

# A Study on Trends in E -Commerce Retail Sales by Influencers and Advertising on Social Media

**Prof. Namita Parab and Rajpal Sanjana Umesh**

Jai Bharat College of Commerce (Night), Mumbai, Maharashtra, India

**Abstract:** *The purpose of this study is to investigate the impact of internet advertising and its characteristics on the total E-commerce sales of the top five European nations. The people of the United Kingdom, France, Italy, Germany, and the Netherlands are the units of analysis. Auxiliary information are gathered from the reports of [1] (ADEX, 2010) and [2] (Eu-rostats, 2011). The study employs a variety of statistical strategies, including OLS regression and correlation analysis strategies, in order to empirically ascertain the connection that exists between the independent variable and the dependent variable in the European context. According to the empirical findings, the search advertisement and classified advertisement features of Internet advertising have a positive and significant relationship with E-commerce sales in Europe. Display advertising and e-commerce sales in Europe clearly have a negative and significant relationship, according to the empirical findings. However, the literature also serves as support for this variable. In addition, the findings demonstrate that, in comparison to classified and display advertisements, search advertisements have a stronger positive relationship with e-commerce sales. These results will be useful to marketers and businesses that are investing in online advertising because they can use these features of online advertising to increase sales of their products and services and get better sales.*

**Keywords:** Characteristics of Internet Advertising; Publicity on display; Look for an advertisement; specialized advertising; Sales via e-commerce; Sale via e-commerce in Europe 1.

## I. INTRODUCTION

Online shopping for a variety of goods and services is becoming increasingly popular. Despite this, it's a situation where everyone wants to touch the things they want to buy. The Internet, on the other hand, is playing a larger role in making shopping easier than ever before. Shopping has never been easier thanks to the internet, and it's now just a click away. "Online Shopping" is the most recent term that has been introduced. Without the need for any intermediaries, customers can buy products or services directly from sellers. Over 875 million people have made purchases online. According to Eurostats (2011), the number of people shopping online has increased by 40% in two years . These are the online shopping trends, which are expanding worldwide. In addition to purchasing goods online, receiving services with a single click is easier and more convenient.

Online banking, booking concert or match tickets, and booking travel tickets are just a few of the services that customers love to get quickly and easily through the Internet. B2C is when a customer makes a purchase from a company; Similarly to other direct marketing channels like television and catalogs, the Internet is also becoming a significant marketing channel when a business purchases from another business. Consumers and merchants can communicate in both directions thanks to the Internet. The internet provides a time- and location-independent, interactive shopping channel. In addition, it allows for a wide range of approaches to extensive Internet retailing. Products and services are also used to be marketed on the Internet, just like they are in the traditional market. To promote or market their products and services worldwide on the World Wide Web, numerous modern businesses and organizations have developed their own pages. The literature review is based on an overview of Internet advertising and the characteristics of online advertising that influence consumer purchase intentions.

## II. AN OVERVIEW OF INTERNET ADVERTISING

According to Armstrong (2010), advertising is "any paid form of non-personal communication of ideas and information about products in the media with the objective of creating brand image ." In the past, the majority of advertising was

distributed through print and television, but in today's world, internet marketing has emerged as yet another significant source of online advertising. The Internet is a powerful and flattering factor in numerous promotions (Armstrong, 2010). To conceal this foundation of publicizing organizations are making arrangements for the development of web based retailing, yet for this reason they are certainly needing right gauges of internet buying ways of behaving (Gerald Lohse, 2000). " When making a purchase on the Internet, customers do not have to conform to other people's expectations, and they all have informational influence that enables them to make good decisions. Industrial and non-industrial organizations are increasingly relying on internet advertising to promote their goods and services (RAVIKUMAR, 2012). Studies also show that electronic businesses also come up with new forms of advertising like banners, pop-ups, videos, content, and links to other advertisements The Wall Street Journal (2004) estimates that worldwide, online advertising expenditures total approximately \$66.6 billion As a result, businesses planning to expand their online operations on the Internet are looking for precise measurements and estimates that can tell them whether customers are responding or not.

According to Lohse (2000), businesses that are planning for the expansion of online retail are absolutely in need of reliable estimates for the expansion of online shopping The industry of online advertising has unquestionably experienced significant growth. It has proven to be yet another platform that is attracting companies' attention. A lot of businesses are spending a lot of money on online advertising, as is common knowledge. Statistics related to internet advertising cover a wide range of topics, including banner advertising, advertising performance, search engine advertising/pay-per-click advertising, and further development and statistics. From 2000 to 2008, the revenue generated by internet advertising increased by 38%, as stated in (Grabstats, 2008). According to Tse (2005), effective internet advertising is one that is capable of eliciting an immediate response from customers . Importantly, three features—pictures, multimedia, and content features—are utilized in internet advertisements.

### **Features of Online Advertisements**

Display is a form of communication that includes moving pictures, videos, and animation [19] (Rosenkrans, 2007). According to Yoo (2004), the display feature incorporates a variety of technologies, including moving images, Java ads, pop ads, and flash. Additionally, consumers have a better perception of a product and are more likely to make a purchase when they see moving advertisements, colored advertisements, Java advertisements, or videos on any e-commerce website (Tse, 2005). To attract a growing number of customers, businesses are concentrating on the creation of digital advertisements for interactive media. According to Wisdom (2008), businesses that create thematic associations surrounded by the game and the product's manufacturer would influence consumer attitudes toward that brand or manufacturer Search and classified ads are two additional important features of the internet for advertising. According to Loiacono (2008), both search results and classified ads have unquestionably become more appealing to customers who are looking to shop online [22]. Further research shows that, when compared to content advertisements, search and classified ads have a greater impact on consumers' perceptions of specific goods and services on the Internet (Kumar, 2008).

The study's research methodology for determining the connection between independent and dependent variables will be discussed in this section. This study's quantitative approach will be based on secondary data collection. Various European nations' cross-sectional data have been gathered. The nations are: Germany, the United Kingdom (UK), France, the Netherlands, and Italy From 2001 to 2010, ten years' worth of data was gathered. These European nations rank among the top five for Internet use, spending on Internet advertising, and online sales and purchases by consumers. Data for all three in-dependent variables, Display Ads, Classified Ads, and Search Ads, are gathered from IAB ADEX reports (ADEX, 2001)

E-views is used to analyze the data. After recording all of the data using MS-Excel, the data were arranged in E-view, and various tests were performed. The properties of the data have been analyzed using a descriptive test. Mean, Median, Standard Deviation, Skewness, Kurtosis, and the number of observations are all components of descriptive analysis. In addition to the descriptive test, a correlation matrix is produced, revealing the degree of connection between the independent and dependent variables. The relationship between independent and dependent variables and between independent and dependent variables can be checked using this correlation matrix. The estimative results are also

estimated using the Ordinary Least Square (OLS) regression test. It demonstrates the relationship between independent variables and dependent variables.

The effect of multicollinearity between the independent variables is revealed by estimating the R square and adjusted R square. Also calculated were the Durbin test results, which reveal the Autocorrelation issue in the results. The importance of determining the relationship between the variables necessitates the use of this OLS regression. In addition, it is essential to determine whether multi-collinearity has an effect. In addition, it identifies the Autocorrelation problem, which must also be verified in the data. Conversation on Speculation Testing This segment presents the conversation on every theory which we propose based on considerable writing. In order to determine whether each hypothesis projected has a significant or insignificant relationship, empirical reflection on each hypothesis will be analyzed. We accept the H1 because the results of the T-stats and the P-value of classified ads are positive and show a significant relationship with e-commerce sales. When we talk about H2, the P-value and the T-statistics aren't very high and don't show a significant relationship with the dependent variable, which is sales from e-commerce; however, theoretically, there should be a positive, significant relationship with sales from e-commerce.

According to the study's findings, "The results of an experiment indicate that if a display ad is placed on a website, the ad should be highly congruent with the site than it will bring effective results for the advertiser. Furthermore, another finding, which is especially about the effect of banner advertisement on the consumer purchase intention, they also proved that display or age advertisement has strong positive impact on consumer buying or purchases on the Internet." Buys ultimately mean the deals on Web [40] (Ronald, 2002). Therefore, considering these published findings, we might accept the H2 and the assertion that Display Ads have a strong, significant, and positive relationship with total e-commerce sales. The aim of this research stream was to empirically determine the impact of Internet advertisement and its features on E-commerce sales. The t-stats and p-value of H3 also demonstrate a positive significant relationship with E-commerce sales. Based on these values, we accept the H3

### III. CONCLUSION

The study's empirical seating is provided by Europe's Internet retail sales. The independent variable's determinants, or dimensions, are further broken down into three categories: The Search Advertisement, the Classified Advertisement, and the Display Advertisement. According to the empirical findings of the study, there is a strong correlation between Internet advertising and e-commerce sales in European nations. These empirical results are: 1) E-commerce sales are positively correlated with the independent variables, classified advertisement and search advertisement; 2) There is a negative correlation between the independent variable, display advertising, and e-commerce sales. Display advertising and e-commerce purchases and sales are not correlated in this study. However, these studies demonstrate, with the assistance of the existing literature [39] (Eric, 2004) and [40] (Ronald, 2002), that banner advertising or display advertising has a favorable relationship with E-commerce purchases and sales in the European context. The findings of the study, taken as a whole, are most in line with those of previous studies described in the literature [39] (Eric, 2004), [11] (Gerald Lohse, 2000), and [41] (Wei et al., 2010). It is hoped that this area of study will add to the growing body of research on the effects of Internet advertising on total e-commerce sales in European nations. In conclusion, the topic of this study is sales made by individuals or consumers in Europe.

### REFERENCES

- [1]. ADEX, "European Online Advertising Expenditure," IAB Europe, Belgium, 2010
- [2]. Rowley, "Remodeling Marketing Communications in an Internet Environment, Internet Research," Electronic Net-working Applications and Policy, Vol. 11, No. 3, 2001, pp. 203-212. <http://dx.doi.org/10.1108/10662240110397017>
- [3]. Eurostats, "Online ad spend across Europe," 2011. <http://www.ec.europa.eu/eurostat> [8] Internet World Stats, "Internet Usage Statistics and Marketing Report," Internet World Stats, 2012. <http://www.internetworldstats.com/asia/my>
- [4]. S. B. Gerald Lohse, "Consumer Buying Behavior on the Internet: Findings from Panel Data," Journal of Interactive Marketing, Vol. 14, No. 1, 2000, p. 15.

- [5]. T. Ravikumar, "A Study on Impact of Visual Media Ad- vertisements on Women Consumers Buying Behaviour in Chennai City," International Journal of Multidisciplinary Research, Vol. 2, No. 2, 2012, pp.
- [6]. G. Rosenkrans, "The Creativeness and Effectiveness of Online Interactive Rich Media Advertising," Journal of Interactive Advertising, Vol. 9, No. 2, 2007, pp. 259-267
- [7]. Ronald and Barbara, "Consumer Response to Web Sites and Their Influence on Advertising Effectiveness," Inter- net Research, Vol. 12, No. 4, 2002, pp. 318-328