IMPACT OF ONLINE ADVERTISING ON CONSUMER BUYING BEHAVIOR

*MEGHNA MEENA

Junior Research Fellow (UGC),

Department of Economic Administration and Financial Management,

University of Rajasthan, Jaipur, Rajasthan

** DR. MAMTA JAIN

Associate professor

Department of Economic Administration and Financial Management,

University of Rajasthan, Jaipur, Rajasthan

ABSTRACT

The greatest product or service in the world won't make money unless consumers know it exists, this is why Advertisements is considered so important. An Advertisement is an audio or visual form of marketing communication that employs an openly sponsored, non personal message to promote or sell a product, service or idea. Online advertising is latest and fastest growing means of advertisement of modern era. This study examines the impact of online advertising on the consumer behavior. This study will help in understanding the importance of online advertisement on consumer buying behavior.

Key Words: Online Advertising, Marketing communication, Consumer behavior,

INTRODUCTION

Online advertising, also called online marketing or Internet advertising or web advertising, is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. The internet has is an ongoing emerging source that tends to expand more and more and is growing exponentially in both its applications and number of users due to its unique characteristics of flexibility, interactivity, and personalization. Internet as an advertising medium is versatile and this is it where it stands apart from the traditional advertising mode. It is a highly flexible mode that allows consumer to make changes during the course of the campaign as and when required without incurring much additional cost. This makes internet all the more important in a country like India where the business scenario is highly dynamic and changes with each passing day. Online marketing media allows the consumer to make changes as and when required to meet the latest demands of the market.

The number of internet users is on a rapid rise worldwide and the internet is being used by consumers of all age and types. Internet has become one of the major mediium for communication, entertainment and is indeed in the process of replacing traditional entertainment, promo products, and informative media's. Likewise, traditional marketing forms such as television, radio, newspaper, magazines, etc., are becoming a thing of the past. Most of the companies and organizations nowadays are relying on digital advertising and marketing techniques to improve their

overall sales and revenue. Online marketing has so far proved to be effective and efficient when compared with other forms of advertising and marketing.

It includes email marketing, search engine marketing (SEM), social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. Like other advertising media, online advertising frequently involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher's content. Other potential participants include advertising agencies who help generate and place the ad copy, an ad server which technologically delivers the ad and tracks statistics, and advertising affiliates who do independent promotional work for the advertiser.

OBJECTIVE

The objectives of the study were to;

Determine the effectiveness of internet advertising on reach and creation of awareness.

Determine the relationship between internet advertising and consumers buying behavior.

HISTORY

In early days of the Internet, online advertising was mostly prohibited. For example, two of the predecessor networks to the Internet, ARPANET and NSFNet, had "acceptable use policies" that banned network "use for commercial activities by for-profit institutions". The NSFNet began phasing out its commercial use ban in 1991.

The first widely publicized example of online advertising was conducted via electronic mail. On 3 May 1978, a marketer from DEC (Digital Equipment Corporation), Gary Thuerk, sent an email to most of the ARPANET's American west coast users, advertising an open house for a new model of a DEC computer. Despite the prevailing acceptable use policies, electronic mail marketing rapidly expanded and eventually became known as "spam."

Online banner advertising began in the early 1990s as page owners sought additional revenue streams to support their content. Commercial online service Prodigy displayed banners at the bottom of the screen to promote Sears products. The first clickable web ad was sold by Global Network Navigator in 1993 to a Silicon Valley law firm. In 1994, web banner advertising became mainstream when HotWired, the online component of Wired Magazine, sold banner ads to AT&T and other companies. The first AT&T ad on HotWired had a 44% click-through rate, and instead of directing clickers to AT&T's website, the ad linked to an online tour of seven of the world's most acclaimed art museums.

TYPES OF ONLINE ADVERTISMENT

Online advertisement is broadly divided in to the following types:

Display Advertising: the use of web banners or banner ads placed on a third-party website to drive traffic to a company's own website and increase product awareness.

Search Engine Marketing (SEM): a form of marketing that seeks to promote websites by increasing their visibility in search engine result pages (SERPs) through the use of either paid placement, contextual advertising, and paid inclusion, or through the use of free search engine optimization techniques.

Search Engine Optimization (SEO): the process of improving the visibility of a website or a web page in search engines via the "natural" or un-paid ("organic" or "algorithmic") search results.

Video Ads: While YouTube ads are the most popular and well known of video ads, there are actually several different formats, types and content options. Consumers can go the route of educational/informative. Or maybe consumers want to post a how-to. Try to pull on the emotional strings of consumer viewers by creating a visual story. Ideal for branding, especially if you have a product or service that is best demonstrated visually.

 Email Marketing: Hanging out with Display Ads back near the start of online advertising, Email Marketing is a cheaper, faster and effective form of advertising. It's a great way to build customer loyalty and boost sales; when you use an email campaign manager (see the list below) to prepare and send your emails, you can easily track how well they do and monitor your ROI

Remarketing/Retargeting: The best way to market to consumers who already know about the existing product and service is to remarket to them. When consumers visit online site, sellers drop a cookie on them so that, as they travel around the web, online ads will appear over and over to remind them about the seller's products or services.

IMPACT ON CONSUMERS

Advertising on the Internet is almost a necessity for modern businesses, especially those that do business outside of their local community. Consumers use the Internet for more than simply entertainment or information, as they do with radio, television, magazines and newspapers. Consumers use the Internet to assist them in nearly every aspect of life, creating countless opportunities to place relevant, targeted ad messages.

Main benefits of advertising to consumer are as follows:

The Internet's vast reach can allow advertisers to reach significantly more people than traditional advertising media at a fraction of the cost. Internet advertising is ideal for businesses with a national or international target market and large-scale distribution capabilities. As a rule, the more people a business serves, the most cost-efficient internet advertising can be. Internet advertising can also be more targeted than some traditional media, ensuring that the messages are seen by the most relevant audiences.

The manufacturer is compelled to maintain the quality of the goods advertised. Money spent on advertising being an investment the manufacturer naturally expects returns on such investment. This interest will be forthcoming as long as the manufacturer maintains the quality and there by the reputation of the goods so advertised. As soon as the quality of the article drops the sale of the article will also decline.

Well-advertised goods are generally better in quality thus justifying advertising although it cannot be denied that certain firms may advertise worthless goods. In the latter case, however, the advertising expense will be wasted in the long run.

Advertising also acts as an information service and educates the consumer. It enables consumers to know exactly what he wants and where to get it. Advertising thus makes it possible for enjoyment of new amenities and make the life of the consumer easier, more comfortable and pleasant.

Advertising stimulates production and reduces the cost per unit. This reduction in the cost is generally passed on to the consumer and that is why price of well-advertised goods are found to be generally lower than other goods of the same quality which are not so well advertised.

Advertising also makes it possible to sell direct to the consumer by Mail Order Business. Thus, eliminates the role of mediators. Consumers out-of-the way areas can also enjoy the comforts and luxuries available only in the cities or towns. In this way advertising improves social welfare.

As manufacturers control the pride of well-advertised goods price- cutting is not available to the retailers and the shopkeeper tries to attract consumers by giving better and more satisfactory service. This also is an additional benefit to the consumer brought about by advertising.

LIMITATIONS OF ONLINE ADVERTISMENT

Consumers Ignore Ads: Consumers are so used to seeing advertising on television, hearing radio commercials and flipping through advertisements in magazines, they've developed an aversion to all forms of advertising. This is also the case with online advertising, where consumers can avoid clicking banner advertisements, bypass ads in online videos they watch and close pop-up advertisements as soon as they come up on their screens. Customers are in control of which advertising messages they want to click and respond to.

Viewing Problems: Website downtime, lags in website or video loading and browser complications can reduce the number of times consumers see online advertisements and how well they see them. When technical issues occur, companies lose the opportunity to broadcast advertisements for their products and services and may lose potential sales. Viewing problems can occur because of problems with a website or if a consumer is using a smart phone or other mobile device to view a website, has a slow connection speed or does not have the correct applications and programs installed on his computers for proper viewing.

Consumers Get Distracted: When customers visit a website, they typically have a goal in mind, whether it's to catch up on the latest celebrity gossip, read the news, chat with friends, download music or shop for a specific item. Websites present consumers with various options that can easily distract them and pull their attention from your online advertisements.

One disadvantage of advertising on the Internet is that the marketing materials are automatically available for anyone in the world to copy, regardless of the legal ramifications. Logos, images and trademarks can be copied and used for commercial purposes, or even to slander or mock your company. This is not the case with television and magazine advertising, wherein images must be replicated rather than simply copied electronically.

Another disadvantage is the fact that the Internet-advertising gold rush has begun to introduce ad clutter to the Web. Web users are so inundated with banner ads and spam email that they have begun to ignore internet advertising just as much as ads on traditional media.

Confuses the consumers: Many a time distorted version of reality is shown in the advertising. Believing in advertising, consumers buy the product. On its use, they feel cheated. Consumers come to realise later that the information given in the advertisement was something else whereas the actual product was quite different from it. Thus, people lose confidence in advertising because of wrong presentation. In this reference it is said that advertising confuses rather than helps.

Security Concerns: According to a US Senate investigation, the current state of online advertising endangers the security and privacy of users.

Privacy concerns: The collection of user information by publishers and advertisers has raised consumer concerns about their privacy. Sixty percent of Internet users would use Do Not Track technology to block all collection of information if given an opportunity. Over half of all Google and Facebook users are concerned about their privacy when using Google and Facebook, according to Gallup.

The one who's most benefits from online advertisement are E-commerce like Amazon, Myntra, Flipkart, Jabong etc. E-commerce is experiencing an unparalleled expansion for over a decade. From a few percent ten years ago to almost 20% for certain categories of products, the Internet has become a major sales channel in the B2C globalized commerce.

Especially during the festive season e-tailers are trying to woo shoppers with best deals like EORS (End of Reason Sale) EOSS (End of Season Sale), BBD (Big Billion Day sale) and grab market share. These firms invests heavily on bringing the best deals for consumers across categories like apparel, electronics, and household items as well as on logistics to ensure speedy delivery to ensure consumer experience doesn't suffer.

While the one who losses the most out of it are usually traditional store sellers. Suppose I buy a brand new book for Rs. 1000 on Amazon. Once I've finished reading it, I can probably sell it for at least Rs. 350-650 on any second-hand website (like eBay, Craigslist or Priceminister). The whole process harms twice the traditional bookseller. The first time when I buy the book through amazon. The second when I sell it as a second-hand. In doing so, I have consumed the "action of reading"

The Second-hand market is steadily increasing with the help of online advertisements through website and mobile applications like OLX etc. Everyone is now customer and a supplier.

CONCLUSION

Internet advertising offers increased awareness of companies, an easy method to distribute information, advanced methods of targeting consumers, an immediate and direct line to the consumers. Online advertisement indulge sellers directly with targeted consumers . The advertisement should not be intrusive and distractive in nature. Such advertisement should be innovative to attract more and more consumers. With the increased adoption ad fission of the Internet, World Wide Web is becoming gradually a standard advertisement platform. 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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