



The Efficacy of Digital Advertising

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Abstract—

Digital marketing has become a prominent focus in contemporary business management. Within this realm, digital advertising has garnered significant attention due to its cost-effectiveness. In the digital age, communication between buyers and sellers has evolved, with the internet emerging as a powerful advertising medium as more individuals become internet-savvy. This paper aims to explore the effectiveness of digital advertising in generating awareness, interest, and preference for products, as well as facilitating knowledge dissemination and influencing purchase decisions. Additionally, it discusses the most preferred types of ads. The study concludes that consumers perceive digital advertising as both useful and entertaining.

Keywords: *Digital Marketing, Digital Advertising, Awareness, Interest, Cost Effectiveness.*

1. INTRODUCTION

The internet has become effective tool of communication. Its growth attracts the attention of advertisers as a more attractive source to pursue consumers. This promotional form uses the Internet and World Wide Web to deliver marketing messages to attract customers. Internet advertising differs from conventional advertising in a manner that consumers can directly click on the ads and interact with sellers for their queries, more information and even placing the order. Internet advertising also gives advertisers the benefit to target the audience selectively and precisely. online advertising include contextual ads on search engine results pages, banner ads, blogs, social network advertising, interstitial ads, online classified advertising, and many more. Many of these types of ads are delivered by an ad server. Internet advertising has very fast and is expected to take major chunk from advertiser's media budgets Online advertising has the benefits of Scalability, Better Demographics, Targeted messages, Broad and flexible reach - Cost-effective Detailed tracking and measurement – and last but not least is the creativity. This paper attempts to measure effectiveness on online advertising.

2. REVIEW OF LITERATURE

Following literatures have been reviewed to fetch the relevant information and gain command on the topic. DR Fortin, RR Dholakia Journal of Business Research, 2005 - article measures the effects of various levels of interactivity and vividness of a message on attitudes and behavioural intentions within a web-based advertisement. As a conceptual foundation, the study introduces the multistep model of the impact of interactivity on advertising effectiveness. The findings suggest that the effects, of interactivity reach a "plateau" at medium and high levels, indicating a diminishing returns effect. . Novak and Hoffman (1996) empirical evidence suggests that consumers respond to much of the advertising on the Internet in the same ways as they respond to advertising in traditional media, at least with respect to traditional measures of advertising effectiveness. Internet and other interactive media like television have been more powerful, responsive, and customizable than traditional media. Port, (1999). Drèze and Hussherr (1999) found response to the advertising on the internet to be similar to response to advertising in other media, except that advertising on the internet appeared to be easier to ignore. Lynch and Ariely (2000) found that consumers are less price sensitive when providers on the internet offer different rather than identical products, a finding that directly parallels findings in more traditional retail settings. (Thomas, 1998). The multimedia aspect of the web could make the experience more fun and stimulating, thus holding the attention of the online consumer longer (Ghose and Duo, 1998). Consumers have direct control over web based advertisements on what ads, when, where, and how long they would like to see them (Gallagher et. al. , 2001). Strangelove (1994) documented several ad formats, including electronic mailing lists, usenet newsgroups, signature files, free electronic newsletters, software samples, electronic brochures, and storefronts on the web. Bush and Harris (1998) continue to show that the number one barrier to online advertising continues to be no proof of ROI or other measure of effectiveness. Palanisamy and Wong (2003) found a positive relationship between online consumer expectations and web-based banner ad effectiveness. Online advertising can be an effective branding vehicle that could provide marketers with powerful communication tools the web can present information in numerous ways including text, images, videos, and sound and therefore, is a flexible medium. The marketplace is changing and it has been shifting towards online shopping, and virtual market businesses. Due to the changes in the environmental trend, the online business has to focus more on web-based advertisements. Qimei Chen and William D. Wells (1999) develop and present a reliable and valid scale that measures attitude toward a website. They then develop and present additional scales that provide more detailed

information. Laurent Flores (2007), highlighted his findings in the light of internet advertising consumer model to understand the value of different formats (such as banners, banners with daughter window, shared real estates, and interstitials) of sponsorship and broadband advertising. Briggs and Stipp (2000), shared learning accumulated on the effectiveness of different types of ad formats. Internet advertising is a commercial communication intended to generate a response over time. A better understanding of the function of Internet advertising will not only help the development and use of various Internet advertising formats but also assist the effective integration of both traditional and internet advertising in marketing campaigns. Commercial communication can take different forms that when advertisements placed within website content.

3. OBJECTIVE OF THE STUDY

1. To ascertain the importance of online advertising as a promotional tool.
2. To assess the effectiveness of online advertising on purchasing behavior.
3. To ascertain which type of online advertising is preferred by consumers.

4. METHODOLOGY

This is a descriptive research. Convenience sampling method is used to draw a sample of 113 respondents: Primary data has been collected with the help of a structured questionnaire, which includes close ended questions only. The sources of The Secondary Data collection are Internet Websites, Literature review, Previous Researches etc.

5. DATA ANALYSIS AND INTERPRETATIONS

Following are results and the interpretations after analysing the data.

Variable 1: Internet-User

Frequency Statistics			
Having accounts on various websites			
N	Valid	113	
	Missing	0	
Mean		1.91	
Valid	Strongly Agree	39	34.5
	Agree	56	49.6
	Neutral	10	8.8
	Disagree	5	4.4
	Strongly Disagree	3	2.7
Total		113	100.0

From the above table this can be observed that 84% people are having accounts on various websites. 9% people are neutral about the statement and 7% people are nonuser that means they don't have any account on the web.

Chi-Square Test

	have accounts on various websites
Chi-Square	98.991 ^a
Df	4
Asymp. Sig.	.000

From the above table this can be observed that Chi-Square value is 98.991 with the Degree of Freedom 4 which is significant at 0.01 level. Therefore the alternate hypothesis namely "Most people have accounts on various social networking websites and other commercial/non-commercial websites is accepted.

Variable 2 : Attention-Grabbing

Frequency Statistics			
online advertising catches attention			
N	Valid	113	
	Missing	0	
Mean		2.26	
		Frequency	Percent

Valid	Strongly Agree	20	17.7
	Agree	61	54.0
	Neutral	17	15.0
	Disagree	13	11.5
	Strongly Disagree	2	1.8
	Total	113	100.0

From the above table of mean frequency this can be observed that 71.7% respondents are agree, 17% respondents are neutral and 14.3% respondents are disagree with the statement.

Chi-Square Test

	online advertising catches attention
Chi-Square	89.788 ^a
Df	4
Asymp. Sig.	.000

From the above table this can be observed that Chi-Square value is 89.788 with the Degree of Freedom 4 which is significant at 0.01 level. Therefore the alternate hypothesis namely “Online Advertising Catches Attention” is accepted.

Variable 3 : Awareness

Frequency Statistics			
Source of knowledge about various products and services			
N	Valid	113	
	Missing	0	
Mean		2.11	
Valid		Frequency	%
	Strongly Agree	33	29.2
	Agree	50	44.2
	Neutral	19	16.8
	Disagree	7	6.2
	Strongly Disagree	4	3.5
Total		113	100.0
From the above table this can be observed that 73.4% respondents are agree, 16.8% respondents are neutral and 9.7% respondents are disagree from the statement.			
Chi-Square Test			
	source of knowledge about various products and services		
Chi-Square	64.655 ^a		
Df	4		
Asymp. Sig.	.000		

From the above table this can be observed that Chi-Square value is 64. 655 with the Degree of Freedom 4 which is **significant at 0. 01 level**. Therefore the alternate **Hypothesis** namely “Online ads are good source of getting knowledge about various products and services” is **accepted**.

Variable. 4: Trustworthy

Frequency Statistics			
In terms of making online purchases			
N	Valid	113	
	Missing	0	
Mean		2. 86	
		Frequency	Percent
Valid	Strongly Agree	17	15. 0
	Agree	24	21. 2
	Neutral	34	30. 1
	Disagree	34	30. 1
	Strongly Disagree	4	3. 5
	Total	113	100. 0
From the above table this can be observed that 36% respondents are agree, 30% respondents are neutral and 33. 6% respondents are disagree from the statement.			
Chi-Square Test			
		in terms of making online purchases.	
Chi-Square		28. 283 ^a	
Df		4	
Asymp. Sig.		. 000	
From the above table this can be observed that Chi-Square value is 28. 283 with the Degree of Freedom 4 which is significant at 0. 01 level . Therefore the alternate Hypothesis namely “Online Advertising is trustworthy” is accepted .			

Variable 5 : Time-Commitment

Frequency Statistics			
I spend considerable amount of time in checking online ads.			
		Frequency	%
Valid	Strongly Agree	11	9. 7
	Agree	19	16. 8
	Neutral	30	26. 5
	Disagree	46	40. 7
	Strongly Disagree	7	6. 2
	Total	113	100. 0

From the above table this can be observed that 26. 5% respondents are agree, 26. 5% respondents are neutral and 46. 9. 7% respondents are disagree from the statement.

Chi-Square Test	
	I spend considerable amount of time in checking online ads.
Chi-Square	43. 947 ^a
Df	4
Asymp. Sig.	. 000

From the above table this can be observed that Chi-Square value is 43. 947 with the Degree of Freedom 4 which is significant at 0. 01 level. Therefore the alternate Hypothesis namely “Considerable amount of time is being spent in checking Online advertising” is accepted.

Variable 6 : Influential

Frequency Statistics			
Online ads stimulate me for impulse buying.			
N	Valid	113	
	Missing	0	
Mean		3. 07	
		Frequency	%
Valid	Strongly Agree	9	8. 0
	Agree	20	17. 7
	Neutral	44	38. 9
	Disagree	34	30. 1
	Strongly Disagree	6	5. 3
	Total	113	100. 0

From the above table this can be observed that 25. 7% respondents are agree, 38. 9% respondents are neutral and 35. 6% respondents are disagree from the statement.

Chi-Square Test

	Online ads stimulate me for impulse buying.
Chi-Square	46. 690 ^a
Df	4
Asymp. Sig.	. 000

From the above table this can be observed that Chi-Square value is 46. 690 with the Degree of Freedom 4 which is significant at 0. 01 level. Therefore the alternate Hypothesis namely “Online ads stimulate for impulse buying” is accepted.

Variable 7: Helpfulness Frequency Statistics

Online ads help me to make purchase decisions.		
N	Valid	113
	Missing	0
Mean		2. 63

		Frequency	%
Valid	Strongly Agree	14	12.4
	Agree	45	39.8
	Neutral	29	25.7
	Disagree	19	16.8
	Strongly disagree	6	5.3
	Total	113	100.0

From the above table this can be observed that 39.8% respondents are agree, 25.7% respondents are neutral and 5.3% respondents are disagree from the statement.

Chi-Square Test

	Online ads help me to make purchase decisions.
Chi-Square	40.053 ^a
Df	4
Asymp. Sig.	.000

From the above table this can be observed that Chi-Square value is 40.053 with the Degree of Freedom 4 which is significant at 0.01 level. Therefore the alternate Hypothesis namely "Online ads help in making purchase decisions" is accepted.

Variable 8 : Preference

Frequency Statistics			
I rely on online advertisements more than TVC and any other advertising media.			
N	Valid	Missing	113
			0
Mean			3.24
		Frequency	Percent
Valid	Strongly Agree	11	9.7
	Agree	20	17.7
	Neutral	26	23.0
	Disagree	43	38.1
	Strongly Disagree	13	11.5
	Total	113	100.0

From the above table this can be observed that 17.7% respondents are agree, 23% respondents are neutral and 38.1% respondents are disagree from the statement.

Chi-Square Test	
	I rely on online advertisements more than TVC and any other advertising media.
Chi-Square	29.257 ^a

Df	4
Asymp. Sig.	.000

From the above table this can be observed that Chi-Square value is 29.257 with the Degree of Freedom 4 which is significant at 0.01 level. Therefore the alternate Hypothesis namely "Online advertising is reliable more than TVC and any other advertising media" is accepted.

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Variable 9 : Creativity

Frequency Statistics			
There is more creativity in online advertising.			
N	Valid	113	
	Missing	0	
Mean		2.19	
Valid		Frequency	%t
	Strongly Agree	29	25.7
	Agree	50	44.2
	Neutral	20	17.7
	Disagree	12	10.6
	Strongly Disagree	2	1.8
	Total	113	100.0

From the above table this can be observed that 69.9% respondents are agree, 17.7% respondents are neutral and 12.4% respondents are disagree from the statement.

Chi-Square Test

	There is more creativity in online advertising.
Chi-Square	59.080 ^a
Df	4
Asymp. Sig.	.000

From the above table this can be observed that Chi-Square value is 59.080 with the Degree of Freedom 4 which is significant at 0.01 level. Therefore the alternate Hypothesis namely "Online ads are creative" is accepted.

6. LIMITATIONS OF THE RESEARCH

Sample size is limited to 113 Internet users hence the result of the study cannot be taken as universal. Findings of the survey are based on the assumption that the respondents have given correct information. Since the respondents have to fill the questionnaire while busy with their hectic schedule, many people will be reluctant to answer. The study is conducted only in Indore City and therefore, several other potential samples outside the city were neglected.

7. SUGGESTIONS AND RECOMMENDATIONS

As we have seen the potential for banner and Internet ads, informative and creative ads are also preferred therefore hot new designs and innovative sales concepts should be developed. Videos are a great way to do that. - Interactive banner designs can be used wherein the client can print out a product sheet from the banner itself, order a product through a

secured order form on the banner itself, click which button he prefer and be directed to a specialized product marketing page.

The word free is just as effective in advertising online as it is offline. By sponsoring a freebie, a simple name submission drawing can also get viewers to go through ads in the process they become aware of the advertisement. Social Networking Sites are very good source for placing of advertisements as they have the maximum attention and usage these days. The business sites should not contain advertisements in the form of pop ups and banner as people uses such sites don't pay any attention to them. Target Audience – Keeping target audience in mind. Business people aren't going to have the time or inclination to participate in game-type ads. On the other hand, teenagers love them. If the target group is younger people, games might be the thing. Design ad to meet the preferences of target customer. Online advertising is really helpful and a great opportunity provider for new entrants and marketer. Sounds and music attached with the ads have more recall value. consideration the factors like –speed of download, ease of navigation,, domain name, publicity & advertising activities which building traffic, If all such parameters are considered while selecting the web sites for online advertising, the impact of such advertising will definitely be felt. Online advertising is one medium, which helps to generate awareness about the brand being advertised, it can help in creating an image, it helps in educating the audience and also builds interactivity & direct response. No other conventional media has the ability to give all of this.

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