

**IMPACT OF ONLINE ADVERTISING ON CONSUMER BUYING BEHAVIOUR-AN EMPIRICAL STUDY ON FAST MOVING SEGMENT OF ELECTRONIC GADGETS**

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**ABSTRACT**

The development of the internet and the emergence of the technology brought a new platform in which advertisers can make their goods and services known to a global audience. Most of the companies now realize that the best way to attract customers is to advertise online, and this is because advertising online is now the most effective way to bring in target customers and increase sales. The beginning of online advertising was in 1994 when Hot Wire sold first Banner on the company's own site, and later online advertising evolved to become a key factor in which companies achieve fair returns for their products and services.

This paper aims to highlight the impact of online advertising on consumers buying behavior are the factors that influence the consumers buying behavior through online advertising while purchasing fast moving segment of electronic gadget. For this research, the personal factors were taken into account and the focus will be on the Age, Life cycle stage and Occupation, Economic situation, Life style, Personality and its association with satisfactions level of consumers towards fast moving electronic gadgets advertised on the various online ad forms. This research paper is the consolidated of both primary and Secondary data. Primary data is collected from residents of Puttur and Belthangady city between age group of 18-46 and above years through questionnaires and Secondary data was collected through internet, journals and business magazines. This survey study was conducted in April, 2015. A total usable sample of 90 respondents was taken, out of which 30 were in government, While 30 were taken from business class and professionals and the rest 30 were private employees. This study seeks to explore the factors that contribute to the effectiveness of online advertisements and its impact in making purchase decision. Details of analysis and findings are certificated in the main paper.

Keywords: Consumer buying behaviour, online advertisement, Ad forms, patronizing. Life cycle, Fast moving segment electronic gadgets.

**Introduction:**

The development of the internet and the emergence of the technology brought a new platform in which advertisers can make their goods and services known to a global audience. Most of the companies now realize that the best way to attract customers is to advertise online, and this is because advertising online is now the most effective way to bring in target customers and increase sales. The beginning of online advertising was in 1994 when Hot Wire sold first Banner on the company's own site, and later online advertising evolved to become a key factor in which companies achieve fair returns for their products and services.

Online advertising has grown rapidly within the last decade. Worldwide online advertising spending hit \$ 110 billion(euro)in 2015 and online advertisement expenditures are expected to increase up to 127 billion (euro) in 2016 and reach \$ 163 billion(euro) mark in 2018.India's internet user's population was projected to cross the 243 Million mark in 2014 and it will be increased 500 Million by 2018. India became larger than the US in terms of number of internet users by the end of 2014 (Mr.Rajan Anandan, MD, and Google India).

According to the latest findings of the Digital Advertising in India Report, the online advertising market in India is projected to reach Rs 3,575 crore by March 2015, a growth of 30 per cent over last year. The Internet and Mobile Association of India (IAMAI) and IMRB International have jointly published the Report. The online advertising market stood at Rs 2,750 crore in March 2014.The topic is chosen for the reason that there is a consumer purchase through increasing of internet. Moreover, it's the "IN" thing these days as multinational companies such as P&G and Unilever are advertising online on social websites. This is because it is cost effective and consumes less time and they can target everyone through it.

**Review of literature:**

Advertisement plays a significant role in the promotion of any product and product information provided through advertisement also plays vital role in changing consumer attitude towards advertisement and their purchasing behaviour (Usman, et al., 2010). Our way of life and values are strongly influenced by mass media like TV, newspaper, radio and the internet and it has the ability to shape viewer taste and trends (Rachana Kejriwal & Dr. Dipti Kumar Chakravorty, 2014).

Internet advertising is a multifaceted phenomenon that shares common functions with the conventional media, yet differs in fundamental ways (Trehan, 2012). My study implies that consumer buying behavior can be enhanced with rich quality and creative advertisements and by building Positive consumer perception through strong marketing strategies. Practical implications, research limitations and the future study directions also have been given at end of the paper. (Muhammad Ehsan Malik.2014) This level of micro advertising means Internet advertising is much more personalized than other mass media. Consumer might see personalized ad content on such sites as more appealing and tied to their interests, but they might conversely

see it as not only creepy, but off-putting' if they felt that the firm had violated their privacy (Stone,2010). Sun.Y, Lim, K., Jiang, C., andsun, J. (2010) conducted a research to examine the relationships among consumers belief towards online advertising, attitude towards online advertising and consumers behavioral responses.

In this article the authors have compared the responses of consumers towards online advertising in three countries, namely USA, China and Romania. Moreover, the cultures of the three countries are compared in the article. Beliefs, attitudes towards online advertising and behavioral responses have been taken as the variables. This study was tested through questionnaires and then a regression analysis was done. The data was collected from the internet users in the three countries. Five factors namely entertainment, information, credibility, economy and value corruption were taken from the belief about the online advertising measure and then a confirmatory factor analysis was conducted to examine the goodness of fit of the measurement model for the belief factors. To measure attitude towards online advertising, a 5-point Likert scale ranging from 1(strongly disagree) to 5(strongly agree) was taken. Lastly to measure the consumer behavioral responses were measured by two factors add clicking and shopping experience.

One main aim of the study was to study the impact of culture on one's belief and attitudes towards online advertising. The results have suggested that internet users in different countries are reported to have vastly different perceptions of the effectiveness of online advertising. Dominick, J.R. (2007) investigated the influence of internet experience and web atmospherics on online consumer behavior. This article further examines the role of genders on online consumer behavior. This article basically explains the pre-purchase decision of the consumers.

**Online Ad forms.**

As with traditional offline advertising, the choice of ad formats should best match the ad objectives, the target market, and the online publication on which they will be featured. To understand the impact of online advertising on consumer buying behavior, in the following section, various online advertisement formats are discussed in brief.

<b>Google Search Ads</b>	Google search ads are online ads that appear alongside the search engine result page when users search a keyword query on Google. These ads are PPC, or pay-per-click ads, in which advertisers pay for each ad click.
<b>Banner</b>	Banner ads are image-based advertisements that often appear in the side, top, and bottom sections of websites.
<b>Social Media</b>	Face book and other social networks media has many different forms of ads, each offering unique pros and cons for advertisers looking to social market.

<b>Pop-ups</b>	In pop -up ads, a <b>new window</b> opens in front of existing window. The newly opened window displays the entire advertisement.
<b>Pixel Advertising</b>	Pixel advertising is one of the <b>newest</b> and <b>most talked</b> about advertising. The cost of an advertisement is calculated based on <b>the number of pixels</b> it occupies.
<b>Blog advertising</b>	Nowadays most of internet users have <b>personal</b> blogs, through this they try to advertise their products to make profit out of it. Yes this strategy works if you can handle and produce something different with your blog which can <b>attract</b> users. Blog advertising is especially <b>appropriate</b> for new launches, new products, and newsmakers.
<b>Floating Ads</b>	It is a kind of advertisement in which an ad <b>moves across the screen</b> or <b>float</b> above certain contents. Users may click the ad and visit the company website.
<b>Promotional advertising</b>	Promotional advertising is a <b>tool</b> used to dwell the buyer with the idea of buying the product. There are so <b>many ways</b> of promotional advertising like giving freebies, discount coupons, Flyers, Contests etc.

**Objectives of the study:**

The main objectives in this research are:

- To study the impact of online advertising on personal factors of consumers towards purchasing fast moving segment of electronic gadgets.
- To assess the satisfaction of consumers towards fast moving electronic gadgets advertised on the various online ad forms.
- To ascertain the challenges encountered while patronizing fast moving segment of electronic gadgets advertised on the various online ad forms.

**Hypothesis**

The following hypotheses are framed to attain the above mentioned objectives.

1. There is no association between the demographic profile of the respondents and satisfaction towards fast moving electronic gadgets advertised on the various online ad forms.

**Data and Methodology**

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This research paper is the consolidated of both primary and Secondary data. Primary data is collected from residents of Puttur and Belthangady city between age group of 18-46 and above years acted as the participants for this study. A total usable sample of 90 respondents was taken, out of which 30 were in government, While 30 were taken from business class and professionals and the rest 30 were private employees.

**Chi-square test**

A chi-square (X2) test is one of the most basic tests for statistical significance and is particularly appropriate for testing hypothesis about frequencies arranged in a frequency or contingency table. Univariate tests involving nominal or ordinal variables are examined with X2. These observed values (Oi) can be compared to the expected values for this distribution (Ei) to complete a X2 test. The X2 value will reflect the likelihood that the observed values come from a distribution reflected by the expected values. The higher the value of the X2 test, the less likely it is that the expected and observed value are the same.

In statistical terms, a X2 test determines whether the difference between an observed frequency distribution and the corresponding expected frequency distribution is due to sampling variation.

The actual X2 value is compared using the following formula:

$$\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

Where

= chi-square statistic

=observed frequency in the I th cell

=expected frequency in the I th cell

Table 4.3: Cross Tabulation between Monthly Expenses for fast moving segment of electronic gadgets and Satisfaction Level

Satisfaction level of customers		Monthly expenses for FMS of electronic gadgets			Total	Chisquare
		Less than Rs.200	Rs.200 to Rs.500	Rs.500 to Rs.1000		
Price	Highly Satisfied	3	1	2	6(6.7%)	X <sup>2</sup> =14.266 DF=4Sig=0.006
	Average	9	24	3	36(40%)	
		25	14	9	48(53.3)	

Quality	Highlysatisfied	22	6	3	31(34.4)	$X^2=27.191$ DF=6Sig=0.00 0
	Satisfied	10	18	11	39(43.3)	
	Average	5	14	0	19(21.1)	
	Highly Dissatisfi	0	1	0	1(1.1%)	
Durability	Highlysatisfied	1	4	3	8(8.9%)	$X^2=18.17$ DF=6Sig=0.0 06
	Satisfied	9	15	1	25(27.8)	
	Average	27	16	7	50(55.6)	
	Dissatisfied	0	4	3	7(7.8%)	
Brand Ambassador	Highlysatisfied	3	6	3	12(13.3)	$X^2=13.721$ DF=8Sig=0.08 9
	Satisfied	19	14	7	40(44.4)	
	Average	9	15	4	28(31.1)	
	Dissatisfied	6	1	0	7(7.8%)	
	Highly Dissatisfi	0	3	0	3(3.3%)	
Quantity	Highlysatisfied	10	3	3	16(17.8)	$X^2=12.024$ DF=6Sig=0.06 1
	Satisfied	15	24	7	46(51.1)	
	Average	12	8	4	24(26.7)	
	Dissatisfied	0	4	0	4(4.4%)	
Packaging	Highlysatisfied	3	0	1	4(4.4%)	$X^2=14.058$ DF=4Sig=0.00 7
	Satisfied	21	17	1	39(43.3%)	
	Average	13	22	12	47(52.2)	
Total		37	39	14	90	

Chi-square test is employed and the results are presented in the Table 4.3. This result helps to test the hypothesis that there is no association between monthly expenses and satisfaction level of respondents. Except price, quality, durability and packaging all other satisfaction level factor having the significant value more than 0.05 and they are not statistically significant. Hence null hypothesis accepted, except for price, quality, durability and packaging.

Table 4.4: Cross Tabulation between Economic Status and Satisfaction Level

Satisfaction level of customers		Economic status		Total	Chisquare
		Upper class	Middle class		
Price	Highly satisfied	0	6	6(6.7%)	$X^2=4.655$ DF=2Sig=0.098
	Satisfied	3	33	36(40%)	
	Average	0	48	48(53.3%)	
Quality	Highly satisfied	0	31	31(34.4%)	$X^2=4.058$

	Satisfied	3	36	39(43.33%)	DF=3Sig=0.255
	Average	0	19	19(21.1%)	
	dissatisfied	0	1	1(1.1%)	
Durability	Highly satisfied	3	5	8(8.9%)	X <sup>2</sup> =31.810 DF=3 Sig=0.000
	Satisfied	0	25	25(27.8%)	
	Average	0	50	50(55.5%)	
	dissatisfied	0	7	7(7.8%)	
BrandAmbassador	Highly satisfied	3	9	12(13.3%)	X <sup>2</sup> =20.172 DF=4 Sig=0.000
	Satisfied	0	40	40(44.4%)	
	Average	0	28	28(31.1%)	
	Dissatisfied	0	7	7(7.8%)	
	Highly Dissatisfied	0	3	3(3.3%)	
Quantity	Highly satisfied	0	16	16(17.8%)	X <sup>2</sup> =2.969 DF=3Sig=0.397
	Satisfied	3	43	46(51.1%)	
	Average	0	24	24(26.7 %)	
	Dissatisfied	0	4	4(4.4%)	
Packaging	Highly satisfied	0	4	4(4.4%)	X <sup>2</sup> =2.839 DF=2 Sig=0.2423
	Satisfied	0	39	39(43.33%)	
	Average	3	44	47(52.2%)	
Total		3	87	90	

It is observed from the table 4.4 that the results given by the respondents are highly biased. The respondents do not want to disclose their economic status. But controversially, 24 per cent of the Respondents family income is less than Rs.10000, even though no respondents declared that they are in lower class. Hence, this portion have not considered for testing the hypothesis.

### Conclusion:

This paper aims to highlight the impact of online advertising on consumers buying behavior are the factors that influence the consumers buying behavior through online advertising while purchasing fast moving segment of electronic gadget. For this research, the personal factors were taken into account and the focus will be on the Age, Life cycle stage and Occupation, Economic situation, Life style, Personality and its association with satisfactions level of consumers towards fast moving electronic gadgets advertised on the various online ad forms. This research paper is the consolidated of both primary and Secondary data. Primary data is collected from residents of Puttur and Belthangady city between age group of 18-46 and above years through questionnaires and Secondary data was collected through internet, journals and business magazines. In this

research I found that there is no significant association between monthly expenses and satisfaction level of respondents. Except price, quality, durability and packaging and also I found that the respondents who do not want to disclose their economic status. But controversially, 24 per cent of the Respondents family income is less than Rs.10000, even though no respondents declared that they are in lower class. Hence, that portion have not considered for testing the hypothesis. In case of Internet users (all age groups people) have the same perception towards the online advertisements. But they all age group people (22 respondents) agreed that the online advertising is very informative, but at the same time these advertisements creates irritation among all age group people(18 respondents), people(10 respondents) have done purchasing through Internet i.e. e commerce. According to 14 respondents, the internet advertisements have interactivity. Credibility aspect of the online advertisements is assessed by 14 respondents. At last 12 respondents agreed that online advertisements are entertaining. Finally I concluded that the online advertising is informative for all age group of people and basically it is perceiving while accessing email and surfing Google.

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