

INNOVATIVE ONLINE ADVERTISING: PERCEPTION AND PURCHASE BEHAVIOR

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Abstract

Online advertising is a form of promotion that uses the Internet and World Wide Web to deliver marketing messages to attract customers. Advertising on the Web has matured over the last ten years. From banner ads to search engine optimization to pay-per-click advertising, marketers have several options for creating brand awareness and direct response campaigns on the Web that hold advantages over traditional advertising (Sharma, 271). But its growth rate in terms of advertising revenue is relatively slower as compared to other traditional advertising forms. The prominent reasons for this slow acceptance rate in online purchase are the implications on the privacy and anonymity of Internet users on use of online advertising and the perception that they are intended to distract or irritate, detract from the design and layout of their Web sites.

This paper is an attempt to understand the perception of Internet users about the innovative ad forms, more specifically the pop-ups. The variables like the content of ad, language, amount of time on the screen, color contrast, size, and graphics used in pop-up ads are studied in relation to their effect on the purchase behavior pattern of Internet users. By carefully investigating these variables in formulating advertising strategies, marketers can cultivate brand recall and gain a formidable competitive edge. The study concludes with practical suggestions on how to design effective online ads to fully utilize the advantages of the Internet-based media.

Introduction

Interactive technology is the new form of advertising media which allows for selectivity while reaching out to mass audience group. Unlike radio and television, the interactive technologies provide for two-way communications and the receiver has more control over the processing of information. Internet is the most widely used form of interactive media and advertising through the Internet takes place in various formats. Web pages delivering selling messages, banner ads, sponsorships, pop-up, push technologies and Web links are the common form of Internet advertising. As the Internet is drawing the advertisers away from the conventional print advertising, the trend of innovative online advertising is rising rapidly.

For online advertisers, Internet allows for specificity in targeting the markets, because only those who are interested in specific product category are likely to visit the sites. Online advertising is not merely an information provider. It is equally capable of its sales potential. There are a number of product categories like books, music, etc where sales through Internet are significantly large and leading to rising prospects of its use for various types of products.

Online advertisers face problems of clutter (ad crowding), rising cost, lack of accurate audience measurement and deception (like hacking). Internet users also face another set of shortcomings like hacking, credit card number thefts and data collection without the user's knowledge. Such problems can be dissolved by taking

measures like speed, scope of creativity, specific message designing and other such variables. The main success factors that can improve the future potential of online advertising formats are targeting, content, creativity and frequency of ads.

Innovative Online Advertising Formats

Banner ads, also called display ads, are the oldest, most common online advertising tool. In this form of advertising, a surfer clicks on the banner for more information or to make a purchase. This format entails embedding the Web site of the advertiser, usually placed on the Web pages that have interesting content, such as news article or an opinion piece.

Rich media option ad uses media-rich ads to attract the viewers. Some of the prominent formats are floating ad (an ad that moves across the user's screen or floats above the content), expanding ad (that changes size altering the size of the content of Web page), polite ad (a method by which a large ad will be downloaded in smaller pieces to minimize the disruption of the content being viewed), wallpaper ad (an ad that changes the background of the page being viewed), trick banner (a banner ad that looks like a dialog box with buttons and stimulate an alert) and video ads (Datta 425-435).

Blog marketing – A blog is a website that provides an individual's opinion on a particular subject. A typical blog consists of text, images, and links to other blogs and web pages. Some of the blogs consist of photos, video and audio. Nowadays the trend of companies advertising on blogs through banner ads is also common.

Mail Advertising – To exploit the power of electronic mail, the companies are doing mass mail with the help of mailing list to distribute quality information to a specific range of consumers/customers. But the problem of spamming is the biggest problem faced by the advertisers.

Viral Advertising – Viral advertising consists of marketing techniques that use already existing social networks to increase brand image with the help of computer virus-like techniques. But it works on the belief that consumers who are impressed would tell people what they like and also tell people what they do not like.

Interstitials – they include pop-ups and pop-under, where the display of a page of ads occurs before the requested content. A pop-up ad is an ad that "pops up" in its own window when users go to a page. It obscures the Web page that user is trying to read, so user have to close the window or move it out of the way. Pop-under ads are similar, but place themselves under the content that user is trying to read and are therefore less intrusive. (Brain)

Trends in Online Advertising

The Internet has the capacity to display ads in both voluntary and forced exposure modes. Where banner ads are normally viewed in a voluntary fashion, pop-up and pop-under are perceived to be intrusive because they put the audiences in forced exposure mode. Over the years, banner ads have provided less response for advertisers than originally anticipated. With the emergence of search engine optimization (SEO) and pay-per-click (PPC) revenue model for companies have increased their advertising expenditure on pop-up ads. Though these pop-up ads are facing increased resistance of Internet users but these intrusive ads are expected to continue in use as more innovative ways are being developed to deliver them. Thus this paper is an attempt to understand the perception of Internet users about the innovative ways adopted by advertisers specifically in the pop-ups and to answer that instead of a negative feelings about these pop-up ads, why marketers are still spending on advertising in this format.

Review of Literature

George N. Lodorfos, Tom A. Trosterud, Chris Whitworth (2006) used as a theoretical framework to interpret consumers' behaviour in the online environment and to study the antecedents of e-purchasing decisions. Notably, these beliefs were found to be 'trust', 'security' and 'convenience'. Masami Asakawa and Masao Okano (2009) examined the factors influencing consumers' perception of online shopping and developed a causal model that explains how this perception affects their online-shopping behavior. Azeem and Haq (2012) in their paper has provided thorough information on the impact of various factors on Internet advertising and the distinction of Internet advertising effectiveness among three demographically different variables. Dharmendra Mehta, Jitendra K. Sharma, Naveen K. Mehta and Atul Jain (2010) studied the effectiveness of pop-up and banner advertisements among young executives in India. Hooda and Agarwal (2012) studied the acceptance rate of e-marketing among the Jaipur consumers and its impact on their purchase decision. Sinead Cochrane (2006) has studied the relationship between Internet experience and memory retention of pop-up advertisements and suggested that pop-ups are ineffective, and online advertisers should focus on alternative forms of advertising. However, a survey has been done by Dominika Kowalczy (2006) on general attitude towards online advertising. Much less research is done on positive impact of using pop-up ads for Internet marketers.

Objectives of the Research Work

This research is aimed to understand the perception of Internet users about the innovative ad forms specifically the pop-ups and explore the main characteristics of pop-up ads that attract the Internet users. The research work is focused on the general attitude about the innovative online format of advertising of Internet users and the perceived image of the companies giving pop-up ads. On the basis of primary data analysis the research is also aimed to formulate the advertising strategies for effective pop-up ads for the companies involved in Internet marketing.

Research Methodology

The research is descriptive in nature and purely on convenience sampling method. The variables like content of ad, language, amount of time on the screen, colour contrast, size, and graphics used in pop-up ads are studied in relation to its effect on perception and purchase behavior patterns of Internet users. Data were collected from 50 Internet users among college students aged 18-21 year through a questionnaire. The questions on general attitude about online advertising are framed from study of Dominika Kowalczy (2006). The questions to study the factors affecting the pop-up ads effectiveness are aided by screenshots of advertisements' formats.

Research Limitations

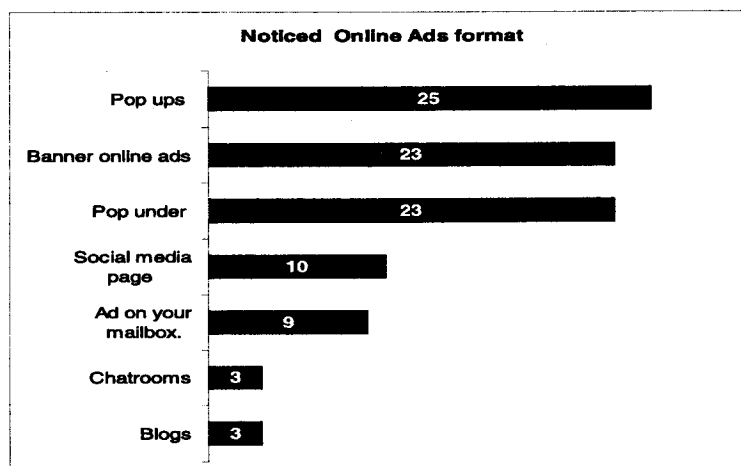
The research lacks any statistical tools and study is restricted to a limited sample size that cannot be considered as an absolute representative of the whole population of Internet users. The perception of consumers may vary due to various personal and environmental factors which also hinder in absolutely generalizing the research findings.

Findings of the Research

On the basis of responses obtained from the questionnaire, the findings are as follows:

- a. The demographic profiles of the respondents consist of 56% females and 44% males.

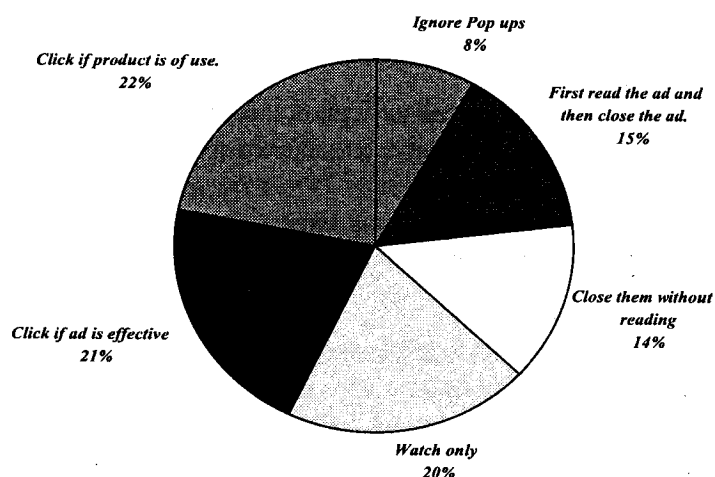
- b. The time spent on Internet per day: Since the respondents are youth aged 18-21 year who are very frequent Internet users, to reach to the objectives of the study, this frequency is measured in detail. The result shows that 67% get Internet access very frequently in every half an hour. Minimum spending time on Internet is at least one hour per day according to 24% respondents. For these frequent Internet users, the major Internet access mode is through their mobile phone (78%) and remaining access time is on laptop (12%).
- c. The purpose of using the Internet: For young Internet users the main purpose of using the Internet and incorporating it so much in their daily routine is to socialize through social media sites like facebook, twitter, etc, according to 62% respondents, while the purpose of only purchasing the products through online shopping is not significant (only 3%). From the sample, 23% of the youth agreed that they use Internet for exploring information about new products and offers.
- d. Perception about online ads: As far as general perception about any kind of online ad is concerned, 35% dislike and get irritated with them and feel that online ad interrupts their work, and they get upset with it. But the feeling of intense hatred is marked by only 15%. 15% youth admire the online ads only if the product is of their interest or it has good advertising content. From Internet marketer's point of view, the response of 37% shows that they are perfectly Ok with them as they increase the awareness level of products and market.
- e. Response towards the innovative online ads format: Among all the online format, pop-up advertising has the highest click through rate of any online advertising method as they are noticed by 25% of the sample. No matter that people complain about seeing them, or may have even installed pop-up advertising blocking software, but people see it, and they click on it. Pop-under ads are also giving a tough competition to conventional banner online ads. Both pop-up and pop-under ads are noticed only while viewing any content page. Thus ads on social media pages (10%), mailbox (9%), chatrooms (3%) and blogs (3%) are not noticed comparatively as these pages involve viewer-intense online involvement which by responding to ads can distract them.



- f. Action after viewing pop-up: Response of viewers about the action they perform after viewing pop-up argues with the general perception about pop-up ads that they are annoying and irritating, intrusive most

of the time with their appearance. Only 8% just ignore them and 14% close them without reading but 15% close them after reading the content. Though 20% of the respondents do not perform any kind of action with them but simply watch them, this kind of audience can be very critical from Internet advertisers' point of view as they can grab their attention by introducing creativity in pop-ups format.

General actions for Pop ups



g. Variables of pop-up ads affecting perception

- 1) Content – The content of the ad is divided into three parts: Title, body text and call to action. Title may contain the brand name, special offer or any catching phrase to attract the customer. When the users are exposed with the screen shots of few pop-ups, the study revealed that as far as content of the ad is concerned, that it is the title of the ads that attract the viewer's attention the most. 70% of the respondents agreed to click on ad after reading the content, out of which 50% agreed by just reading the title part in content. Body text holds less weight in the content part.

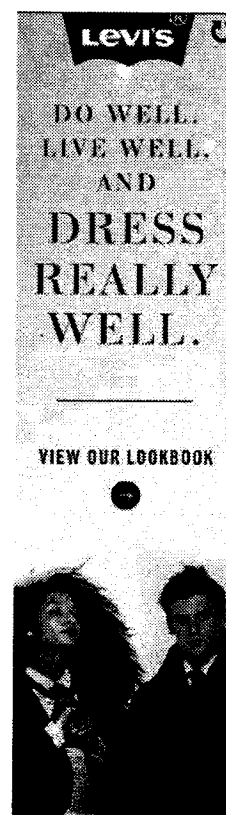


Fig 1: Screenshot used to get response for 'Content' variable

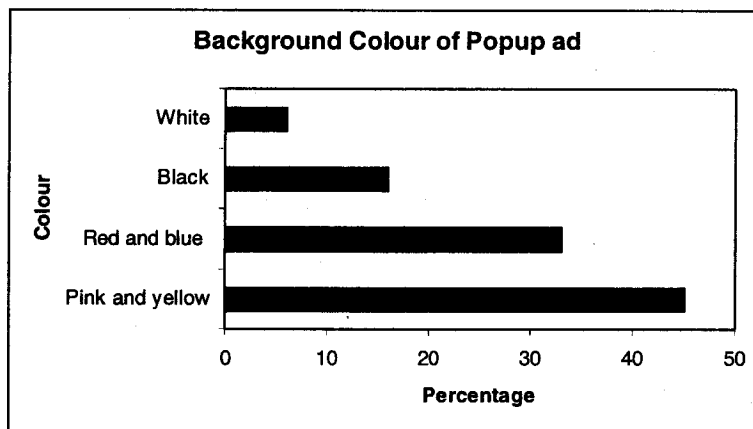
- 2) Special offers and discount – Among the famous four P's (product, price, place and promotion) of marketing, 'P' of 'price' factor is the most popular to attract the

attention. 80% youth in the study agreed to click on a pop-up ad which claims to offer less prices, or free gift with product. Rest 20% felt cheated because of their past purchase or clicking experience.



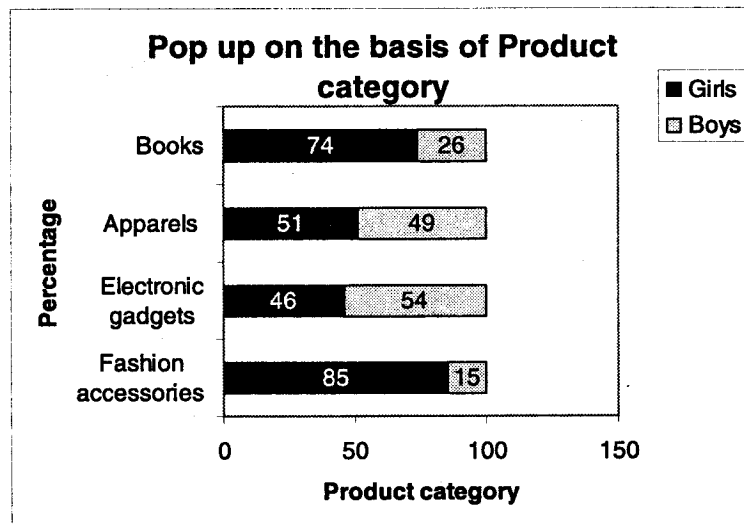
Fig 2: Screen shot used to get response for 'special offers and discount' variable

- 3) Colour contrast – Colour plays a significant role in attracting the viewer's attention. Screen shots of 4 pop-up ads was shown to respondents, and the result proves that more striking colour (specifically red, dark blue, yellow) and well-chosen colour combination selected by marketers do create a significant impact on users, as the ads with simple black, or white colour as the background were ignored by viewers.



- 4) Visual effects – it includes the graphical representation of the products, using animation, 3 D vision, audio, visual graphics, etc. When screen shots of certain pop-ups containing visual effects was shown, then viewers believe that it improves product knowledge and generates a positive brand attitude.
- 5) Brand – As far as perception on brand image of the company going for innovative pop-up ads, 76% of the respondents feel that they perceive the company going for such ads as modern, technology advanced, dynamic and innovative. They treat brand as trustworthy that is why they never hesitate on clicking on pop-up ads for purchase intention if the prices are affordable.
- 6) Product category – Data collected reveal that if we go gender-wise discrimination on the pop-up ad

clicking frequency, then more of the females either watch, sometimes click and often purchase by seeing pop-up ads of products like books and fashion accessories. While most of the males have agreed that they have ordered products related to apparels and electronic gadgets by clicking on offers of pop-up ads while surfing Internet.



Conclusion

Youths are spending more time on Internet and it is an integral part of their life with a purpose to use social media sites. But online shopping is not the only motive for Internet use. Though some people complain about seeing pop-ups or have even installed pop-up-blocking software, many people see them, and even click on them. Youths admire pop-up ads which are innovative and creative enough to grab their attention. They do not hesitate to purchase anything from the Internet if the product is affordable according to their pocket money is of lower price than market price. Branded products are still favored by online purchasers. The title of the pop-ups has to be attractive and creative enough, as it is the most important component viewed by the audience. Colours used in the background and visual effects of the pop-up ads are significant factors for grabbing the attention of viewers. Thus the designing of pop-up ads is critical in the viewer's decision to keep that ad open.

Suggestions

Based on this study's findings it is suggested that online advertisers of pop-up ads should understand and develop strategies based on following factors:

- Selecting proper websites for placing pop-ups must be made.
- Formulating proper segmentation and targeting strategies.
- Understanding colour psychology.
- Using 3-D visualization to increase the audience interactivity.
- Inserting relevant keywords in the title.

- Creating a sense of urgency, for example, inserting in pop-up ads riders like 'limited time offer' or "available for overnight shipping."
- Adding credibility to the ad by guarantees like "30-day money back guarantee."
- Emphasizing low-price offers and free-trial offer.

Marketers should always keep in mind that the main purpose of placing pop-up ads is not only to create brand awareness but convincing them enough that they land up by visiting the main website so that advertisers are able to generate revenues through them. This can be done by linking the pop-up ads with the call to action conversation (buy, download, register) with the Internet users.

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