

Research Paper **B****Assessing Response towards Internet Advertisements
Using RCE Scale (With Special Reference to
Banking Products and Services)****Dr. Deepak Jaroliya,**

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E-mail: pragya.jaroliya@sims-indore.com**Abstract**

In India, Internet advertising is gaining popularity amongst customers. Banks and the financial institutions have also understood the significance of Internet advertisements. At present, almost all banks are promoting their products and services over Internet. Usually, advertisements over Internet have been posted on the homepage of the bank website, so that whenever any user opens the bank website, advertisements would be visible to them and it also increases the probability of clicking it. Many studies have been conducted relating to the relevance, confusion and entertainment of advertisement shown on television, however rarely any study has been conducted in case of Internet advertisements. The respondents were targeted with the help of RCE (R-Relevance, C-Confusion, E-Entertainment) Scale developed by Lastovicka. From the analysis, it was observed that most of the Internet advertisements over bank website were relevant and only few of them were found to be confused with Internet advertisements.

Key Words :- Internet Advertising, Banking Products and Services, Relevance, Confusion, Entertainment

Introduction

Over the past decade, media planners deployed a number of media in advertising agencies in order to reach the audience. This includes Short Message Service (SMS) advertising, Multi Media Service (MMS) advertising, Auto Teller Machine (ATM), Word-of-Mouth (WOM) Marketing, In-programming (TV), In-film advertising and the Internet advertising. Unquestionably, Internet accounts for a major chunk of these new generation media as it has opened the floodgates for global advertising. This new information delivery system grows and is able to effectively and efficiently deliver information to a mass market. Internet is the fastest growing information channel throughout the world as it offers two-way graphical communication. Internet has become the new form of mass communication and provides

users with a new economy of information distribution and acquisition. Interactivity is an important feature of Internet, this helps in offering multimedia content as well as customization economically. This has increasingly attracted the attention of firms and commercial enterprise towards Internet advertisements. According to Albany (2013), digital advertising methods have made a substantial impact on traditional media and advertising in recent years. Advancement of technologies and consumer preferences, such as handheld device usage, social media, and online news, is driving marketers to choose digital media platforms. This is causing a huge dislocation for traditional media, which is particularly hard hitting to print and TV based advertising. In general, the online advertising is a purposeful public communication based on the interaction between its subjects in the Internet environment with the view of livening up their interests and activities in relation to the advertising object, on the one hand and gaining profit and goods, on the other hand (Shakhov, 2009).

Internet advertising may lead the future market and could provide the revenues necessary to keep the Internet at no cost and accessible to anyone. Internet advertising is believed to be highly cost-effective relative to other media, particularly when taking into account its ability for more precise targeting and two-way dialogue with customers. According to Romeo and Nyhan (2002), there is no longer any doubt that Internet advertising is an effective marketing tool. The most significant forms of Internet marketing and advertising are banners, permission-based e-mail, keyword-targeted search engine advertising, floating animated page takeovers, interactive on-page rich media ads, streaming audio and video, and consumer-fueled 'viral marketing'. Now days, most of Internet advertisements are centered on banner advertisements, which come in a wide variety of shapes and sizes. Internet advertising is quickly becoming an immediate and cost-effective advertising channel, because Internet advertising gives unique power to the marketers to become highly targeted and selective about where their advertising message is seen (Krishna, 2001). McAlister (2005) suggested that advertising by the Internet, can dramatically reduce customer search costs and even support purchase decisions made on behalf of the customer by intelligent software agents. Therefore, it allows seamless communication over any distance, local or global increasingly. Rapid growth of the Internet advertising popularity is explained by the fact that large-scale companies, small businesses and individual users of the Internet may reach the set goals in a very efficient manner by using various means, forms and methods of advertising. Internet had made it possible to reach a local as well as global audience with a very reasonable cost (Hamid and George, 2005).

According to Shakhov and Panasenکو (2012) the means, forms and methods of online advertising communication are the integral components of the mechanism of Internet advertising functioning. The advertising means with all due specificity of the Internet are text, graphics, photos, video and audio. The forms of online advertising are divided into the external and internal ones depending on relations the legal ownership of the advertising means and into participants; hence, the purpose of advertising, i.e. to mass and personal ones. In case of Internet advertising, advertisers can estimate the advertising effectiveness instantly. This can be followed by the speedy improvements in terms of the required expertise as well as alteration of their target audience.

Internet advertising is good enough as the Internet user have the ability to control the time, the place and the amount of derived information. Advertising on the Internet offers many unique opportunities that are not possible with conventional media. It provides a better understanding of the consumers in a more realistic way so that the advertisers employ personalization in their promotion campaign on an

individual basis. As a result, media planners include Internet as the most preferable medium to reach target audience with appealing messages. At present, advertising on the Internet has become the most significant development within the industry. Internet provides unparalleled reach and cost-benefit, along with its unique differentiator-mass customization of communication messages (Suresh, 2006). Internet advertising facilitates the marketers with interactive and colorful presentation of idea and information. It also helps the viewers by providing the latest and up-to-date information on real time basis.

Internet advertising is gaining attention because of the current shift in advertising strategy in favor of deriving maximum response from selected target groups instead of maximum exposure to many unknown audience groups (Yoon and Kim, 2001). Internet and Mobile Association of India (2008) conducted a survey regarding growth on Internet advertisements in India and found that the market share in the Internet advertising of education-related services or product will increase. This is due to the fact that websites focusing on young generation, which are prime users of the Internet, are increasingly targeting online gamers. Similarly, working individuals in early 20s and 30s, who use workplaces as a touch-point for the Internet access, are primary target for websites related to jobs, training, e-learning as well as matrimony. Education institutions in higher education are likely to find these websites a potential medium for disseminating their information. According to Rowley (2001), Internet allows marketers or advertisers to post information on server from where it can be seen by many users. However, for the successful promotion, a marketer or advertiser must be aware of demographics of the Internet users. It is very important that information must be presented in a way that will hold the users' interests on the website. Seines and James (2003) argued that the Internet will prove to be a challenging advertising medium. Because the Internet is growing quickly, advertisers must try to standardize and adapt all Internet advertising communications to fit a global need. The accountability of online advertising along with its contribution to marketing efficiency and effectiveness are expected to lead to further growth in web-based advertising efforts (Sharma and Sheth, 2004).

Purpose Of The Study

Academic interest in Internet advertising has grown exponentially in the last decade in search of the role of Internet as a marketing and advertising tool. With the success and popularity of Internet, business organizations have understood its significance and started owning websites. Business organizations are also focusing on social media to deliver information and capture mass audience. Banking sector is also not an exception and almost all banks, whether public sector or private sector are providing services to bank customer via bank websites. Recently, almost all banks have started using their websites to promote their products and services as well to create awareness relating to the bank offerings amongst customers. Usually, advertisements over Internet have been posted on the homepage of the bank website, so that whenever any user opens the bank website, advertisements would be visible to them and it also increases the probability of clicking it. There may be dissimilarity in opinions of Internet users regarding the advertisement viewed by them over bank websites. Many studies have been conducted relating to the relevance, confusion and entertainment of advertisement shown on television, however rarely any study has been conducted in case of Internet advertisements especially for banking products and services. Thus, it becomes important to assess the relevance, confusion and entertainment generated via Internet advertisements in case of banking products and services posted over banking websites.

The click-through rates could be an important dimension to assess the effectiveness of Internet advertisements. According to Pergelova (2007), the click-through rate and the brand related measures (brand recall, brand recognition, brand attitude, brand awareness) have been the most widely used measures of online advertising effectiveness. Many studies have shown that displaying advertisements that are closely related to the content of the first page of website (page1) provide a better user experience and increase the probability of clicks (Chatterjee et. al. 2003).

Research Methodology

This research was conducted in two phases. In the first phase, a brainstorming session was conducted with the MBA students from the various institutions of Indore city on three parameters namely relevance, confusion and entertainment in case of Internet advertising. The focal point of the first phase was to analyze the perception of youngsters (IT Savvy generation) regarding the relevance, confusion and entertainment generated via Internet advertising. For this, Internet advertisements relating to banking products and services which are posted over bank websites have been shown. Then they have been asked certain questions as mentioned in Table 1.

See Table 1

Outcome of first phase has provided us with initial thoughts to work on and clarity between relevance, confusion and entertainment in the context of Internet advertising. With the help of this brainstorming session, we have come up with the initial working model for Relevance, Confusion and Entertainment in Internet advertising as shown in Figure 1.

See Figure 1

Reason behind doing the first phase brainstorming session was to analyze the existence of the parameters like relevance, confusion and entertainment in Internet advertising as the standard scale of Relevance, Confusion and Entertainment (RCE) by Lastovicka was developed for television advertising. In the second phase we have studied the perception of E-Banking users towards Internet advertisements relating to the banking products and services, which are posted over bank websites. The perception towards Internet advertisements has been assessed in terms of three parameters - relevance, confusion and entertainment. Around 350 respondents were targeted with the help of RCE (R-Relevance, C-Confusion, E-Entertainment) Scale developed by Lastovicka, with a slight modifications. Out of 350 targeted respondents, 289 were finally selected on the basis of completeness of the response. Basically, respondents were active E-Banking users and had sufficient experience with E-Banking.

In the study, emphasis has been laid on the three factors - relevance, confusion and entertainment for the advertisements relating to bank's offerings posted over bank websites. Beside this, responses relating to the frequency to assess bank websites have been divided in three categories namely - Daily, Sometimes in a week and Rarely in a month. Along with this, click rate on Internet advertisements over bank websites has been grouped into three categories namely-Always, Very Often and Rarely.

Results And Discussion

Analysis of the data has been done in line with objective of the study. Detailed analysis was done on the framed hypotheses illuminating the response of Internet advertisements of banking products and services using RCE Scale. Following hypotheses were formulated and tested using one way ANOVA (F-Test) with the help of SPSS 16.0. In some hypotheses, Tukey test has also been applied for Post Hoc Multiple Comparisons.

$H_0(1)$ -Click rate does not affect the perception about the relevancy of Internet advertisements posted over bank websites ($m_1 = m_2 = m_3$).

See Table 2

First hypothesis was accepted and thus showed that click rate does not affect the perception about the relevancy of Internet advertisements (Table 2). From the above hypothesis it was observed that most of the Internet advertisements over bank website were relevant and creating awareness amongst customers. According to Baird (2008), greater relevance is the key goal for targeted Internet advertising, although just how valuable degrees of relevance are and how exactly to make ads more relevant is an ongoing pursuit for everyone in the field. The targeted method used in Internet advertising attempt to answer the who, and often the question of when that will make the advertising more relevant. Internet provides exclusive targeting capabilities to advertisers for effective advertisement campaign to reach the right consumers who are interested in their products and services. This provides an unforgettable Internet experience to the consumers as it helps them in meeting preferences and interests. The advertisement technologies keep the track of the usage pattern of consumer to deliver relevant advertisements. Most often cookies are used to keep track of the usage pattern. It has been observed that to remain relevant, advertisers offer consumers choices enabling the consumer to select the appropriate advertising packages that are most appealing or relevant (Berman et al., 2007). According to Plummer et al (2007), relevance makes excess inventory more lucrative for advertisers and helps marketers to get number of clicks or views that will convert into a certain number of leads or sales. The Internet banking advertising effectiveness is the quality of information reporting to potential and existent consumers during an advertising campaign aiming at forming the bank's image and awareness of the bank products and services as well as at gaining certain economic result determined before and after the transmission of advertising message (Shakhovand Panasenko, 2012).

$H_0(2)$: Click rate does not affect the perception about the misunderstanding (Confusion) about Internet advertisements posted over bank websites ($m_1 = m_2 = m_3$).

See Table 3

Second hypothesis was accepted and thus showed that click rate does not affect the perception about the confusion of Internet advertisements (Table 3). Many researchers have found that consumer usually gets confused between Internet editorial and advertising. In a survey of Internet users, it has been found that 57 percent of respondents classifying Internet pages as advertising. As a result, Ducoffe (1996) suggested that consumer comments about Internet advertising need to be interpreted carefully, because they may refer to the web pages themselves rather than to the advertisements they

carry. According to Tavor (2011), one of the disadvantages is the confusion that may result from the complexity of online advertisements; as those often consist of a long text, photos, music and video. In addition to the disadvantages that were presented, Internet users still believe that the Internet is used to achieve goals, tasks and information, so they avoid looking at Internet advertisements broadly.

H₀(3): Click rate does not affect the perception about the entertainment generated by the Internet advertisements posted over bank websites ($m_1 = m_2 = m_3$).

See Tables 4, 5 & 6

Third hypothesis was rejected and thus showed that click rate affect the perception about the entertainment generated by the Internet advertisements (Table 4). In order to identify, where the actual difference exist amongst the respondents, Tukey test has been applied for Post Hoc Multiple Comparisons (Table 5 & 6). It was observed that the users that click the Internet advertisements on regular basis (always) perceived Internet advertisements to be full of entertainment, whereas other users having very often and rarely click rate perceived that Internet advertisements over bank websites are less entertaining as focusing more on creating awareness not the entertainment. Advertising is enjoyed for its entertainment value and some consumers may use it consciously or unconsciously to alter their mood (Coulter et al., 2001). Advertisers can track how consumers interact with their brands and learn what interests them. They can also precisely measure the response to an advertisement by sampling click-through rates (Wolak, 1999). Interactive feature of Internet offers multimedia content and its capacity to accommodate customization inexpensively has increasingly attracted the attention of firms and commercial enterprise (Kling, 1994). I_ace (2004) said that Internet advertising had the potential to be highly targetable, non-disruptive and entertainingly interactive. Many companies seek to entertain surfers as a means of exposing them to their brand. These companies spend hundreds of thousands of dollars to keep surfers interested, (Quayle, 2002).

On the basis of the research, the authors have proposed a model for the Internet Advertisements focusing on the parameter relevance, confusion and entertainment perceived by the Internet users (Figure 2).

See Figure 2

Conclusion And Implications

The investigation of data was based on two phases, in the first phase authors have come up with the initial working model for relevance, confusion and entertainment in case of Internet advertisements. In the second phase, the data analysis was done on an established instrument RCE Scale (R-Relevance, C-Confusion, E-Entertainment) developed by Lastovicka to measure responses of Internet users towards Internet Advertisements of banking products and services. While measuring the relevance of the Internet advertisements, it was observed that most of the Internet ads of banking products and services were relevant. At the same time, it was also noticed that few of the Internet advertisements were confusing, since lot of the information posted on websites makes it confusing. The users those who are accessing Internet advertisements on regular basis (very high click rate) perceived it more entertaining as compare to other category of users.

In India, many researchers are engaged in research relating to banking as well as advertising; however, hardly any researcher is focusing on varied dimensions of Internet advertisements and that of especially for banking products and services. Relevance, confusion and entertainment are the key attributes for the success of any advertisement as directly or indirectly contribute to the effectiveness of advertisements. Thus, the present study could be the pedestal for related research activities. The findings of the study are of great relevance for the bankers as it can help them in enhancing the features of Internet advertisements over bank websites. Keeping in mind the findings of the study, banker can take initiatives like development of effective promotion strategies for Banking products and services over Internet. The RCE Model proposed in the research can further be tested with other categories of Internet advertisements.

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Tables And Figures

Table 1: Questions related to Relevance, Confusion and Entertainment in Internet Advertising

1. Is the ad meaningful?
2. Is the product shown in the advertisement will be useful for me?
3. Was I able to connect myself with the ad?
4. Did the ad is showing some reasons to buy the product shown in the advertisements?
5. Was the ad too complex to understand?
6. Was the ad gone so quickly that I was not able to recollect it?
7. Was the big idea shown in the advertisement was innovative?
8. Do the ad was having a positive evaluation?

Figure 1: Initial Model showing parameters for Relevance, Confusion and Entertainment

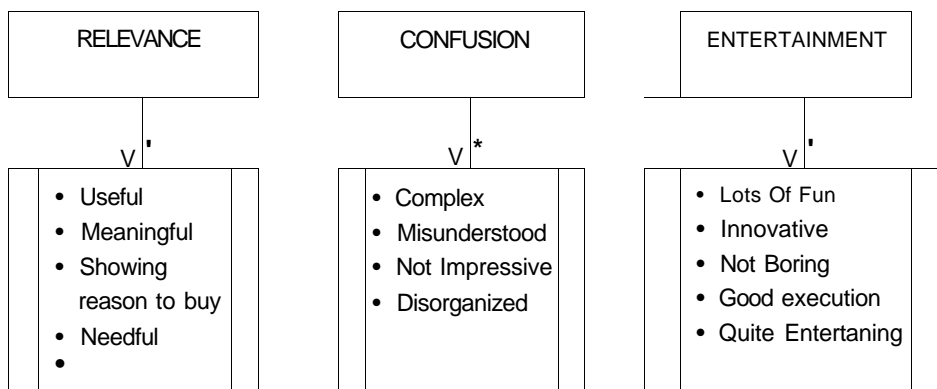


Table 2: ANOVA Results for Relevance

	Sum of Squares	Df	Mean Square	F	Sis-
Between Groups	22918	2	11.459	.897	.409
Within Groups	3655.642	286	12.782		
Total	3678.561	288			

Table 3: ANOVA Results for Confusion

	Sum of Squares	Df	Mean Square	F	Sis-
Between Groups	34.844	2	17.422	1.766	.173
Within Groups	2821.640	286	9866		
Total	2856.484	288			

Table 4: ANOVA Results for Entertainment

	Sum (if Squires	Df	Mean Square	F	Sisr.
Retween Groups	585.277	2	292.639	20.341	.000
Withiin Grmups	4114.575	286	14.387		
Total	4699.855	288			

Table 5: Tukey Test for Multiple Comparisons for Entertainment

©	())	Mean Difference (I-J)	Std. Error	Sis	95% Confidence Interval	
					Lower Bound	Upper Bound
ClickRate Rarely	ClickRate Very Often	-1.14969	.52284	.073	-2.3815	.0821
	Always	-3.54706*	.55787	.000	-1.8614	-2.2327
Very Often	Rarely	1.14969	.52284	.073	-.0821	2.3815
	Always.	-2.39737*	.58373	.000	-3.7726	-1.0221
Always	Rarely	3.54706*	.55787	.000	2.2327	4.8614
	Very Often	2.39737*	.58373	.000	1.0221	3.7726

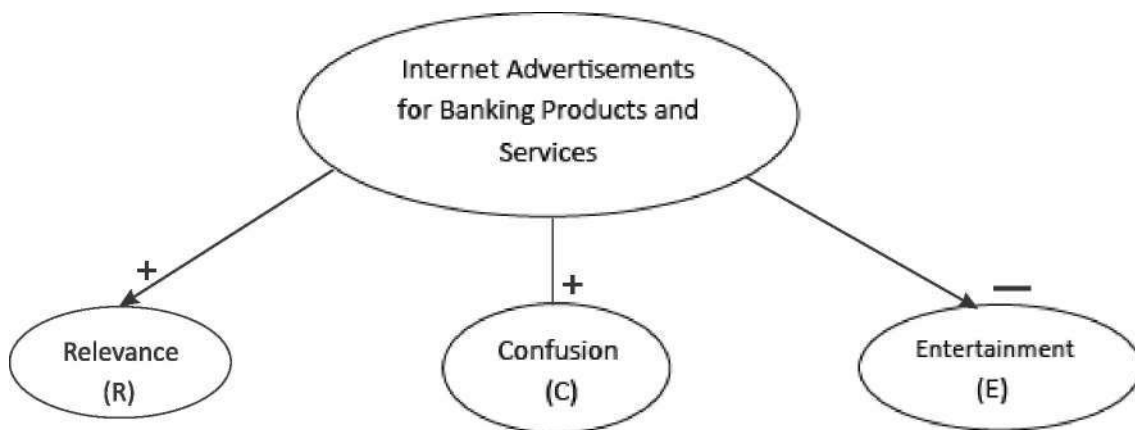
*. The mean difference is significant at the 0.05 level.

Table 6: Means for Groups in Homogenous Subsets (Tukey HSD) for Entertainment

ChckRate	N	Sublet for alpha = 0.05	
		1	\bar{x}
Rarely	118	12.9661	16.5132
Very Often	95	14.1158	
Always	<i>It</i>		
SiS-		.098	LOGO

Means for groups in homogeneous subsets are displayed.

FIGURE 2: RCE MODEL FOR INTERNET ADVERTISEMENTS



+ Sign shows acceptance of Hypothesis
 -Sign shows rejection of Hypothesis