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# Young Consumers' Attitude towards On-line Advertising

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## Abstract

*The present paper deals with measuring the attitude of the young consumer towards on line advertising. Online advertising is gaining momentum in India with consumers increasingly noticing and affecting from it. The study was conducted in Delhi using a structured non-disguised questionnaire for the age group of 18-25 years. Data were analyzed with the help of SPSS and one sample t-test was used as a test of significance. It was revealed in the study that people have positive attitude towards online advertising. However, they expressed their cautious attitude towards disturbing and imposing nature of online advertising. They also expressed their concerns towards trustworthiness of the online advertising.*

**Key words:** *Online Advertising, Attitude, Internet*

## Introduction

Online business, hardly two decades old in India is creating waves. Market is abuzz with the mind boggling numbers indicating the soaring popularity and success of online business in India. India's digital stats are just marvelous and appease the various stakeholders in the concerned field be it marketers, retailers, affiliates, advertising agencies or consumers. India has 252 million people having access to internet, third largest after US and China. This number is expected to double in next five years (Forrester Research, 2014). Nearly 35 million or 14% of all internet users shop online. This number also might touch a whopping figure of 128 million by 2018. Indian e-commerce market was pegged at \$13 billion in 2013 and e-retail sales were valued at \$ 1.6 billion. However, e-retail only makes 0.4% of total retail market in India that stands at \$554 billion having 8% organized retail (Nomura Research, 2014).

Today, it is hard to surf the web without seeing online advertising, often in the form of visual display ads on web sites (including pop-ups and pop-downs) and textual ads on search sites. On-line advertising has taken business away from traditional modes of advertising such as newspapers, snail mail, and radio.

WebCrawler, launched in 1994, was perhaps the first search-engine service that discovered new sites, indexed and searched full text rather than summaries. This was rapidly followed by a proliferation of search

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engines, such as Lycos, Magellan, Excite, Infoseek, Inktomi, AltaVista and Yahoo. In 1996, Stanford graduate students Larry Page and Sergey Brin began a research project that ultimately became a patented innovation in search and the beginnings of Google (Ratliff & Rubinfeld, 2010). Google incorporated in 1998 is the world's leading search engine.

There is no consensus on when advertising on the Internet began. Tim O'Reilly, founder of the web portal Global Network Navigator (GNN), states that the first advertising appeared in 1993 on GNN and required "special dispensation from the National Science Foundation" (Reilly, 2007). Others cite a banner ad sold to AT&T and displayed on the HotWired site in 1994 (Medoff, 2000). Google launched its AdWords service in October 2000 that placed ads on the search-results pages on google.com. The ads displayed were chosen on the basis of the keywords that appeared in the user's search inquiry. By March 2003, Google had over 100,000 advertisers buying search ads through its AdWords program. Google by 2003 was serving 200 million searches per day on all of its sites worldwide (Google, 2003). Later in 2009, Google came with a new ad-targeting system for its non-search, AdSense ads.

Indian advertising industry has also appreciated online medium and increasing online spend year by year. Online advertising spend in India stood at \$ 0.65 billion by end of 2013, accounting for 8.7% of total advertising. During 2009-2013, online advertising has increased at a CAGR of 43.8%. This growth is expected to continue in 2014 with brands expected to spend \$ 0.84 billion, representing an increase of 30.3% over 2013 (Business Wire Research, 2014). Online advertising is much more economical and has a much wider reach than its traditional counterpart. Online advertising is set for further growth as net penetration is slated to grow in future (Netscribes, Inc. Report, 2014).

Techopedia defines online or internet advertising as a marketing strategy that involves the use of the internet as a medium to obtain website traffic and target and deliver marketing messages to the right customers. Wikipedia defines online advertising as a form of marketing and advertising which uses the internet to deliver promotional marketing messages to consumers. Examples of online advertising include

banner ads, search engine results pages, social networking ads, email spam, online classified ads, pop-ups, contextual ads and spyware.

### **Historical Background of Online Advertising**

It is essential to understand the history of internet to better understand the origin of online marketing. One can trace back the underpinning of internet back to 1960's when two of the MIT's researchers namely J.C.R. Licklider (1960 & 1968) and Leonard Kleinrock (1961) wrote about galactic networks and packet switching theory. In 1972, first public demonstration of ARPANET; the precursor of today's Internet and electronic mail was made. By 1985, internet was already well established as a technology supporting a broad community of researchers and developers, and was beginning to be used by other communities for daily computer communications. Till 90's internet was not open for business as National Science Foundation (NSF) in USA enforced an "Acceptable Use Policy" (AUP) which banned usage for purposes other than research and education (Leiner et al. 2003). In 1993, National Science Foundation reinterpreted the Acceptable Use Policy and internet was fully opened to commercial traffic (Worldwide Web Consortium). In early-1990s, discovering and sharing information was an intimidating challenge. There was no easy or systematic way to uncover what information was available where or how to access it (Okin, 2005). It was Tim Berners-Lee's development of World Wide Web (WWW) as a decentralized, scalable system of interlinked hypertext accessed via the Internet that fuelled the internet revolution of today. Marc Andreessen and Eric Bina from the National Center for Supercomputing Applications (NCSA) at the University of Illinois released Mosaic; the first web browser in 1993 that allowed for the display of photographs and graphics positioned within a page of text. Netscape Navigator browser was released in mid-1994, for all major platforms which quickly grew to be the most popular browser in the market (Ratliff & Rubinfeld, 2010).

### **Online Advertising: Customers in the Driving Seat**

Traditionally customers were passive receivers of the advertisement; having no control over the timing and exposure. But in internet advertising customers are

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active recipients of the advertising including timing, content and exposure. Internet marketing also referred to as web marketing, e-marketing, online marketing- is the marketing of products or services over the internet (Pannu, P. & Tomar, Y.K., 2010). According to Belch & Belch, web advertising exists in a variety of forms like banner ads, sponsorships, pop ups, interstitials, push technologies or web casting and links. Baran (2004) explained web advertising or cyber advertising as interstitial ads, pop-outs, extramercials, intermercials, and targeted keyword buys, shoshkeles, large rectangles, surround sessions, text ad, advergames and transaction journalism. Attracting consumers to a marketer's website is critical to the effectiveness of web presence and longer visits are a possible measure of success of these websites. The opportunities to do business worldwide with the click of mouse are enormous and enticing.

### **Online Advertising and Consumer Attitude**

Cotte et al (2006) advocate the unique characteristics of the internet that offer new ways for consumers to interact with one another, organizations and the wider e-marketplace. For many consumers, internet has become an indispensable part of their life (Sople, 2011). Hoffamn and Novak (1995) and Timmers (2000) argue that there are a number of characteristics of the internet such as 24 hours availability, global interactivity, one to one and/or micro marketing, no constraint of place of physical boundaries, attractive presentation and integration that make an important impact on marketing communications. There is a new breed of digital consumers. The number of users of on-line and Internet services are increasing. These users are the people who tend to be young, well-educated, and richer than average (Alexa et. all, 1996). Cotte et al. (2006) have identified four groups of on-line consumers, with different intentions and motivations: exploration, entertaining, shopping and information. Jayawardhena et al. (2007) also organized on-line consumers in four groups: price sensitive, rational consumers, brand loyal buyers and comfort-oriented buyers. Huang and Christopher (2003) believe that a website should prompt a customer's interest in on-line store and capture of customer information is paramount to develop the interest or ongoing relationship. For most consumers, web is a tool to use in seeking information that may help solve a problem. One key tool that can't be

ignored in information search is search engine. Numerous studies indicate that 50-80% of the time, people use search engines when seeking product or service information (Gay, Charlesworth & Esen, 2007). Shapiro and Varian (1999) assert that access to internet gives consumers new power because of relative ease of information gathering. Bakos (1997) adds that not only is the information search quicker and easier when conducted on-line, it is also cheaper. However, internet advertising has been perceived by many consumers to be intrusive (Li et al. 2002) and disturbing (Reed, 1999). As a result, consumers rely on cognitive, behavioral and mechanical solutions for avoiding internet advertisements (Speck and Elliott, 1997). Green and Elgin (2002) found that banner advertisements on the Internet produced dismal results with the click-through rate being as low as 0.3%. In addition, software for stopping pop advertisements on the Internet or filtering spam e-mails completely has been widely available.

### **Research Methodology**

Research methodology adopted for the paper is as follows:

### **Research Objectives**

The present paper aims to study the attitude of young customers in the age group of 18-25 years towards online advertising i.e. do they find online advertising beneficial; do they accept the role of online advertising in various phases of customer decision making; what do they think about the content and nature of online advertising etc. It also aims to study the reasons that attract them towards online advertising. The current study is descriptive in nature. To be more precise, the present study aims to fulfill the following objective

- To assess the attitude of customers towards online advertising.

### **Hypothesis of the study**

Following hypothesis was set for the study

H<sub>01</sub>= Customers have indifferent attitude towards online advertising.

$H_{A1}$  = Customers don't have indifferent attitude towards online advertising.

### Data Collection

A sample of 120 respondents was selected in order to conduct this research. A non-disguised structured questionnaire was used for the study. The study was conducted on college going students from the age group of 17-24. Data were analyzed with the help of SPSS and one sample t-test was used as test of significance. The acceptance rule of one sample T-test is as follows at 5% level of significance:

- If p value is less than 0.05 then we reject the null hypothesis and accept the alternate hypothesis.
- If p value is greater than 0.05 then we fail to reject null hypothesis.

### Data Analysis:

Scale was checked for its reliability with the most popular method i.e. Cronbach Alpha. A sample of 30 respondents was taken to check the reliability of scale. If the value of Cronbach Alpha is greater than 0.7, then the data is considered fair for analysis. Table 1.1 given below shows the results of Cronbach Alpha. A value of .808 shows that scale used for the study is fairly reliable.

**Table 1 - Reliability Statistics**

Cronbach's Alpha	No of Items
.808	19

### Customers' Attitude towards Digital Marketing

The study aims to measure the attitude of customers towards online advertising. The results show that consumers feel that online advertising benefits them, helps in promoting events and create social awareness. One sample t-test was applied as test of significance which was found significant for all three variables mentioned above (Table 2).

Customers in the study accepted that online advertising helps them in gaining knowledge, enable them for easy purchase, conveys the service benefits and helps in taking buying decisions for future. T-statistic was found significant for these variables (Table 1). However trustworthiness remains an important criterion for marketers to consider as customers in our study don't find online advertisements trustworthy with a significance value of (.315). However customers don't mind giving

personal information for getting information about goods and services; but they believe that online advertising is imposed upon them (with a significance value of .154)

Customers in the study accepted that they are attracted towards the company that gives online advertising (with a significance value of .000). Customers find online advertising effective and creative (with a significance value of .000). Although emotional appeal doesn't seem to work for online advertising as customers in the study said they would not click on any online advertisement just for its emotional appeal (with a significance value of .408); however they accepted the importance of celebrity endorsement (.000 significance value), order of presentation (.000 significance value) and visual elements of the online advertisements (.000 significance value).

**Table 2 : Attitude towards Online Advertising (OA)  
One-Sample Test**

	Test Value = 3					
					95% Confidence Interval of the Difference	
	T	Df	Sig.(2-tailed)	Mean Difference	Lower	Upper
OA benefits consumers	6.122	119	.000	.5417	.3665	.7169
Helps in promoting events	4.869	119	.000	.47500	.2818	.6682
Create Social awareness	7.496	119	.000	.69167	.5090	.8744
OA content is knowledgeable	4.259	119	.000	.44167	.2363	.6470
OA helps in easy purchase of the product	7.213	119	.000	.61667	.4474	.7859
OA helps in providing service benefit	5.131	119	.000	.40000	.2456	.5544
OA helps in taking future buying decision	-2.236	119	.027	-.23333	-.4399	-.0267
Online Advertisements are trust worthy	1.008	119	.315	.09167	-.0883	.2717
OA provide complete information	2.236	119	.027	.18333	.0210	.3457
OA are attractive	5.776	119	.000	.56667	.3724	.7609

OA are forced upon	-1.434	119	.154	-.15833	-.3769	-.0602
Giving personal is acceptable	-2.057	119	.042	-.21667	-.4252	-.0081
Attracted towards the company that give online advertisement	9.339	119	.000	.84167	.6632	1.0201
The content of the Online advertisements is effective	6.398	119	.000	.57500	.3971	.7529
Online advertisements are creative	7.412	119	.000	.74167	.5435	.9398
Attracted by emotional OA	-.831	119	.408	-.07500	-.2537	.1037
Attracted by the presence of celebrity in OA	4.139	119	.000	.40833	.2130	.6037
Attracted by the presentation of OA	5.654	119	.000	.49167	.3195	.6639
Attracted by the visual elements present in OA	9.286	119	.000	.79167	.6229	.9605

### Findings and Conclusions.

The study successfully makes the conclusion that people have positive attitude towards online advertising wherein they see online advertising informative, attractive and benefitting them. However, customers were cynical about the trustworthiness of the online advertising and see majority of online advertisements as forced upon them. They were also in denial mode towards emotional online advertisements. It is advised to the online marketer

to delve deeper into details concerning trustworthiness and imposing nature of online advertising as removing these barriers can hugely benefit both the marketers and consumers.

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