

ONLINE ADVERTISING AND ITS IMPACT ON CONSUMER BUYING BEHAVIOR

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ABSTRACT

The extent and variety of online advertisement is growing dramatically. Businesses are spending more on online advertisement than before. Understanding the factors that influence online advertisement effectiveness is vital. This study seeks to explore the factors that contribute to the effectiveness of online advertisements and affect consumer purchasing intention.

Keywords: *Online Advertisement, online consumer, buying behavior, consumer characteristics, online purchasing.*

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INTRODUCTION:

Online advertising has grown rapidly in the last decade. By 2000 online advertising spending in the United States reached \$8.2 billion dollars (Hollis 2005). These numbers have increased to \$12.7 billion as more people are connected and spend more time online. Additional devices (such as mobile phones and televisions) are able to provide further internet connectivity.

The rapid technology development and the rise of new media and communication channels tremendously changed the advertisement business landscape. However, the growing dependency on internet as the ultimate source information and communication, make it a leading advertisement platform. 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.

HISTORY OF ADVERTISING:

In June 1836, French newspaper *La Presse* was the first to include paid advertising in its pages, allowing it to lower its price, extend its readership and increase its profitability and the formula was soon copied by all titles. Around 1840, Volney B. Palmer established the roots of the modern day advertising agency in Philadelphia. In 1842 Palmer bought large amounts of space in various newspapers at a discounted rate then resold the space at higher rates to advertisers. The actual ad - the copy, layout, and artwork - was still prepared by the company wishing to advertise; in effect, Palmer was a space broker. The situation changed in the late 19th century when the advertising agency of N.W. Ayer & Son was founded. Ayer and Son offered to plan, create, and execute complete advertising campaigns for its customers. By 1900 the advertising agency had become the focal point of creative planning, and advertising was firmly established as a profession. ^[3] Around the same time, in France, Charles-Louis Havas extended the services of his news agency, Havas to include advertisement brokerage, making it the first French group to organize. At first, agencies were brokers for advertisement space in newspapers. N. W. Ayer & Son was the first full-service agency to assume responsibility for advertising content. N.W. Ayer opened in 1869, and was located in Philadelphia.

ONLINE ADVERTISING:

Online advertising is a type of mass communication which is based on traditional form of advertising but develops its own communication strategies in correlation with the new technical and medium based requirements. Broadly, online advertising is about delivering

advertisements to Internet/online users via Web sites, e-mail, ad-supported software and Internet-enabled smart phones

Examples of online advertising include contextual ads on search engine results pages, banner ads, Rich Media Ads, Social network advertising, interstitial ads, online classified advertising, advertising networks and e-mail marketing, including e-mail spam.

Online advertisement-Types

Floating ad

A floating ad is a type of rich media Web advertisement that appears uninitiated, superimposed over a user-requested page, and disappears or becomes unobtrusive after a specific time period (typically 5-30 seconds). The most basic floating ads simply appear over the Web page, either full screen or in a smaller rectangular window. They may or may not provide a means of escape, such as a close button. More sophisticated versions can come in any shape or size and include sound, animation, and interactive components.



Expanding ads

These are ads that expand when users click on them. The ads do not expand just from mousing over hyperlinks, which is a technique used by some other advertisers.



They often take a long time to download, which in turn can negatively impact the visitor's experience on that page. Polite ad formats were developed to address this challenge by enabling advertisers to serve larger file formats without disturbing the load time for the rest of the images on the page.

A polite ad format is loaded in two phases:

Phase One: The initial load is a compact image or SWF file that is smaller in size, so there is no delay in loading other contents on the page. This could be the first few frames of the ad, or a teaser.

Phase Two: The main load is the full version of the ad. The full ad can have a larger file size. It is loaded only after the whole web page has finished loading into the visitor's browser.

Wallpaper ads

An ad which changes the background of the page being viewed.

Trick Banner

A banner ad that attempts to trick people into clicking, often by imitating an operating system message.



Example: trick Banner ad

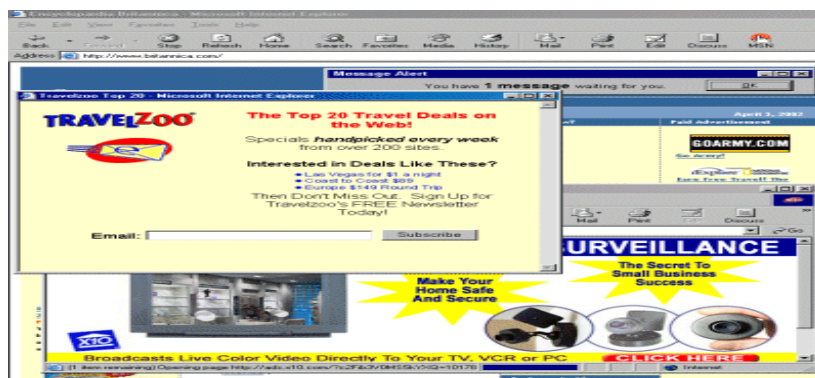
Pop-up

A new window which opens in front of the current one, displaying an advertisement, or entire webpage.



Pop-under

Similar to a Pop-Up except that the window is loaded or sent behind the current window so that the user does not see it until they close one or more active windows.



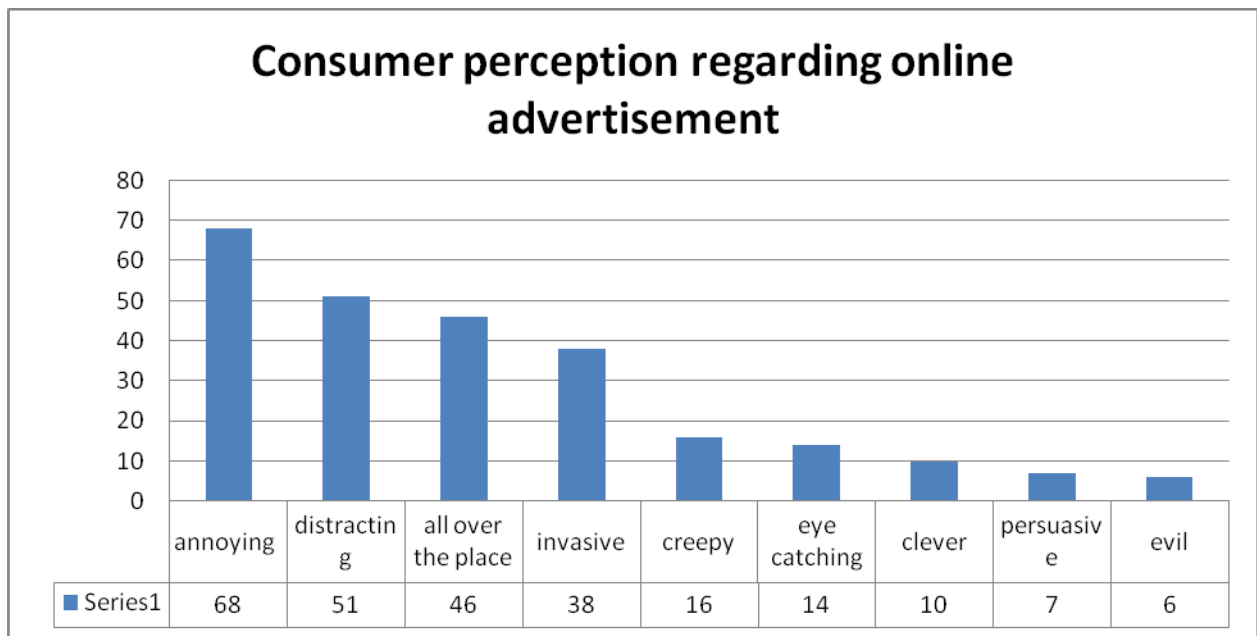
Comparative Estimates: Digital advertising spending in India:

Category of ads	March2013
Online classifieds	INR 2686 crores
Display ads	INR 838 crores
Search	INR 723 crores

Indian Consumer Behaviour Facts & Figures:

S.No.		%age
1	Recommendation from people know	93%
2	Editorial content	87%
3	Brand websites	78%
4	Newspapers	77%
5	TV	76%
6	Consumers opinions posted online	74%
7	Magazines	73%
8	Brand sponsorships	72%
9	Radio	66%
10	E-mails	65%
11	Billboards/outdoor	62%
12	Ads before movies	61%
13	Search engine results ads	50%
14	Online video ads.	50%
15	Banner ads	48%

From the above table it can be seen that most of the Indian consumer while shopping online consider **“Word of Mouth”** as reliable than other sources.

CONSUMER BEHAVIOR TOWARDS ONLINE ADVERTISEMENTS:**HOW EFFECTIVE ONLINE ADVERTISEMENTS CAN BE CREATED:****Establish Clear Goals and Objectives**

As with any marketing communications online advertising needs to be driven by a set of advertising objectives. The following are possible communication goals that an organization may want to achieve through its communications:

- Build brand loyalty
- Increase website traffic
- Generate sales
- Build a social media following
- Improve customer convenience

Define Target Audience

- An organization must know who its target audience is, in terms of their age, gender, income level, etc. Also, their likes and dislikes, preferences, expectations, demands from a product and perception about the organization.

Define Communication

The goal is to focus on a single benefit. In trying to communicate too many things, the consumer will only get confused.

Select Target Rich Websites

Now that the organization knows who their target audience is and what they need to say, it's time to find out where their customers are. What sites do they frequent and how will the organization get its ad displayed on those sites.

Choose Ad Placement and Sizes

Where an ad is displayed on a website depends on the website, the ad size, and the budget. Ads placed "above the fold" (ads that can be seen without scrolling down) will get a higher click-through-rate (CTR). But in reality, it all depends on the site, the content, and the visitor.

MOST IMPORTANT ONLINE ADVERTISING OPPORTUNITIES IN 2013:**Mobile Marketing:**

This year we will see access to websites by mobile devices rival and surpass access by desktop and laptop environments. Marketers are already taking advantage of this – \$22 million was spent on mobile advertising alone for the three months to September quarter in 2012, representing a 190 per cent year on year increase, and a 24 per cent increase on the June 2012 quarter. It's no longer enough to have a website that "looks ok" in a mobile environment – your website should be responsive and targeted towards what people may want to see on the go. Utilising search for mobile advertising and developing unique campaigns for these environments is crucial.

Social Media Marketing:

Social media will become an effective tool in the hands of discerning advertisers. Facebook, in its promotional posts and offers last year, allow marketing within the mobile environment, which is where the majority of users access Facebook. Promoted posts provide businesses with the ability to push a post out to not only fans, but 'likers' of fans, increasing the reach dramatically. Offers allow businesses to present advertised offers which spread virally as people "accept" the offer acting as brand advocates for your brand by pushing this to their friends. This is really only the tip of the iceberg. Social media is projected to ramp up its revenue generating activities.

Pinterest:

Pinterest has seen massive growth – Pinterest now drives more traffic to business websites than YouTube, LinkedIn and Google + combined. It's been a quiet achiever when it comes to businesses, as businesses discover ways they can harness this opportunity. For ecommerce sites, the opportunity is obvious – posting images of products, listing prices and including a

URL to the site works well. For other businesses, it's about thinking strategically with regards to imagery that could help support the brand e.g. home builders showing interior shots of their homes, restaurants posting food images and so on.

CONCLUSION:

With the increased adoption and fission of the Internet, World Wide Web is becoming gradually a standard advertisement platform. The Web is offering business advertisement world with more rich media tools, interactive services, and global reach. The need is to understand the target consumers and then strategize wisely in order to gain maximum out of this new medium.

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