The Review of the Most Effective of Online Advertisement Techniques to Affect Online Customer buying Decision

By Tan Li Hsuan & Rashad Yazdanifard

Help College of Arts and Technology, Malaysia

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I. INTRODUCTION

Online advertisement has been very common techniques nowadays for all online business to promote their brand and product due to the enhancement of online competitive market. The advance of the technology affect that most of the generation today has been more digitalization compare to the past. The people today are spending more time in their working or study, and even stay at home to access the internet for work, education and entertainment. People can connect globally by just clicking the browser, they can seek whatever they want from the internet by seated at their comfortable places whenever and wherever they like. Study shown that one in three consumers may rely heavily on internet to seek for information before making their life decisions such as buying car or houses, finding a job or school, make investment and online shopping. [Ayub 2009; Yusoff 2009; Halim 2009] This trend has created a huge opportunity for businessman to explore their business through online. Online business such as clothing, cosmetic, books, software and other goods and services are possible to get numerous of customers from worldwide. Because of online business are spread widely in the marketplace, it is hard for a company to compete in the market which leads to created many online advertisement techniques to attract the attention from the online buyers. The perception, effectiveness and impact of online customer towards the online advertisement will be study in the following chapters as to understand whether the online advertisements can change the customer mind for their buying decision towards a product or services. According to Hynes and Janson (2007) claimed that it is important to have a well-designed online advertisement to communicate with the potential customer which can lead to a successful e-commerce. Their study has also suggested an effective online advertisement have to adopt “cultures congruity” which enable the customer believe that the localization of the website.

II. POPULATION OF ONLINE BUYERS

Online shopping has made a major breakthrough for the culture of the society. It has brought a lot of advantages such as faster, easy to differentiate for two or more similar products, informative, convenience, and it enable for those who lack of time to walk in to the retail shops and also allow customer to purchase the item from oversea instead of local product only. [Chang n.d.] From the research of Morris (2013) has conducted a survey on last year February in United State, he found that there have up to seventy percent from the sample selected are more prefer online shopping in their favorite online retail stores. There have half of the smartphone users and nearly 60% of tablets owners are using those devices to shop and purchase on the online store. In addition, online shoppers has boost in the market for the recent years. The growing rate of e-commerce was seven times of total on retail spending. However, the online retailers may be charge sales tax by U.S. government soon due to the high exploration of online business. [Gutman 2013]

As a result, many business has started conduct multichannel in order to expand their business globally. The high demand of online buyers has affected more and more business competitors enter to this marketplace. The online store like EBay, Amazon, Groupon and other stores will use various types of promotion techniques to attract more customers and differentiate themselves with other online retailers. [“Poll,” 2007]
III. Traditional Advertisement

Advertisement is a tool that can help the company brand the image to all the audiences. From the statement of McDaniel, Lamb and Hair (2009) has explained that advertisement is a form of impersonal, paid communication from the sponsor or the company. The main purpose of advertisement is to promote the product or service, create confidence, increase awareness, and provide information and branding the image of the company. The tradition advertisement was started from printed media, then slowly explore to media such as radio and television due to technology advance. Those visual and non-visual advertisement has succeeded create the awareness from the particular brand through repetitive promoted and it helps many companies to brand a good image in the market. [John 1999] As the research mentioned earlier, the enhancement in digitalization industry has created a good opportunities for online retailers. Thus, advertisement is the main tools for online retailers to change people’s mind about the shopping culture which is from tradition retail store to online purchase. [Smith 2013]

IV. Impact of Social Network

According to Fernández-Pérez, Fuentes-Fuentes, and Bojica (2012) shows that social network is one of the major tools from internet which has occurred and has made many changes for the online users. Social network has brought a lot of convenience and it allow the user connect network from one to more people to expand their socialization. [Visser 2004 and Mirabile 2004] The social network like Facebook, Tweetter, Instagram, YouTube and any other applications enable a person to broad expand their network by adding friends or followers. The high population of electronic gadgets like smartphone and tablet has lead to the users of social network has highly increased in the recent years. The power of social network can spread the news to worldwide within a second by sharing through word of mouth and the post from social network. This awesome power of social network also created a great opportunity for business to expand their market shares with more costless way. In marketing aspect, all the retailers can promote and advertise their business through social network in order to get more customers from all the different aspect.

V. Types of Online Advertisement Techniques

Many online retailers have used various types of online advertisement techniques to expand the market shares and increase the popularity of their particular products. The traditional types of advertisement such as printed media, television or radio advertisement may only deliver the message to the limited of the audience. For example, advertisement on television are usually target for housewife because they are more likely stay at home, advertisement on radio are targeting the audience who driving often or who stay at office for long time. However, online advertisement can help to explore the ads to mass audience and even the whole world. Nowadays, internet has taken a very important part in our daily life. No matter the young or old generation will use internet for working, studying or entertaining. In order to deliver the message from the company to all the audiences, online advertisement is the best way to do so. [Nobis 2013 Lehr 2013 Ebert 2013 et al.] The online advertisement techniques include social network, mobile applications, games and email that will be describe as the following:

a) The Social network

One of the most popular social networks around the world is Facebook. [Johnston 2013; Chen 2013; Hauman 2013] Therefore, almost all retailers own a Facebook account besides their own website. Marketer enable to promote the products and services by creating a page in Facebook and there have non chargeable for open a page. Besides, Facebook is providing banner that enables those pages to promote their page by paying the advertisement fees. In this way, whoever signs in to Facebook will be able to see the advertisement. [Dunay 2010; Krueger 2010]

b) YouTube

According to Hitwise Experian (2010), YouTube is the rank in top three most popular online social network (after Facebook and Myspace). YouTube is a well-known social network that sharing various genres of videos, drama, short clips, movie trailers and other visual clips. YouTube users can get new friends with other users and interact with them through the various tools such as messages, comment-boxes, and they can subscribe if they feel interested with the video sharing. In this setting, videos that shared by the user can be interpreted as products which is the good way to advertise something. Besides that, YouTube will auto update the data regarding the video performance and number of respond like total views, ratings, comment and it also allow the audience to see the data of the authors’ social network which is public for all the audiences around the world. [Yoganarasimhan 2012]

Online retailers will advertise on YouTube from the banner, an advertisement before the video play, a pop-out advertisement during the video and upload a commercial video to YouTube. The advertisements can reach to worldwide which enable to deliver the message to those who access to YouTube.

c) Blog

Blog is similar to a dairy which allow user to share their story daily. Some of the retail or online retail
store will may create the blog that introduce about their own company and the products and services that sell. This is a costless advertisement technique. [Hu 2013; Dong 2013; Liu 2013; Yao 2013] In addition, some of the company will advertise on the banner of some famous blogger who has millions of followers due to high population of viewers on their blog. The company like boutiques may find the famous blogger to be their brand ambassador in order to increase the popularity of the company. [Chau 2012 and Xu 2012].

d) Mobile Application (Apps)

The majority nowadays own a smart phones or tablets. The mobile application like Instagram, Wechat, Facebook and other free apps are supported by the advertisement from the companies who wish to advertise. It is a chargeable advertisement which appear on the banner of the apps whenever the user log in to the application. It also has the same concept with the games application on mobile device.

e) Search Engines

From the study of Jabeur, Zeadally and Sayed (2013) claim that search engine is like a fundamental of the internet. Majority of internet users will access to the search engine first before access to the particular website. The search engines like Google, Yahoo, Bing etc. can help everyone to search the related information by clicking the keywords in the box of search engine. The clicking rate of the links appeared according the keywords on the first page first roll will usually higher than the following page. Thus, the online retailers would paid for the search engines company in order to ensure the link of their website is up-to-date all the time. In this way, the company got higher chances to increase the viewers to visit their page.

f) Email

Email is a transformation of tradition mail. It is faster and easier way compare to the traditional mail and it can be personalize for the customer information by computer system in order to keep good relationship between customer and the company. [Ghosh 2011; Dhumal 2011; Chawla 2011] The company can get the email address from customer and send them the newsletter, latest promotion or an appreciation letter through email.

VI. Perception towards Online Advertisement

The study found consumer may develop attitudes toward advertising disclosures based on their perception to find out the reason of the marketer is disclosing the information. [Thomas 2013; Fowler 2013; Grimm 2013] The research has found that the advertisement of graphics on the web banner and buttons has stared become a prevalent since 1994. Since the advertisement began appear from the internet, the response of the online advertisement get disappointing low result.

Advertisement is a short a brief and simple introduction about a company’s brand and products or services in visual or non-visual form. It allows the audiences have an idea about the company and it can create awareness for the potential customer who has intention to know more about it. The online advertisement on social network and any other techniques can get higher chances to deliver the message to their target audiences. Online customer will be easier connecting to the company through the updates of their advertisement and it is easy for customer to access to the particular company website by just clicking on the online advertisement. [Masood 2013; Seerat 2013; Ammara 2013; Jawaria 2013; Amna 2013].

On the other hand, some of the online user may think that the advertisement is annoying because it pop-out often and they may disrupting by those advertisements. For instance, the customer who always receives advertisement mails from a company will easily feel annoyed because it is not convenience for them to check their email. Besides, the banner of the advertisement on mobile apps may be annoyed by the mobile apps users due to disruption of the attention during the conversation or playing a game.

VII. Effectiveness of Online Advertisement Techniques

According to Steward and Pavlou (2002) and Rappaport (2007) has claimed that online advertisement have improved from classic banner advertising from the website to different advertising ways with the concept of “on-demand” advertising through the famous search engine marketing or price comparison web sites, which enable the internet to be an unique potential strategy for interaction between consumer and advertiser.

The various online advertisement techniques can be explore to worldwide which can be targeted for particular market to mass market. There have many studies had mentioned about the effectiveness of online marketing effort that focused on banner ads. Researchers usually used some ways in most studies in order to develop the click stream model in order to show that there is high heterogeneity among the relationship of consumers in terms of their tendency to click the banner ads on particular website, the two ways are experimental setting or focused on specific steps to find out the consumer-persuasion process. [Brettel &Spiker-Attig, 2010]

Alijani, Mancuso, Kwun and Omar (2010) have conducted a qualitative and quantitative research to determine the most effective factors in recalling online advertisement. As a result, embedded videos on YouTube, price, product and services itself and together
with the credibility of the online advertisements has become a very effective tools to recall the advertisement on their mind which lead to make a business transaction towards it.

VIII. Attractiveness of Online Advertisement

Online advertisement can reach to mass audience, yet it may not to do so. An effective advertisement must have consist of AIDA model which is attention, interest, desire, and action model. [Strong, 1925] Research Townsend and Kahn (2014) of found that visual advertisement will be easier to attract audience’s attention compare to non-visual advertisement. Online advertisement is usually visualized and it will appear as frequent as possible in the social network in order to get attention from the audience. Study of Brettel and Spilker-Attig (2010) shows that advertiser usually focus on which advertising effort works, for which audience its work, in what circumstances it works and when does it works. Thus, the online advertisement will use the colors, sales and promotion, and ambassador to get attention from the online audience. According to Matikas and Skusevich (2010), the brand of the company also takes a major part that attracts audience attention. Study shows that the audience would have more interesting to view the advertisement from the well-known companies compare to the new companies. However, if there not potential buyers, they usually would not have intention to spend their time and click the advertisement and view it. [Supphellen 2011; Nysveen 2011] Despite the design of the advertisement, it is also very important for retailers to get the right way to promote the products or services to their target market. Additionally, some of the payable online advertisement that can probably get full attention from the audience such as YouTube because it cannot be avoid by the audience.

IX. Level of Persuasiveness and Awareness

Advertisement can be easy to persuade and create awareness to the customers by repetitive of the same advertisement. This may lead to create top of the mind awareness for customer in order to remember the product or services to particular brand. [Heath 2009; Nairn 2009; Bottomley 2009] For online advertisement unlike the advertisement on television or radio, it is like optional for the online users to choose whether want to view it. Therefore, the level of creating awareness from online advertisement is lack effective compare to the tradition advertisement techniques. For top of the mind awareness, once the message and image has placed in the long term memory, it may seem virtually never to be forgotten and the brand of the particular product will appear in our mind automatically. [Ehrenberg 2002; Barbad 2002; Kennedy 2002; Bloom 2002] For example, when we think about instant noodle, the first brand in our mind is Maggie. It shows that the advertisement has successfully created the awareness and increase the persuasiveness towards that particular brand. Thus, an online advertisement should advertise continuously in different types in order to increase the level of persuasiveness and awareness from the potential buyers.

X. Confidence of Online Buyers

From the study of Kiran, Sharma and Mittal (2008) has determined that the more frequent the company make advertised, the higher confidence level of the customer towards the brand. The obvious example of the online boutiques in Malaysia is Zalora. When Zalora company enter the market, the marketer keep advertise in various way such as Facebook advertisement, advertisement on television, mobile application advertisement and it also collaborate with a famous coffee house like Starbuck. By keep on reminding the online buyers, there can successfully create the awareness from the customer which can indirectly increasing the confidence level from the customer. [Aljani 2010; Ghasem 2010; Louis 2010; Obyung 2010; Adnan 2010]

According to Gün and Atakan-Duman (2013) found that customer may spend more time to seek for information on online product compare to product sell in retail store. The main reason of it is because online buyers may feel unsafe from the purchase on online due to invisible trade. Online buyers may have anxiety towards online purchase because of they worry the damage of the product, get a fake product, cheap quality, being cheated from the seller and unsafety payment process may lead to customer confidence level decrease. [Lim 2013] Therefore, once the online buyers had bad experience on online purchase, they probably would lost the confidence and choose to purchase in retail store rather than online retailers.

XI. Online Crimes

The breakthrough of e-commerce also made a good opportunity for online cybercrimes. The risk for online buyers may face the problem of online crimes such as hacker, software privacy, extortion, stolen identity and scam. [Moore 2009; Clayton 2009; Anderson 2009] Hacker may hack the customer personal information, including the username and password for the customer data by resorting to blackmail and identity fraud. The hacker also use those information to cheat on the other victims. Besides, some crimes also involve using phishing to steal online user’s personal information like credit card details and bank records in order to steal the money from the victims. [Griffiths 2010]
Besides, one of the common online crimes exits is fraud. The convenience of social network is the best and easiest way to online retailers to operate their business, and it also a best way for cheater to commit crime. It is relatively new form of fraud that becomes apparent since 2008, through online selling in order to defraud the victims in large amount of money. [Whitty 2012; Buchanan 2012] That cheater may open a page on social network, the content of the page is very informative. All the information content such as image, product information, and price are copied from an original page owner and the cheater was only change the name of the online retailer. Once the customer purchased it, he/she has succeeded get in a scam.

XII. Discussion

Advertiser usually use different appeals to attract the attention from the audience like humor, fear, music, sex and any other appeals. However, the most effective way to attract the attention from audience is sex appeal, which might lead to some bad consequences after watching it. The advertisement on printed media like newspaper, magazine, poster and the advertisement on television and radio might be control by government in some countries. [Dougherty 2013] However, the exploratory of online advertisement is hard to control by the government and it may consist of high content of sex appeal. The users of internet is from young to old age and some of the advertisement might not suitable for children. [Gershon 2008]

Hence, the advertisement with sex appeal may lead to the sexual crimes increase because it enables the audiences have the intention towards the sexuality habit, especially teenagers. Hamilton (2008) has found that Grand Junction Police Department says: “Local law enforcement is taking a closer look at the area’s prostitution networks as women posing in online advertisements for the Western Slope’s sex trade are beginning to look more like girls than women.” The U.S. constitution does not protect the commercial speech which content hawks and unlawful good or service, this may be difficult to enact the laws by prohibiting those sexy ads especially on online advertisement. [Summers 2013]

According to Carl (2011) has stated that the great deal of sexually related advertising should be banned in United States. There have some crimes happened is influenced by the advertisement such as rape, illegal sexual behavior, violent, and the worst may cause murder too. The freedom of advertisement has unlimited in most countries, which would be easy for the audience to connect with and those sexual ads might affect the sexual desire increase for some audience that lead to the crimes happen. As a result, the online advertisement should use moderately in sex appeal which would not lead to any bad consequences that harmful to the society.

XIII. Conclusion

Online advertisement can be a very effective tool if the company implemented it in the effective way. Enhance of new technology have opened the door to a new era on interactive and creativity. An effective online advertisement can help to create top of the mind awareness, increase the confidence towards the brand, create positive brand image and make it well known in the market. Once the company has created a familiar brand, the level of persuasiveness and satisfaction of online customer may also increase which able to change their buying decisions because the online customer will be more trustful to the company who always advertise. From my personal point of view, the most effective way for online retailer to advertise the product and service is the combination of different online strategy tools on internet because the more often the advertisement appear in different websites, the higher the confidence of the online customer towards the company. Internet has the power to spread the news and information to worldwide within a minute and it is easy to interact with online customer and expand the market shares in global. Online advertisement can help to transform a person’s negative attitude toward a product into positive way. However, consumer could not change deeply the rooted values and attitudes through advertisement because it might bring the different perception for the audience who really try the product or service. In this way, online advertisement might also result as the way that consumer to rank a brand’s attribute such as the product shows on advertisement with the actual product that had purchased on hand. Online advertisement usually provide the more expectation for online buyers about the ideal product or service, however, once the customer has own experience for the trade, they will spread their views through words of mouth to their friends and family, whether is it positive or negative. Online advertisement can be rank through customer’s satisfaction level not only for the strategy tools that marketer used, it can be rank from the service of the online retailers, the quality or function of the product, the process of payment, the speed to get the parcel from delivery, and also the service after purchase. In conclusion, advertisement may have the power persuasiveness to change online customer buying decision in short term, yet the real quality of the product and services of the online retailers only is the main key to keep the business in long term.

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