**Project Dissertation**

On

**Understanding the Indian Consumers’ beliefs and attitudes toward Online Advertising**

**SUBMITTED BY:**

**Sukanya Biswas**

**(2K13/MBA/72)**

**UNDER THE GUIDANCE OF:**

**Mr. Abhinav Chaudhary**

**(Asst. Professor, DSM-DTU)**

****

**DELHI SCHOOL OF MANAGEMENT**

**Delhi Technological University**

**Bawana Road Delhi 110042**

**Jan-May 2015**

**CERTIFICATE**

This is to certify that the Dissertation Report titled ‘**Understanding the Indian Consumers’ beliefs and attitudes toward Online Advertising**’ is a bonafide work carried out by Ms. Sukanya Biswas of MBA 2013-2015 batch and submitted to Delhi School of Management, Delhi Technological University, New Delhi – 42 in partial fulfillment for the award of the Degree of Masters of Business Administration.

The matter embodied in the report is original and has not been submitted for the award of any degree.

Signature of Guide Signature of HOD (DSM)

Place: New Delhi

Date:

**DECLARATION**

I, ***Sukanya Biswas,*** student of MBA 2013-15 batch of Delhi School of Management, Delhi Technological University, Bawana Road, New Delhi - 42 declare that the Dissertation Report on “Understanding the Indian Consumers’ beliefs and attitudes toward Online Advertising**”** submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

I assert that the report is based on my own work carried out under the guidance of Mr. Abhinav Chaudhary, Asst. Professor, Delhi School of Management. I further declare that the information and data given in the report is authentic to the best of our knowledge.

This report is not being submitted to any other University for award of any other Degree, Diploma or Fellowship.

(Sukanya Biswas)

Date : May, 2015

**ACKNOWLEDGEMENT**

I gratefully acknowledge my profound indebtedness towards my esteemed guide, Mr. Abhinav Chaudhary, Asst. Professor, Delhi School of Management for his invaluable guidance, excellent supervision and constant encouragement during the entire duration of the project work. This project would never have been possible without her guidance and supervision.

I also express our sincere thanks to my project mentor, Mr. Anurag Tiruwa, Research Scholar, Delhi School of Management, Delhi Technological University for being a constant source of encouragement.

Sukanya Biswas

**EXECUTIVE SUMMARY**

Advertisers these days are using newer mediums to advertise keeping up with the technological advancements that are happening. Advertisers have to be creative while designing advertisements and selecting the right medium of displaying them to the target audience. If the target market is the younger consumer segment, keeping pace with their changing consumer buying behavior is essential for businesses. With the increase in online users and the hours they spend on social networking sites, businesses have recognized the power of advertising online in terms of interactivity which includes shopping experiences, personalized selections, wide information and greater convenience. This study aims to understand the perceptions of the younger generation towards online advertisements including social media advertising. Four belief factors (i.e. information seeking, entertainment, credibility and irritation) were identified during literature review, which were significant predictors of attitude towards online advertising (ATOA). The questionnaire was the survey instrument to collect the data from a sample size of 172 respondents. Reliability analysis, factor analysis and regression analysis were done to analyze the collected data. From the results it was seen that Indian Internet users were responsive to advertising on the Internet and had both positive and negative perception of online advertising. However they formed positive beliefs regarding the informative aspect of online ads because it allows users to have access to product and service information without any hassle. Information was seen to be the strongest predictor of ATOA and the people who perceived online advertising to be informative were more likely to favor it. It was also seen that consumer’s found online ads entertaining and were able to grab their attention. With the marketplace being so clustered with advertisements vying for people’s attention the advertisement must be interesting and enjoyable enough to capture the attention to the viewer. Therefore, the creativity of online advertising can add value to a company’s products and services. Credibility was a major factor which added to their likeliness of perceiving online ads and it was found that only about 40% of the respondents found online ads credible. The rest of the respondents found them deceptive, half truths and accused of biasing consumers’ rational decision making by developing ads based on consumers’ vulnerability. Understanding the attitudes of consumers’, marketers can develop the right and suitable communication strategies for creating, changing and reinforcing positive attitudes towards online advertising. Marketers should target consumers who respond positively to online ads and with their help identify problems related to the negative beliefs about web advertising. This research study could provide useful insights to advertisers, marketers, managers, as well as the top management for using online advertising more effectively and efficiently in their marketing efforts

Contents

[1. INTRODUCTION 1](#_Toc420514943)

[1.1 Introduction of the project 1](#_Toc420514944)

[1.2 Objectives of the study 2](#_Toc420514945)

[2. LITERATURE REVIEW 3](#_Toc420514946)

[3. RESEARCH METHODOLOGY 6](#_Toc420514947)

[3.1 Research Design 6](#_Toc420514948)

[3.2 Research Model 6](#_Toc420514949)

[3.3 Hypothesis 7](#_Toc420514950)

[3.4 Data Collection Tools Used 7](#_Toc420514951)

[3.5 Questionnaire 8](#_Toc420514952)

[4. ANALYSIS 11](#_Toc420514953)

[4.1 Frequency Analysis 12](#_Toc420514954)

[4.1.1 Personal Factors: 13](#_Toc420514955)

[4.1.2 Information 15](#_Toc420514956)

[4.1.3 Entertainment 17](#_Toc420514957)

[4.1.4 Credibility 19](#_Toc420514958)

[4.1.5 Irritation 21](#_Toc420514959)

[4.1.6 General attitude 23](#_Toc420514960)

[4.2 Reliability Test 24](#_Toc420514961)

[4.3 Factor Analysis: 25](#_Toc420514962)

[4.4 Regression: 26](#_Toc420514963)

[5. CONCLUSION 29](#_Toc420514964)

[6. LIMITATIONS AND FUTURE SCOPE 30](#_Toc420514965)

[REFERENCES 31](#_Toc420514966)

[EXHIBITS 33](#_Toc420514967)

**List of figures**

[Figure 1 : Proposed key determinants of consumers’ attitude towards online advertising 6](#_Toc420509408)

[Figure 2 : Age of the respondents 13](#_Toc420509409)

[Figure 3: Gender distribution of the respondents 13](#_Toc420509410)

[Figure 4: Occupation distribution of the respondents 14](#_Toc420509411)

[Figure 5: Internet usage of respondents 15](#_Toc420509412)

[Figure 6 : Perception of respondents towards the belief factor "Information" 17](#_Toc420509413)

[Figure 7 : Perception of respondents towards the belief factor "Entertainment" 19](#_Toc420509414)

[Figure 8 : Perception of respondents towards the belief factor "Credibility" 21](#_Toc420509415)

[Figure 9 : Perception of respondents towards the belief factor "Irritation" 23](#_Toc420509416)

[Figure 10 : General attitude of respondents towards online advertising 24](#_Toc420509417)

**List of Tables**

[Table 1 : Accumulated responses for all 4 constructs under factor "information" 17](#_Toc420510745)

[Table 2 : Accumulated responses for all 4 constructs under factor "entertainment" 19](#_Toc420510746)

[Table 3 : Accumulated responses for all 4 constructs under factor "credibility" 20](#_Toc420510747)

[Table 4 : Accumulated responses for all 4 constructs under factor "irritation" 22](#_Toc420510748)

[Table 5 : : Accumulated responses for all 4 constructs under factor general attitude towards online advertising 23](#_Toc420510749)

[Table 6 : Reliability analysis of belief factors 24](#_Toc420510750)

[Table 7 : Four factors Identified by the Principal Components Factor Analysis 25](#_Toc420510751)

[Table 8 : Regression analysis: The influence of belief factors on general attitude 28](#_Toc420510752)

[Table 9 : Coefficients table 28](#_Toc420510753)

# 1. INTRODUCTION

## 1.1 Introduction of the project

India is the 3rd most populous country with 243million Internet users and the growth has been 14% in one year. India’s share is 8.33% of the world’s Internet users so it is important to understand their attitude towards online advertising. The internet began as a communication channel and was used as a channel to share information at work or for educational purposes. Internet penetration has been relatively high and phenomenal in the urban areas compared to the rural areas. Telecom operators in India have introduced the Internet at affordable prices to make it popular. This has led to an increase in the number of consumers who stay online at work and at home. The increase in online users has paved the way for marketers to reorganise and make use of the Internet for communicating with their customers. Advertising on social media like Facebook, Twitter, LinkedIn and YouTube is gaining momentum and this growing medium of communication has caught the advertisers’ eye. Companies make use of web banners to inform the world about the existence of their product, their website and to persuade customers to visit the advertised websites. The internet provides marketers and advertisers the opportunity to create awareness beyond what can be achieved through traditional medium (Belch & Belch,1998) and it also allows them to target their customized customer by getting help from COOKIES(most visited sites or web pages by the consumers).

Internet advertising unlike traditional advertising is not passive. They aren’t endowed on customers with no choice, instead Internet advertising allows customers to have control over the advertisements they wish to view. Because of this feature of internet advertisements, there is a need to develop understanding about attitude which is a driver for success of this medium of advertisements. But the attitudes of Indian consumers are different from one another. Some people like the advertisements and are willing to purchase the product online while there are others who use pop-ups to block the advertisements. These days we have some control over advertising exposure i.e. we can select how much commercial context we wish to view. Lutz (1985) opined that getting insights about consumer attitudes are important because they influence their exposure, attitude and reaction to individual advertisements.

The model is adapted from the research of Pollay and Mittal(1993) which details the structure of beliefs and attitudes about advertising in general. This research focuses only on advertising on the online electronic marketplace. Some researchers have said that although users find the information given in online ads helpful and they view them when provided in an enjoyable manner but sometimes they tend to question the credibility of these ads and often find the ads irritating and distracting. Efforts have been made to measure the attitude of consumers towards other forms of advertisement but not much research has been made about the attitude towards internet advertising. The purpose of this study is to understand empirically the customers’ attitude towards online advertising and how these beliefs influence their attitude. It also tries to ascertain the relationship between the four belief factors and the general attitude of consumers. The dimensions being researched are information, entertainment, credibility and irritation. The internet users overall attitudes to advertising in general are also examined. The findings would provide marketers with an understanding of consumers, their attitude towards advertising so that they can make effective and efficient strategies. For example, a better understanding of the relationship between ATOA and consumers’ behaviour will facilitate businesses to evaluate their online marketing programs more accurately.

## 1.2 Objectives of the study

The objectives of the study are as follows

* Identify the key belief factors that affect attitude of consumers towards online advertising.
* Evaluate which belief factors contribute to what degree in determining the consumers’ attitudes.

# 2. LITERATURE REVIEW

According to marketers, consumers’ attitude towards advertising is one of the influential indicators of advertising effectiveness because consumer’s cognitive ability towards the advertising are reflected in their thoughts and feelings and subsequently will influence their attitude towards advertising (Mackenzie and Lutz, 1989). Based on existing literature several factors were determined that strongly influence consumers’ attitude towards advertising. Kargaonkar (2002) gave 7 key determinants of consumers’ attitude towards advertising i.e. product information, social role and image, hedonic/ pleasure, value corruption, falsity/ no sense, good for the economy and materialism. Barrio and Luque(2003) came up with 6 factors i.e. product knowledge, message involvement, attention, comparative advertising intensity, claim believability and advertisement cognition. Tsang, Ho and Liang (2004) provided the following 5 factors i.e. entertainment, informative, irritation, credibility, relevant demographic variables. Wang’s study in 2002 had another factor (interactivity) in addition to the above factors. Petrovici, Marinova and Lee (2007) pointed out the following 7 factors: product information, social integration/ image, hedonic/ pleasure, good for economy, promotes undesirable values, alienation/ value incongruence, falsity/ misleading. Information, entertainment, credibility and irritation are the 4 belief factors that are tested in this study.

KOTLER said that advertising is a non-personal promotion of ideas and it consists of impersonal commercial filling and that there is a relationship between informativeness and internet advertising. Azeem and Haq (2012) in their research paper titled “Perception towards Internet Advertising: A study with reference to three different demographic groups” said that entertainment is a necessary part of an internet advertisement because it could capture the consumer attention rapidly. They concluded that consumer’s belief has a positive effect on their attitude towards online ads.

Information

According to Rubin (2005), one of the most vital functions of advertising is to provide information. The information-seeking factor acts as a positive predictor for the formation of consumers’ attitude towards online advertising. Schlosser, Shavitt and Kanfer (1999) said that, “consumers’ attitude towards Internet advertising is influenced by informative and the advertisement’s utility for building purchasing behavioural decisions”.

Further media users think that advertising has the ability to provide information to the audience. Consumers’ always want to have quick access to information that they are looking for their current content of use, and it is possible that the information is automatically delivered to the consumers’.

Entertainment

“Entertainment of advertising information is significantly related to advertising value of traditional advertising. A high degree of pleasure and involvement during interaction with computer-based media leads to concurrent subjective perceptions of positive affect and mood of the consumer. People’s feeling of enjoyment associated with ads play the greatest role in accounting for their overall attitudes toward them. Entertainment denotes its full ability to fulfill consumers’ needs for ‘escapism, diversion, aesthetic enjoyment or emotional release’. Entertainment is also a crucial factor for internet marketing. It is essential that the message is concise and funny, and thus immediately captures consumers’ attention. Entertainment services can increase customer loyalty and add value for the customer. As most people have a natural playfulness, providing games and prizes via internet yields high participation. Delivering games and prizes to the customer’s through internet ads is successful way to attract and keep customers. Interactive games for example can also be played via Internet. These features can be used to involve customers more deeply and make them more familiar with the advertised service or product. Therefore, we conclude that an entertaining advertising message is being perceived more positive by the recipient.”

Credibility

Adler and Rodman (2000) define credibility as the believability of the addressor and its perception in the listener’s mind. In the context of advertising industry, MacKenzie and Lutz (1989) identify advertising credibility as consumers’ general perception towards the truthfulness, reliability, trustworthiness and believability of an advertisement. According to researchers Goldsmith, Lafferty and Newell (2000), “Credibility of an advertisement is affected by various factors, particularly by the company’s credibility and the person who brings a message”. It was also affirmed by various researchers that credibility is a key factor that affects the formation of attitude towards online advertising.

Irritation

Irritation can be described here as the tactics used by marketers in online advertising that are annoying to the customer or is against the consumer attitude. According to the researcher Ducoffee (2005) “Irritation is perceived negatively by customer or irritates consumer”. The study conducted by Stewart and Pavlov (2002) found that advertising is perceived irritating by consumers because it provides too much information that is confusing to the consumer. The other reasons for irritation being a negative belief factor is that online ads are found by consumers everywhere on the internet and users find it frustrating when they see online ads being displayed all over internet. A survey conducted on American consumer concluded that consumer shows negative response to any advertisement that annoys them or is a cause of irritation. A strategy that can be implemented to reduce the irritation belief factor is by taking permission from consumer for displaying the advertisement. It can also solve the privacy issues being complained of by consumer. According to the researcher de Reyck, “Online advertising is valuable only when it is permission based”.

# 3. RESEARCH METHODOLOGY

## 

## 3.1 Research Design

The main aim of this study was to find the consumer attitude towards online advertising. So initially an exploratory study was done for a qualitative insight into the problem domain. For this purpose a pilot study was done covering the various belief factors dealing with the consumer attitude towards online advertising. Further to quantify the metrics developed, a Descriptive Research was adopted via the final survey. The Primary Research was further analyzed through Descriptive Statistics and Hypothesis Testing to arrive at a conclusion.

## 3.2 Research Model

H1

**Information**

H2

**Entertainment**

**General Attitude**

H3

**Credibility**

H4

**Irritation**

Figure : Proposed key determinants of consumers’ attitude towards online advertising

## 3.3 Hypothesis

H1: the belief factor “Information” has an effect on consumer attitude towards online advertising

H2: the belief factor “Entertainment” has an effect on consumer attitude towards online advertising

H3: the belief factor “Credibility” has an effect on consumer attitude towards online advertising

H4: the belief factor “Irritation” has an effect on consumer attitude towards online advertising

## 3.4 Data Collection Tools Used

Out of the many sampling techniques available, Convenience Sampling has been used for this purpose. Basically being a non-probability sampling technique, it involves the sample being drawn at convenience. It is one of the most convenient methods of sampling because it saves time and effort in choosing the samples. The data collection for this study has been mainly done through Google Forms. The survey was live for 2 weeks through various social media network like Facebook and Gmail. A random sampling technique was thus used in selecting the respondents for the survey. A total of 172 responses were collected

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 3.5 Questionnaire A cross- sectional survey has been employed for this purpose. The survey duration was a period of two weeks in April, 2015. English had been the language which had been used for this purpose after the identification of the many belief factors that actually influenced the attitude of consumers towards online advertising and ultimately the relationship between belief factors and the attitude. Likert Scale has been used to rate the parameters as per the perception of the customers. Utmost care has been taken to remove any kind of ambiguity in the questions. This also involved explaining certain terms in a nutshell in the questionnaire itself about which the consumer might not be aware of, just to ensure that the clarity of the question is not compromised on. Thereafter the questionnaire was floated through various social media sites like Facebook, Gmail and LinkedIn.  To measure consumers’ beliefs about online advertising a 20-item scale was constructed which consisted of items pulled from four different dimensions of beliefs including information (e.g., “Online advertising is a good source of information”), entertainment (e.g., “Online ads are entertaining and enjoyable”), credibility (trustworthy and believable) and irritation (e.g. annoying). For this purpose a detailed questionnaire has been developed touching all the aspects of the model as cited below:  ***Personal Factors***  Age  Gender  Occupation  Internet Usage  **Rate on a 5 point likert scale the extent to which you relate to the following statements1**  (1- Strongly disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly agree)   |  |  |  | | --- | --- | --- | | Section | Sample Question | Source | | INFORMATION | Online advertising is a good source of product/service information  Online advertisements supply relevant information  Online advertising tells me which brands have the features that I am looking for  Online advertising keeps me up to date about products/services available in the marketplace | Adapted based on Pollay and Mittal, 1993 | | ENTERTAINMENT | Online ads are entertaining  Online ads are enjoyable  Online ads contain lots of surprising elements  I take pleasure in recalling what I saw on an online ad | Adapted based on  Yang, 2004 | | CREDIBILITY | Online advertisements are offensive  Online advertisements are misleading  Online advertisements are untrustworthy  Online advertisements are fake(not authentic) | Adapted based on  Yang , 2004 | | IRRITATION | I feel online advertising is irritating and there are too many online ads on the internet  Online advertisements distract me from my work  I usually get frustrated looking at online ads | Adapted based on  Zhang and Wang, 2005 | | GENERAL ATTITUDE | Overall, I consider online advertising a good thing and plays an important part in my buying decision.  I consider online advertising very essential ( it promotes the latest products/ I get to know about innovative ideas.  I would describe my overall attitude towards online advertising very favorably | Adapted based on Azeem and Haq, 2012 | |

# 4. ANALYSIS

Before representing the data, data pre-processing has been done to make the data suitable for our purpose removing the outliers and taking care of the missing data aspects.

The steps in data pre-processing included:

***Step 1: Data Cleaning***

The data that is received immediately after the survey can never be trusted upon. More so, because of the many errors it may contain. For this purpose Data needs to be cleaned to avoid Garbage in, Garbage out. In this process extraneous characters and missing data has been taken care of for further processing.

***Step 2: Data Processing***

The data processing mainly comprises of recoding the data into such format that makes analysis easy. An apt example would be to recode the values of a Likhert Scale into quantitative terms so that the quantitative aspects of the data can be analyzed.

***Step 3: Useful Analysis Ready Data***

Final dataset was copied from interim data worksheet to the final worksheet. The final data set had 172 records which were completely answered by respondents.

The main tools that had been used for the purpose of analysis have been **Excel and SPSS**.

**SPSS** stands for **Statistical Package for Social Sciences.**

|  |  |  |
| --- | --- | --- |
| |  |  | | --- | --- | | SPSS is a tool used for statistical analysis and solutions for data management. SPSS is a tool which can take in data in any form and provide pictorial solutions like bar charts, scatter plot, pie charts to make comprehension easy for the purpose of analysis. Apart from the basic statistics it is one of the tool that is used for Hypothesis Testing.  **EXCEL**  Apart from SPSS, **Excel** has been used. Mostly the data has been represented in the form of charts. The two types of charts used for this purpose comprised of Pie Charts and Bar Charts.  **Pie Charts:**  A pie chart is a graphical chart in the form of a pie which depicts the many components of a pie – it mainly shows the different proportions of a data set assuming the whole pie as a perfect hundred percent. The larger the angle subtended at the center the greater the share of that component.  **Bar Charts:**  A bar chart is a chart that uses bars on X- axis or Y-axis to represent a quantity represented by a variable. The bar chart is a convenient form of representation since it facilitates easy comparison amidst the different values of a variable – say the growth of rice in the different years say 2012, 2013, 2014 and 2015. The values presented would explicitly show the differences in the values. |  | |

## 4.1 Frequency Analysis

A preliminary frequency analysis has been done to understand the characteristics of the data obtained. The survey details as per the frequency analysis are presented here in the pictorial forms.

### 4.1.1 Personal Factors:

***Age***

There were 6 respondents below 20 years of age, 154 respondents in the age group 20-40 and 12 respondents in the age group 40-60. The pie chart for the distribution of ages of respondents is given below.

Figure : Age of the respondents

***Gender***

The gender proportion of the survey respondents stands as depicted by the chart shown below:

Figure : Gender distribution of the respondents

Male: 117

Female: 55

This survey study can in general give an insight into the behavior of male gender which is generally perceived to be quicker in adopting newer technology.

***Occupation***

The respondents of this survey mainly belong to mainly the following classes of occupation:

|  |  |
| --- | --- |
| Occupation | Frequency |
| Student | 82 |
| Professional | 78 |
| Self employed | 5 |
| Retired | 1 |
| Homemaker | 5 |
| Others | 1 |

Figure : Occupation distribution of the respondents

As is evident most of the respondents belong to the student and the professional category.

***Internet Usage***

It was essential to find out the number of hours the respondents spent on the internet daily.

Figure : Internet usage of respondents

On average, 37.79% of Indian respondents reported using the internet for 1-3 hours daily and there were as high as 35.47% respondents who said that they used the Internet for more than 6 hours daily.

Measurement

Beliefs about online advertising - Four belief factors were identified and then 4 constructs were created under each factor. The 4 belief factors that were identified are information, entertainment, credibility and irritation. The first factor taken in this study is information and the respondents were asked to rate their opinion about the statements given on a likert 5 point scale ranging from Highly Disagree to Highly Agree.

### 4.1.2 Information

Each factor had four constructs and the percentage of respondents beliefs regarding each construct is shown below in the form of pie charts.

|  |  |
| --- | --- |
|  |  |
|  |  |
| Overall 58% respondents believed that internet advertising was a good source of product/service information and 24% disagreed. 46% respondents believed that online advertising supplied relevant information while 21% disagreed and the rest of the respondents were neutral. | |
|  |  |
|  |  |
| 59% respondents find brands with the features they are looking for through Internet advertising while 37% disagreed and 59% also believed that online advertising kept them up to date on the products/services available in the marketplace. | |

The mean for the factor “information” was collected and the values were changed according to the respondents’ belief of whether online advertisements are informative.

|  |  |  |
| --- | --- | --- |
| Strongly Disagree | 1 | 0.58% |
| Disagree | 28 | 16.28% |
| Neutral | 39 | 22.67% |
| Agree | 63 | 36.63% |
| Strongly Agree | 41 | 23.84% |

Table : Accumulated responses for all 4 constructs under factor "information"

Figure : Perception of respondents towards the belief factor "Information"

Overall 60.47% of the respondents believed that internet advertising provides product information and was informative.

### 4.1.3 Entertainment

The responses for the respondents’ beliefs regarding how entertaining they found online advertisements were recorded and analyzed in the form of pie charts.

|  |  |
| --- | --- |
|  |  |

Overall 43% respondents said that they found online advertising entertaining while 30% disagree. 39% respondents believed that online advertising supplied is enjoyable and 33% disagreed and the rest of the respondents were neutral.

|  |  |
| --- | --- |
|  |  |

44% respondents believe that online ads contain lots of surprising elements while 26% disagreed and 41% also said that they took pleasure in recalling what they see on online ads.

The mean for the factor “entertainment” was collected and the values were changed according to the respondents’ belief of whether online advertisements are entertaining.

|  |  |  |
| --- | --- | --- |
| Strongly Disagree | 8 | 4.65% |
| Disagree | 33 | 19.19% |
| Neutral | 58 | 33.72% |
| Agree | 53 | 30.81% |
| Strongly Agree | 20 | 11.63% |

Table : Accumulated responses for all 4 constructs under factor "entertainment"

Figure : Perception of respondents towards the belief factor "Entertainment"

Overall 42.44% of the respondents believed that internet advertising provided a source of entertainment and 33.72% were neutral in their beliefs about the factor entertainment.

### 4.1.4 Credibility

|  |  |
| --- | --- |
|  |  |

40% of the respondents felt that online ads were offensive while nearly 34% were neutral about it. Approximately 36% felt that online ads were misleading while 36% were neutral about it and 28% disagreed that online ads were misleading

|  |  |
| --- | --- |
|  |  |

33% respondents were that online ads were untrustworthy and could not be relied upon whereas 49% of the respondents were neutral and only 18% of the respondents disagreed. Nearly 31% of the respondents agreed that online ads were fake i.e. they weren’t authentic and about 51% respondents were neutral about their beliefs towards online advertisements.

The mean for the factor “credibility” was collected and the values were changed according to the respondents’ belief of whether online advertisements are credible.

|  |  |  |
| --- | --- | --- |
| Strongly Disagree | 3 | 1.74% |
| Disagree | 15 | 8.72% |
| Neutral | 94 | 54.65% |
| Agree | 47 | 27.33% |
| Strongly Agree | 13 | 7.56% |

Table : Accumulated responses for all 4 constructs under factor "credibility"

Figure : Perception of respondents towards the belief factor "Credibility"

Overall 35% of the respondents believed that internet advertising was credible and they found it trustworthy and 54.65% were neutral in their beliefs about the factor credibility.

### 4.1.5 Irritation

|  |  |
| --- | --- |
|  |  |

Approximately 47% felt that online advertising was irritating and only 31% disagreed that online advertising was irritating. 58% respondents felt that there were too many online ads on the internet these days.

|  |  |
| --- | --- |
|  |  |

Almost 46% of the respondents felt that online ads distracted them from the work that they were doing on the internet. 31% respondents felt otherwise. 44% respondents also got frustrated looking at so many online ads on the internet while 28% disagreed.

The mean for the factor “irritation” was collected and the values were changed according to the respondents’ belief of whether online advertisements are irritating.

|  |  |  |
| --- | --- | --- |
| Strongly Disagree | 8 | 1.74% |
| Disagree | 20 | 8.72% |
| Neutral | 57 | 54.65% |
| Agree | 56 | 27.33% |
| Strongly Agree | 31 | 7.56% |

Table : Accumulated responses for all 4 constructs under factor "irritation"

Figure : Perception of respondents towards the belief factor "Irritation"

Overall 50.58% of the respondents believed that internet advertising was irritating and 33.14% were neutral in their beliefs about the factor entertainment and 15.28% respondents didn’t find online ads irritating.

### 4.1.6 General attitude

The mean for the dependent factor “the general attitude of consumers towards online advertising” was collected and the values were changed according to the respondents’ belief of whether they find online advertisements favorable or not.

|  |  |  |
| --- | --- | --- |
| Strongly Disagree | 4 | 2.33% |
| Disagree | 24 | 13.95% |
| Neutral | 58 | 33.72% |
| Agree | 69 | 40.12% |
| Strongly Agree | 17 | 9.88% |

Table : : Accumulated responses for all 4 constructs under factor general attitude towards online advertising

Figure : General attitude of respondents towards online advertising

General attitudes to online advertising were mostly positive with almost 50% of the respondents finding it favorable.

In this study we have mainly used Regression and Correlation to validate our findings statistically.

## 4.2 Reliability Test

Firstly, reliability test was used to check the reliability of the data collected from the questionnaires. The reliability of all the factors are above the required value of 0.7 to ascertain reliability of the data.

|  |  |  |
| --- | --- | --- |
| **Factor** | **Cronbach’s Alpha** | **No. of items** |
| Information | 0.867 | 4 |
| Entertainment | 0.860 | 4 |
| Credibility | 0.750 | 4 |
| Irritation | 0.867 | 4 |
| All factors | 0.797 | 20 |

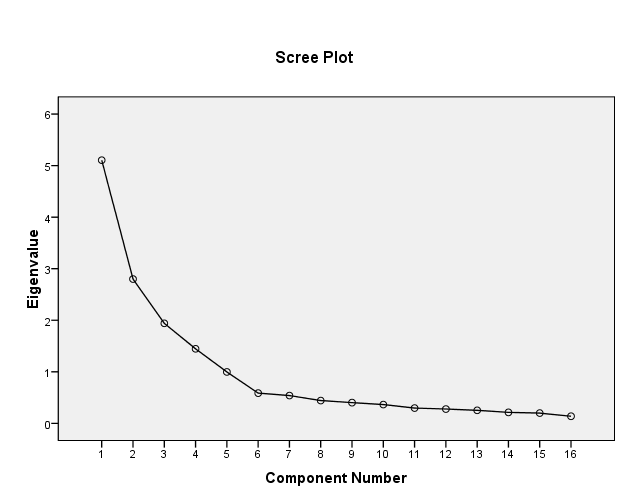
Table : Reliability analysis of belief factors

## 4.3 Factor Analysis:

|  |  |
| --- | --- |
| **FACTORS** | **LOADING** |
| **Information** |  |
| Online advertising is a good source of product/service information | 0.864 |
| Online advertisements supply relevant information | 0.714 |
| I feel comfortable searching for information about a product on the Internet | 0.817 |
| Online advertising keeps me up to date about products/services available in the marketplace | 0.842 |
| **Entertainment** |  |
| Online ads are entertaining | 0.797 |
| Online ads are enjoyable | 0.831 |
| Online ads contain lots of surprising elements | 0.756 |
| I take pleasure in recalling what I saw on an online ad | 0.803 |
| **Credibility** |  |
| Online advertisements are offensive | 0.526 |
| Online advertisements are misleading | 0.723 |
| Online advertisements are untrustworthy | 0.756 |
| Online advertisements are fake(not authentic) | 0.803 |
| **Irritation** |  |
| I feel online advertising is irritating | 0.753 |
| I feel there are too many online ads on the internet | 0.738 |
| Online advertisements distract me from my work | 0.883 |
| I usually get frustrated looking at online ads | 0.888 |

Table : Four factors Identified by the Principal Components Factor Analysis

The construct of online advertising beliefs – principal component analysis was conducted on the 16 items scale and produced 4 factors. It was noted that no items were recorded with factor loading below 0.50 values. So no items were eliminated for further analysis. The KMO – Kaiser Meyer Olkin measure of sampling adequacy is 0.7 and the Bartlett’s test of sphericity is significant with a value of 0.00 i.e. less than 0.05 and thus factor analysis is appropriate and is shown in table above.



## 4.4 Regression:

Linear Regression is the method of formulating a quantitative relationship between the variables of our study. This is especially helpful in predictive modeling. For example this kind of regression is used for the purpose of Demand Planning, Forecasting the demand for a manufacturing firm, Supply planning. Hence linear regression can be helpful in predicting the future and cutting down on the losses. However for our purpose we have used Multiple Linear Regression. We have applied multiple regression on the four belief factors – information, entertainment, credibility and irritation to find its effect on general attitude being favourable or unfavourable. Hence in this test,

Dependent Variable: General attitude towards online advertising

Independent Variables: information, entertainment, credibility, irritation

| **Table : Model Summaryb** | | | | |
| --- | --- | --- | --- | --- |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .676a | .458 | .445 | .67135 |
| a. Predictors: (Constant), mean4idv, mean1idv, mean2idv, mean3idv | | | | |
| b. Dependent Variable: meandv | | | |  |

The Model Summary states that the factors explain 45% quality in the level of prediction for the dependent variable i.e. general attitude of online advertising.

The table of ANOVA revealed under indicates that the model is consequence since the value is less than 0.05. As a result, there is a significance affiliation among the variables of this model. The dependent variable of this research is general attitude of consumer towards online advertising.

| **ANOVAb** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 63.485 | 4 | 15.871 | 35.213 | .000a |
| Residual | 75.270 | 167 | .451 |  |  |
| Total | 138.754 | 171 |  |  |  |
| a. Predictors: (Constant), mean4idv, mean1idv, mean2idv, mean3idv | | | | | |  |
| b. Dependent Variable: meandv | | |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Dependent Variable** | **Independent Variable** | **Untsd. Beta** | **Std. beta** | **T** | **Sig.** | **VIF** |
| General Attitude | (constant) | 0.748 |  | 1.916 | 0.57 |  |
| Information | 0.535 | 0.582 | 8.573 | 0.000 | 1.000 |
| Entertainment | 0.438 | 0.484 | 7.203 | 0.000 | 1.000 |
| Credibility | 0.448 | 0.371 | 5.205 | 0.000 | 1.000 |
| Irritation | - 0.199 | - 0.235 | -3.159 | 0.002 | 1.000 |

Table : Regression analysis: The influence of belief factors on general attitude

Table 2 shows the regression results, the F-ratio test along with the significance value shows that the regression model is a good fit for the data. All the four factors are significant because they have a significance value less than 0.05. The largest absolute value of standardized beta coefficient (=0.582) that is “Information” emerged as the most popular predictor of general attitude towards online advertising. This shows that higher the informative value of ads higher is the chance of that ad being liked by consumers. The negative relationship between irritation and general attitude explains that consumers find online ads irritating to an extent and it negatively affects their attitude towards online advertising.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Belief factor** | **R** | **R square** | **Adjusted R Square** | **F** | **Sig. F** |
| Information | 0.549 | 0.302 | 0.298 | 73.495 | 0.000 |
| Entertainment | 0.484 | 0.234 | 0.229 | 51.885 | 0.000 |
| Credibility | 0.371 | 0.137 | 0.132 | 27.092 | 0.000 |
| Irritation | 0.235 | 0.055 | 0.50 | 9.979 | 0.002 |

Table : Coefficients table

# 5. CONCLUSION

This study has been taken to know the consumer attitude towards online advertising in India. Internet users and those people whose business are related to Internet will be benefitted from this study. The main objective was to know and explore the attitude towards different dimensions of advertising. The questionnaire was the survey instrument to collect the data from a sample size of 172 respondents. Reliability analysis, factor analysis and regression analysis were done to analyze the collected data. From the results it can be seen that Indian Internet users are responsive to advertising on the Internet and have a positive and negative perception of online advertising. However they formed positive beliefs regarding the informative aspect of online ads because it allows users to have access to product and service information without any hassle. Information was seen to be the strongest predictor of ATOA and the people who perceived online advertising to be informative are more likely to favor it. It was also seen that consumer’s found online ads entertaining and were able to grab their attention. With the marketplace being so clustered with advertisements vying for people’s attention the advertisement must be interesting and enjoyable enough to capture the attention to the viewer. Therefore, the creativity of online advertising can add value to a company’s products and services. Credibility was a major factor which added to their likeliness of perceiving online ads and it was found that only about 40% of the respondents found online ads credible. The rest of the respondents found them deceptive, half truths and accused of biasing consumers’ rational decision making by developing ads based on consumers’ vulnerability. Understanding the attitudes of consumers’, marketers can develop the right and suitable communication strategies for creating, changing and reinforcing positive attitudes towards online advertising. Marketers should target consumers who respond positively to online ads and with their help identify problems related to the negative beliefs about web advertising.

# 6. LIMITATIONS AND FUTURE SCOPE

The study is cross-sectional data representing only one point in time so the cause and effect couldn’t be measured i.e. the research couldn’t describe satisfactorily the changes observed in the pattern and causality of consumers’ attitude towards online advertising. Convenient sampling was chosen and the study was limited by more students and professionals between the age group 20-30.

Future studies could expand the scope of the study using multiple measures and additional variables. A cross-sectional study could be conducted to portray the observed changes in patterns and causality of the consumers’ attitude towards online advertising. A longitudinal research could be conducted to capture how the determinants of consumers’ beliefs affect their attitude. A broader profile of online consumers could be taken into account and the attitudes between different profiles of consumers could be compared. Marketers should focus on internet users’ needs, diversifying the content in order to improve the usage and perception.

# REFERENCES

1. Azeem, A. and Haq, Z. U. (2012), “Perception towards Internet Advertising: A Study with Reference to Three Different Demographic Groups”, *Global Business and Management Research: An International Journal*, 4(1): 28-45.

2. Chi, H-H. (2011), “Interactive Digital Advertising Vs. Virtual Brand Community: Exploratory Study of User Motivation and Social Media Marketing Responses in Taiwan”, *Journal of Interactive Advertising,* 12(1): 44-61.

3. Ducoffe, R. (1996), “Advertising Value and Advertising on the Web”, *Journal of Advertising Research,* 36(5): 21–35. And Ducoffe, R. H. (1995), “How Consumers Assess the Value of Advertising”, *Journal of Current Issues and Research in Advertising*, 17(1): 1-18.

4. Pollay, R. and Mittal, B. (1993), “Here’s The Beef: Factors, Determinants, and Segments in Consumer Criticism of Advertising”, *Journal of Marketing*, 57(3): 99–114.

5. Wang, Y. and Sun, S. (2010), “Assessing Beliefs, Attitudes, and Behavioral Responses toward Online Advertising in Three Countries”, *International Business Review*, 19: 333–344.

6. Bauer, R. A. & Greyser, S. A. (1968) *Advertising in America: The consumer view.* Unpublished Graduate dissertation, Boston, MA: Harvard University.

7. Korgaonkar, P. & Wolin, L. (2002). Web usage, advertising, and shopping: Relationship patterns. *Internet Research: Electronic Networking Applications and Policy, 12(2)*, 191-204.

8. Lafferty, B., & Goldsmith, R. E. (1999). Corporate credibility's role in consumers’ attitudes and purchase intention when a high versus a low credibility endorser is used in the Ad. *Journal of Business Research, 44,* 109-116.

9. Kolter, P. (2000). *Marketing management.* Englewood Cliffs, NJ: Prentice Hall.

# EXHIBITS

| **KMO and Bartlett's Test** | | |
| --- | --- | --- |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .778 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 1.518E3 |
| df | 120 |
| Sig. | .000 |

| **Rotated Component Matrixa** | | | | |
| --- | --- | --- | --- | --- |
|  | Component | | | |
|  | 1 | 2 | 3 | 4 |
| Info1 | .864 |  |  |  |
| Info2 | .714 |  |  |  |
| Info3 | .817 |  |  |  |
| Info4 | .842 |  |  |  |
| Ent1 |  |  | .797 |  |
| Ent2 |  |  | .831 |  |
| Ent3 |  |  | .756 |  |
| Ent4 |  |  | .803 |  |
| Cred1 |  |  |  | .526 |
| Cred2 |  |  |  | .723 |
| Cred3 |  |  |  | .840 |
| Cred4 |  |  |  | .787 |
| Irr1 |  | .753 |  |  |
| Irr2 |  | .738 |  |  |
| Irr3 |  | .883 |  |  |
| Irr4 |  | .888 |  |  |
| Extraction Method: Principal Component Analysis.  Rotation Method: Varimax with Kaiser Normalization. | | | | |
| a. Rotation converged in 6 iterations. | | | |  |