

Online Advertising's Potential Impact on Consumers

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Abstract: *Online advertising is a type of promotion that uses the Internet and World Wide Web to deliver marketing messages in order to attract, retain, and enhance customers. A consumer can have an idea and information about products and services from a small business enterprise as well as a large business enterprise. Focus has also been placed on various trends in online advertising, which has resulted in the fact that online ads have become a challenge for print ads, as various online applications and social sites help to lead to data more quickly than other existing advertisement mediums. This is an appealing awareness-raising tool for business promotion. Online advertising is a thriving industry that is being researched.*

Keywords: Online Advertising

I. INTRODUCTION

Advertising is a type of communication that persuades consumers to make purchases and provides information to viewers. When information is presented in a fun way, it is more easily accepted. As a result, we can refer to advertising as an infotainment concept. The Marketing Mix gave birth to the concept of advertising. Marketing mix, also known as the 4 P's of marketing (Product, Price, Place, Promotion, and Advertising), is a component of Promotional mix, which The goal is to raise consumer awareness about products and services in order for them to make a purchase decision.

Advertisements can be found dating back to ancient times. According to Philip Kotler, the Marketing Legend, "advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor." Advertising, in addition to its economic and social effects, serves two primary functions: information provision and persuasion. (Norris, 1984). Advertising has become the most important form of promotion for products and services in modern times, and it is also used for communication. In the mid-1990s, the internet emerged as a new tool for reaching consumers, as well as a variety of technologies for influencing opinions and desires (Boudreau and Watson, 2006).

The evolution of the Internet creates new opportunities for globalization as well as localization. This new technology refers to the glocalization of communication and information. Customers can also manage their resources more efficiently thanks to the internet and websites. In today's world, the internet plays a critical role in consumer purchasing decisions. According to marketing researchers, the Internet has become "mainstream" and the offline world is largely mirrored by the online world (Hoffman and Novak, 1996).

Thus, online advertising is a type of promotion that uses the internet and the World Wide Web to deliver marketing messages to consumers. A consumer can form an opinion about a small business enterprise in comparison to a large business enterprise. Focus on various trends of online advertising has also been done, resulting in the fact that online ads have become a challenge for print ads as various online applications, social sites aid to lead towards the data more quickly than other advertisement media that exist.

This is an appealing awareness-raising tool for business promotion. Marketing communication, which includes sales promotion, public relations, and direct marketing, is a significant component of E-commerce strategy, where electronic marketers use these weapons to create awareness, preference, and choice (Strauss and Frost, 2001).

Web advertising will have the largest impact on the advertising industry in the future (in 10-15 years) (Ducoffe 1996).

In the twenty-first century, online advertising gives clients more visibility and control, and they can also choose how much advertisement they want to see. Consumers can investigate promotions, obtain pricing information, participate in product design, organize deliveries and sales, and receive post-purchase assistance.

II. LITERATURE REVIEW

The term “online advertising” simply refers to advertising done online, or via the Internet. It is a type of promotion that makes use of the internet and the World Wide Web to deliver marketing messages to consumers.

Because of its high exposure, advertising has a greater impact on the minds of viewers than other marketing tools (Katke, 2007). Advertisement is effective at raising brand awareness and positive attitudes among consumers (Briggs & Hollis, 1997). Online advertising fosters a cost-effective and ongoing relationship with consumers by allowing them to learn about products and services whenever and wherever they want, with the intention of purchasing or repurchasing (J Suresh Reddy, 2003). With the help of internet advertisements, you can compare a wide range of products and services (VikasBondar, 2000).

According to recent research, the internet has emerged as a domain for sales channels. Online advertising is changing consumer purchasing habits and preferences, as well as creating new methods of purchasing products (V.Kumar&Denish Shah, 2004). Online advertising, i.e., online marketing, is significantly less expensive than traditional forms of advertising; marketing through the use of the power of the internet network and interactive media results in marketing objectives being met (Scott F. Geld, 2003).

In the case of online advertising, consumers have direct control over what the advertisement is, when, where, and for how long the ad should be displayed, allowing them to receive regular updates (Gallagher et. al., 2001). A prominent and positive relationship can be observed between online consumer expectations and the effectiveness of online advertising (Palanisamy& Wong, 2003). Google's primary source of revenue is now online advertising. Online advertising has been accepted as a medium in India for a broader industrial segment, including automobiles, telecommunications, education, banking, insurance, credit cards, FMCG, apparel, durable goods, media, business, services, and tourism (Neelika Arora, 2004).

The long-term success of a website often depends on its ability to balance two fundamental and frequently conflicting needs: the need to sell ad space on the site in order to make money and the need to keep users satisfied in order to keep them coming back (Christian Rohrex& John Bod, 2004).

According to a study conducted by Nicholas Ind and Maria Chiara Riondino in 2001, the web serves as both a distribution and a communication channel, facilitating interaction, community building, openness, and comparability of advertisements.

Thus, the online advertisements stresses the product's branding. Online advertising is highly interactive, which is a significant advantage for marketers because it provides new and virtually limitless opportunities to reach They use advertising to reach existing audiences (Robin Farewell, 1998). The majority of marketers prefer online advertising because it allows them to track how well their advertisements are performing on a daily basis.

Web banners play an important role in addition to the focus on the status update of ads online on a daily basis. Advertising on the internet was preferred as sorted banner advertisements, also known as target advertisements (Hoffman & Novak, 1996). The banner advertisement was defined as a rectangular graphic image linked to a target advertisement that serves as a lead-in for viewers to surf and collect information.

Banners added attraction for the viewer at the start of online advertising, and online marketing decisions are based on their effectiveness (Bhat et. al., 2002). According to an empirical study, consumer response to online advertising is similar to traditional advertising (Novak & Hoffman, 1996).

Consumers' focus on online advertising is similar to that of traditional media, with the exception that online advertising appears to be easier to avoid (Dre'ze&Hussherr, 1999). Online advertising is a new emerging niche with unique creative capabilities and constraints that is also as popular as radio and television advertising (Caroline Cartellieri et.al.).

Online advertising can be considered a viable alternative to traditional media, with reach and frequency serving as standard measures for assessing the effectiveness of online advertising (Dreze, 1998). The web's multimedia concept, which exposes online consumers to more entertaining and exciting content, can keep their attention for a longer period of time (Ghose& Duo, 1998). The most significant barrier to online advertising is the lack of proof of ROI or other effectiveness measures (Bush & Harris, 1998).

Online advertising provides marketers with powerful communication tools, which are critical in creating an effective branding conveyance. The information and data can be displayed in a variety of ways, including text, images, videos, and sound, making it a versatile medium.

Businesses are shifting to online or virtual businesses as marketing strategies change in response to new technological trends, with an emphasis on online advertising. According to Rochet&Tirole, 2003; Anderson &Gabszewicz, 2005, “online advertising is referred to as a Two-Sided Market,” as advertising is commonly referred to.

Online advertising began in 1994 with the sale of a banner ad to AT&T by HotWired, a web magazine, who displayed the ad on its website (Kaye &Medoff, 2001). According to Berthon, Pitt, and Watson (1996) research, five advantages of online advertising are suggested based on a virtual flea market for a website as well as the metaphor of an electronic trade show: (i) Awareness efficiency, (ii) Locatability, (iii) Contact efficiency, (iv) Conversion efficiency, and (v) Retention efficiency. The perceived value of online advertising is positively associated with entertainment and information, while irritation is negatively associated (Ducoffes, 1996).

III. THE INFLUENCE OF NATIVE ADS IN ADVERTISING

Native ads are becoming more popular as businesses and entrepreneurs rethink their marketing budgets in the wake of the global pandemic.

Native ads will generate 74% of total US display ad revenue by 2021. There are two main reasons for this. First, native ads are 53 percent more likely to capture users' attention without being intrusive, and they produce a click-through rate (CTR) that is nearly 9 times higher than traditional display ads.

This is one of the reasons why native advertising platforms are becoming more popular among advertisers and publishers for running ad campaigns. A native ad network, regardless of the advertising platform, is more likely to generate high-quality traffic and leads for publishers.

3.1 What is a Native Ad Network?

Native advertising platforms are a medium that allows both publishers and advertisers to achieve their advertising objectives by synchronizing advertisements with web content. A native advertisement does not have an ad-like appearance. Instead, it appears to be a natural extension of the web content that the user is viewing. This enables native advertising platforms to serve advertisements in a non-intrusive manner, ensuring content discovery without interfering with user experience.

71 percent of users said they personally identify with a brand after seeing its native ads, compared to 50 percent for display ads, and native ads generate more than 86 percent of impressions.

3.2 Types of Native Advertising

A. Recommendations for Content

These are native advertisements that appear alongside recommended content and articles. They usually appear beneath or in the middle of the article you're reading.

Advertisement in-feed

These are native ads that appear as regular social media posts as you scroll through your newsfeed. Platforms such as Facebook and Instagram make extensive use of them.

Search and featured listings

When you search for a specific service or product, these native ads appear at the top of your search engine results. They might also show up in the sidebar.

B. Native Advertising Examples and Benefits

Native advertising has a number of advantages over traditional display advertising for both publishers and advertisers. Let's look at some of the most important advantages of native advertising.

Engagement and impressions have improved.

Traditional advertising is more likely to be ignored by users and visitors than native advertising because it appears to be a part of the experience. They are not intrusive in comparison, so even if a user does not like them, he may not mind them. Display ads of other types can be quite intrusive and distracting. As a result, customers are 25% more likely to view native advertisements and 53% more likely to interact with them. Higher impression and engagement rates can lead to higher conversion rates.

C. Native Advertisements Are More Relevant

Native advertisements are more contextually relevant because they are designed to blend in with the content of the site or social network. Furthermore, they do not appear to prey on the user's personal choices and preferences, which aids in the development of trust and loyalty. In the long run, this allows you to build a customer base of repeat and loyal buyers, increasing the value of your brand. Aside from that, when native advertisements are aligned with the content being displayed, they are more likely to be relatable to your users. This means that native advertisements are more likely to be shared than standard display advertisements. Increased chances of being shared can result in more effective marketing campaigns.

D. Native Advertising gives Publishers more Control

Advertisers and publishers typically lack the ability to control where and when their advertisements appear. Native advertising gives them more control over the ad placement process because they can create an environment for displaying their advertisements on purpose. They can also have more say over where and who sees the advertisement. These ads provide the publisher with numerous targeting options because they can be chosen based on intent, topic, and content to make them as relevant to the audience as possible. The more relevant the native ad is to the user, the more likely they will convert due to faster and easier content discovery.

Increased Possibility of Reaching Target Audience

Because many ads today, including banner ads, have the potential to break, distract, or otherwise negatively impact the user experience, website visitors are increasingly relying on ad blockers. These native advertisements appear to be part of the branded content on the USA Today site page below, and if the user isn't interested in them, he can simply ignore them. These ads have no effect on the user experience, resulting in increased ad reach per month. A higher chance of reach can also have a positive impact on cost per click for the company because ad space isn't being blocked by the user. This is one of the reasons why native advertisements are becoming more popular among all advertising options for both brands and publishers.

Native Ad Networks Make Device Responsiveness Possible

To create a better user experience on devices with smaller screens, such as tablets and smartphones, typical banner ads are mostly eliminated or heavily cropped.

The banner ad on the right-hand side of the Fox News page will most likely not be displayed on a mobile device. If it is, it is likely to result in poor UX because, with a smaller screen, users are more likely to notice a poorly displayed ad that interferes with their browsing. That is not the case with a native advertisement.

Best Native Advertising Platforms

1. Outbrain
2. Taboola
3. Yahoo Gemini
4. MGID

IV. CONCLUSION

There is an effectiveness to online advertising that is not dependent on age groups. They are all self-contained. Any of the factors can persuade people who have no specific barriers. The greater the effectiveness of online advertising, the greater the purchase, and thus the relationship between E-Commerce and advertisement.

Thus, advertisement can be defined as an infotainment that is very intense, accessible, feasible, and reliable by building its own credibility with being economical and stands up to be trustworthy by avoiding negativity that may lead to annoyance.

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