

A Study on Effectiveness of Online Advertising with Reference to Coimbatore City

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Abstract

Online advertising use the Internet as a medium to get website traffic, target and deliver marketing messages to the target customers. Online advertising is geared toward defining markets through unique and helpful applications. Since the early 1990s there has been an exponential increase in the growth of online advertising is also known as online advertising or Digital advertising. Advertising has come a long way today. So many new medium is being explored each day to make a successful advertising campaign. Internet that has in recent times picked up as advertising medium has become the favorite of the advertiser in short span of time. Online advertisement uses the internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine, social media marketing, many types of display advertising and mobile advertising. This study reveals that the effectiveness of on line advertising and usefulness and the reasons for using online advertisement with reference to Coimbatore city.

KEYWORDS: Online advertising, Traditional advertising, Media advertisement.

INTRODUCTION

The publisher integrates advertisements into its online content, and an advertiser who provides the advertisements to be displayed on the publisher's content. The advertising agencies help to produce the advertisement copy and the advertisement server mechanically delivers the advertisement and tracks statistics, and advertising affiliates produce self-determining promotional work for the advertiser.

Internet as an advertising medium is flexible and this is it where it stands separately from the conservative advertising medium. It is a highly elastic medium that allows you to make changes during the course of the campaign as and when required without incur much extra cost. In India internet plays more important role, where the business scenario is highly dynamic and changes with each passing day. Online marketing media allows the user to make alteration as and when required to meet the latest demands of the market. The main strength of Internet as an advertising medium is its ability to reach out to a enormous audience at one goes. Internet advertising is also not leap by boundaries such as time and accessibility as one can waves the internet at any time of the day making your advertisement available all the time unlike television advertisements to which the viewers can't go back or the newspaper advertisements that go in the waste once they are read in the morning. Day by day, businesses are going online to advertise their products and services. The internet includes aspects of print, television, and radio advertising in an environment. It produces a new and fast-paced

experience for customers. Thus, online advertisement is becoming one of the most favorite medium of advertisement and one with extreme probable for growth.

HISTORY OF ONLINE ADVERTISING

The Origin of Spam:

In 1980, online marketers had stimulating from flooding Usenet forums to sending out emails, a practice that continues up until today. The numbers of spam emails that are sent everyday is a enormous 90 million. As a marketing practice however, spam emails have little effectiveness since most of the users just read any.

Banner advertisements:

The year 1994 see the first online advertisement that was speedily follow by a period of experimentation on advertiser and publisher advertisement format and expertise. This initial stage ended with the launch of one of the first advertisement technologies, the double click in 1995. In 1990, many were invested in online advertisement. Now a day's Banner advertisements are not effective online advertising mediums. With extensive designing required, they are time consuming and expensive to create. In addition, the low return on revenue spent on developing banner advertisements renders them useless to most online advertisers. Not unexpectedly therefore, by mid-2000, banner advertisements started to dry up and has become obsolete at the time of writing.

The advent of Google:

The competence of look for engine technology has continued online advertising. Because of its high reliability and rate of interest, the search engine market has exposed a steady growth over the years, pull online advertising many notches. Drawing away from banner advertising, Google revolutionize online advertising by using relevant text advertisements to sell. Google's success rested on introducing the click - through rate that would measure the relevancy of the advertisement, also ensuring host payment only when users clicked on the advertisements Pay-Per-Click advertising was not a Google original. Google perfect Pay-Per-Click and changed the approach advertisers take to online advertising. Google Add words optimistic advertisers to come up with comprehensive, relevant advertisements instead of mere selling.

Google on Pay-Per-Click and Pay-per-impression:

Pay-per-click and Pay-per-impression are two dissimilar online advertising models. Pay-per-click, as the name suggests, involves payment to host every time users click on an advertisement. Pay-per-impression calculates the rate of the entire marketing campaign. Pay-Per-Click is helpful in bringing targeted traffic to a website while Pay-Per-Impression is the best brand building model. Both however, are susceptible to click fraud.

Social Media Advertising:

Social media is everywhere and has been in vogue since the past five years. At its core, social media is a communications and networking tool, whose popularity has been constantly rising since its users can connect, share and interact among themselves.

REVIEW OF LITERATURE

Peter J. Danaher and Guy W. Mullarkey(2003) In this research article we examine factors that might impact on web advertising recall and recognition. These factors include the viewing mode, duration of page viewing, and web page context factors, including text and page background complexity and the style of the banner advertisement. Via an experimental design conducted on a student sample, we manipulate these factors over several levels. The key finding is that the longer a person is exposed to a web page containing a banner advertisement, the more likely they are to remember that banner advertisement. We also find that recognition scores are much higher than both unaided and aided recall scores. Finally, web users in a goal-directed mode are much less likely to recall and recognize banner advertisements than users who are surfing a site. In addition, a number of personal demographics and site attitude factors are incorporated. The key finding is that web page exposure duration is a strong determinant of banner advertisement recall. Stated simply, the longer a person stays on a particular web page, the more likely they are to remember a banner advertisement on that page. In addition, some minimum and maximum thresholds are observed. To achieve reasonable advertising recall, some minimum level of exposure (around 40 seconds) is required. However when a user is in surfing mode, advertising recognition does not increase appreciably when exposure exceeds 40 seconds. In this article the Authors has consider only banner advertising , the other methods of web advertising such as pop-up ads, pop-under ads ,interstitial ads square ads etc. are not considered, which the researcher will consider for the Ph.D. work.

Scott F. Geld (2003) Marketing can be defined as 'whatever you do to promote and grow your business' including market research, advertising, publicity, sales, merchandising and distribution. With traditional marketing techniques all of these things are delivered in print format or in person. Internet marketing however, uses the power of online networks and interactive media to reach your marketing objectives...no paper, no telephone calls, no in person appearances. Internet marketing can save your time, money and resources. Electronic versions of catalogs, brochures, white papers, data sheets etc. don't have to be printed, stored or shipped to your customers resulting in an enormous savings in printing and storage costs. And what about manpower (or lady power) costs? It is no longer requires as many people to handle mailing and distribution of your marketing collateral...more savings

STATEMENT OF THE PROBLEM

Social Media and society both are inter-related and affect each other in many ways. Sometimes Social Media communication is guided by society and sometimes media have dominance over society. The mass social media are essential not only in promotion and propagation of innovative ideas but also in transformation of the society. The researcher proposes to undertake a study to examine the effectiveness of online advertising with reference to Coimbatore city.

OBJECTIVES OF THE STUDY

- To find the most effective media of advertisement.
- To investigate the difference between online advertising and traditional form of advertising.
- To find out the reasons for preferring on line advertisement.
- To suggest valuable suggestions based on the findings of the study

SCOPE OF THE STUDY

Internet has become a need for everyone daily life. People use internet for everyday tasks. Internet is just a medium of getting information for public. It has now taken shape of the most powerful medium of communication, entertainment and shopping for people. Every day, several new websites are being introduced covering different sections like news, e-commerce, information, communication or entertainment. The websites are the best place to advertise products and services as which reaches many people who visit these sites every day from different parts of the world. Another significant place for advertisement of the brand name, products or services can be online communities, forums, social networking sites or affiliate marketing websites. They provide huge organic traffic to the website representing the business or brand name.

Research Methodology

Research Design

Research design is defined as a framework of methods and techniques chosen by a researcher to combine various components of research in a reasonably logical manner so that the research problem is efficiently handled. It provides insights about “how” to conduct research using a particular methodology. Every researcher has a list of research questions which need to be assessed – this can be done with research design.

Area of the study

The study was conducted among the Internet users in Coimbatore city.

Sample Design

Convenience Random sampling.

Sample Size

The data are collected from 100 Internet users.

Sources Of Data

Primary Data

Data collected by the investigator himself/ herself for a specific purpose.. The Questionnaire method is used to collect the data for this study.

Secondary Data

Secondary data are the information collected already by others researchers and later used by a investigator to answer their questions in hand.

TOOLS FOR ANALYSIS

Simple Percentage analysis

The tool used for the analysis of data is Simple percentage analysis.

No. of respondents

$$\text{Simple percentage analysis} = \frac{\text{—————}}{\text{Total no of respondents}} \times 100$$

Correlation

Correlation is a statistical measure that indicates the measure to which two or more variables change together. A positive correlation indicates the extent to which those variables increase or decrease in parallel; a negative correlation indicates the extent to which one variable increases as the other decreases.

CHI-SQUARE

O - observed frequency

E - expected frequency

Expected frequency can be calculate by,

$$E = \frac{RT*CT}{N}$$

Where, N-Total number of observations, RT – ROW TOTAL, CT – COLUMN TOTAL.

Table value is found at 5% Level of significance and for the available degree of freedom.

Degrees of freedom =(R-1)*(C-1) Where,

R-Number of rows

C-Number of columns

Thus chi-square can be calculated by using the formula given below.

$$\text{Chi Square} = \frac{(O-E)^2}{E}$$

If the calculated value is lesser than the tabulated value then the hypothesis is accepted and if the calculated value is greater than the tabulated value then the hypothesis is rejected.

ANALYSIS AND FINDINGS:

Table:1 Showing The Socio Demographic Profile Of The Respondents

Factors	Category	No.of Respondents	Percentage (%)
GENDER	Male	44	44
	Female	56	56
	Total	100	100
AGE	Below 15 years	1	1
	16 – 30 years	30	30
	31 – 45 years	32	32
	Above 45 years	37	37
	Total	100	100
MARITAL STATUS	Married	75	75
	Unmarried	25	25
	Total	100	100
MONTHLY INCOME	Below Rs 10000	30	30
	Rs 10001 – Rs15000	41	41
	Rs 15001 – Rs 25000	27	27
	Above Rs 25000	2	2
	Total	100	100
FAMILY TYPE	Joined	42	42
	Nuclear	58	58
	Total	50	100
NO OF EARNING MEMBERS IN THE FAMILY	1 Member	44	44
	2 Members	33	33
	3 Members	16	16
	Above 3 Members	7	7
	Total	50	100

Table:2. Showing the preferences of the advertisement in purchasing the products by the respondents

Factor	classification	No.of. respondents	%
Towards Internet users	Online	29	29
	TV	47	47
	Magazine	7	7
	Banners	2	2
	Others	15	15

Table: 3. showing time spending in online for purchasing the products by the respondents

Factor	classification	No.of. respondents	%
Towards Internet users	Half an hour	20	20
	One hour	50	50
	Two hours	18	18
	More than two hours	12	12

Table: 4. showing the respondents preference towards online advertisement

Factor	classification	No.of. respondents	%
Towards Internet users	Floating Advertisement	16	16
	E-mail advertisement	14	14
	Popup advertisement	17	17
	Video advertisement	30	30
	Others	23	23

**Table No. 5 Correlation
Gender of the respondents vs Opinion on Decision process**

Gender	Opinion on Decision process			TOTAL
	Strongly agree	Agree	No opinion	
Male	15	26	3	44
Female	21	32	3	56
TOTAL	36	58	6	100

x	y	xy	x ²	y ²
44	36	1584	1936	1296
56	58	3248	3136	3364

0	6	0	0	36
100	100	4832	5072	4696

$$r = \frac{N\sum xy - (\sum x)(\sum y)}{\sqrt{N\sum x^2 - (\sum x)^2} \sqrt{N\sum y^2 - (\sum y)^2}}$$

= 0.97

The coefficient of correlation is 0.97

Hence x and y are correlated.

From the above table, it is clear that the coefficient of correlation is +1 (0.97), which indicates a perfect positive correlation, meaning that both variables, gender of the respondents & Opinion on Decision process move in the same direction together.

Table No. 4. Marital status of the Respondents and Respondents preference towards security on online advertising

Hypothesis:

There is no significant relationship between marital status of the Respondents and Respondents preference towards security on online advertising

Marital status	Security on online advertising		TOTAL
	Agree	Disagree	
Married	39	3	42
Unmarried	49	9	58
TOTAL	88	12	100

TEST RESULT

Factor	Degree of Freedom	Table Value	Calculated Value	Accepted / Rejected	S / NS
Marital status	1	3.8	1.62	Accepted	NS

Significant – Significant value (0.05)
value (0.05)

Not Significant – Significant

From the above table, it is clear that the calculated value is less than the table value. Hence the hypothesis is accepted. Thus it is found that there is no significant relationship between marital status of the Respondents and Respondents preference towards security on online advertising.

SUGGESTIONS

- The number of companies advertising online is elevated but even then fraud and cheating may reduce consumer confidence. Therefore, it should be ensuring that products and services are described truthfully in online advertisements.
- Trust or confidence can be built in online business with the permission of customers.
- To avoid hindrance in work, advertisements should be designed to meet the preferences of target customers or target audience.
- Use of multi-media' and use of banner advertisements give viewers a chance to interact with banners which helps in online advertising.

CONCLUSION

The study on 'Effectiveness of online advertising' states that the most effective media of advertising is online advertising. Online advertising offers increased awareness of companies, an easy method to distribute information, advanced methods of targeting consumers, an immediate and direct line to the customers, and reduced costs in performing these tasks. The main difficulty linked to this is the intervention of online advertisements in the work of people and the fear of falling prey to online advertising fraud and malpractice. As people get more familiar to finding product information on the web, more and more readers will actively seek out Internet advertising sites.

REFERENCE

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