on the Web is Banner advertisement. It is like a billboard that appears across the top or bottom of the Web page and when clicked by the user, the link is transferred to the advertiser's Website. The size of the banner is about 4 ½ inches x 1 ½ inches. The banners, however, should not take too long to load, in which case customers are quite likely to lose interest in the advertisement (S.H.H. Kazmi and Satish K. Batra 2006).

#### 1.2.3 Pop-Up and Pop-Under Advertisements

The Pop-Up is a small window containing advertisements which appear when accessing a certain Website and displayed on the same window. It is usually larger than a banner advertisement but smaller than a full screen. The Pop-under advertisements are similar, but are placed themselves under the content of the Website and are therefore less intrusive. Pop-up and pop-under advertisements annoy many users because they clutter up the desktop and take time to close. However, they are much more effective than banner advertisements.

### 1.2.4 Sponsored link words

The internet is often surfed with search engines with keywords to gather any specific information or idea by the internet users. This automatically attracts the advertisers for advertising their products / services with specific keywords and thereby includes their advertisements in the top position of the search results. If the prospective internet user enters a particular keyword to the search engine on the internet (for example, Google, Yahoo, etc), the results will be displayed with the related sites which matched the key words entered. The searched results which are matched with appropriate keywords are normally appeared at the top or at the side of the search engine and are known as sponsored links.

### 1.2.5 Commercial Sites

The marketers or the manufacturing entities that are intended to market their products or services are acquiring commercial sites on the internet. In this type of online advertising, the homepage of commercial sites displays the similar features (to inform and to persuade) as that of other media network reveals (Singh and Dalal, 1999). These commercial sites are mostly used for marketing activities like buying and selling of particular product or variety of products. For example, quicker.com, olx.com, etc.

Unlike other traditional media for advertising, the above types of online advertising enables the advertisers to assess the effectiveness of advertisements in an instant manner as it is an interactive media. It allows the advertisers for modification of advertisements in a better way and rearrangement of target group of audience as soon as they have noticed any feedback from the audience (Ramaraj and Suzanna, 2003). Further, it has been often stated that the effectiveness of online advertising is easily measurable because of its interactive nature (Ronald and Barbara 2002).

### 1.2.6 Interstitials Advertisement

Interstitials are the recent form of Web advertisements which appear on the computer screen while waiting for the Website's content to download. Interstitials, also called as Intercommercial advertisements, are loaded in the background of the browsed Website and do not interrupt the users.

### 1.2.7 Advertorials

Advertisements in editorial form that appear to contain objectively-written opinions are known as paid editorial advertisements, or "Advertorials". Web advertorials are typically featured on publisher's Websites and promote products and services related to the Website's content.

### 1.2.8 Display Advertisements

Graphical advertisements featured on Websites are known as Display Advertisements. Display advertisements are often available in many standard shapes and sizes including: banners, leader boards, skyscrapers, large boxes, and other sized graphical advertisements. Display advertisements use eye-catching visuals to quickly grab the attention of Website visitors browsing the pages on which they are featured. These advertisements are sold on non-search Websites and can be served either by individual Websites, or a publisher's own advertisement server.

## 2. CONCLUSION

Thus, online advertising being an interactive medium for advertising also offers various forms of animation in its advertising copy displayed in the websites. This enables the users to view the advertisements without irritation or annoyance and let them to interact with the advertisers or marketers for clearing their doubts and lodging queries relating product information. This sort of huge impact of online advertising is well applauded by banner advertisement, e-mail advertisement and keyword advertising, advertising on platforms such as Facebook, Twitter, or Myspace. Thus, online advertising has a variety of platforms to display advertisements on internet and reach the target audience at large level with the benefits of being convenient, safe, efficient and economical to demographic groups of consumers who are availing internet facility.

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