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USERS' PREFERENCE TOWARDS ONLINE ADVERTISEMENTS WITH SPECIAL REFERENCE TO CHENNAI AND BENGALURU CITIES

C. Muthuvelayutham[*] and M.V. Amarnath[**]

Abstract: *Online advertising has gained traction and has witnessed significant changes in recent times. Advertisers have realized the potential of online advertisements and they are aggressively tapping the online medium to promote products/services. Internet has changed the business landscape completely. From an users' perspective, online advertising supports customers by providing relevant information about products and services. From a business perspective, online advertising boosts sales, enhances brand image and helps retaining customers in a cost-effective scale. The present article examines the customers' preference towards online advertisements with special reference to Chennai and Bengaluru cities and highlights key factors behind the effective management of online advertising in the two cities.*

Keywords*: online advertising, e-advertisements, Internet advertising, users' preference.*

INTRODUCTION

Online advertising provides relevant information about products and services to the target customers in a cost-effective and timely manner. Online advertising has become an integral part of promotional activities. Advertisers spend significant amount of money and time to tap the online medium. Search engine optimization, a major exercise adopted by advertisers, enables customers to easily/quickly find out relevant products and services. A well-planned online advertising campaign will lead to successful marketing of products and services. Realizing the vast potential of online advertising, advertisers have embarked on an exercise to utilize the Internet to the fullest potential. The key objective of a business is to meet the basic needs of the customers by offering relevant products and services. Online advertisers bridge the gap by promoting their products/services as customers will be able to find products/services of their choice with ease.

[*] Associate Professor – MBA, Anna University, Regional Centre – Coimbatore, *E-mail: drmuthu2009@gmail.com*
[**] Research Scholar, Anna University, Regional Centre – Coimbatore, *E-mail: mvamarnath@gmail.com*

STATEMENT OF THE PROBLEM

Internet marketing has seen exponential growth in the past few years. Internet is seen as a multi-interactive medium. However, online advertising has not been able to fully integrate the preferences of users with the process of communication chain. A key point in this aspect is the level of willingness among Internet users to engage with advertisers and the action points post the successful launch of advertisements. A study on users' preference towards online advertisements will be relevant and timely as significant amount of money is involved in the marketing campaign.

OBJECTIVES OF THE STUDY

- To analyze the users' preference towards online advertisements with special reference to Chennai and Bengaluru cities.

REVIEW OF LITERATURE

Awais *et al.* (2012) examines the potential of internet advertising in enhancing the value of the advertised products/services. The researchers compare internet advertising with that of television advertising and conclude that advertising will be able to survive and grow only if it adds value. The research paper highlights that business objectives can be met only if there are strong-cum-attractive, relevant and value-added online advertisements. The key objective of VIACSC is to identify the latent need of the users through advertisement and highlight the significance of the products/services which will help in retaining brand image, satisfaction among customers, and, in turn, loyalty.

Nikhashemi *et al.* (2013) examined the effectiveness of e-advertisement on customers' buying behaviour. Besides, this report examined in detail the effect of mediating and moderating demography factors on customers' buying behaviour in Malaysia. Data from 570 respondents, who have already purchased products and services online, were collected. The findings show that – service quality, social network and brand recognition – are highly likely to have an impact on customers' perception towards online advertisements. As such, consumers who are more optimistic on e-advertisements are most likely to have an inclination to buy products/services online. The report examined the effectiveness of e-advertisements in a vivid manner. Further, the research paper highlighted that demography factors will neither be able to influence the users' perception towards advertisements nor the effectiveness of e-advertisements towards the buying behavior.

RESEARCH METHODOLOGY

The researcher has adopted a simple sampling method for this study. The sample size of the study is restricted to 210 respondents – 105 in each city**.** The study was mainly based on primary and secondary data. A duly structured questionnaire was used for collecting the primary data.

LIMITATIONS OF THE STUDY

The study has been restricted to 210 respondents. The coverage of the study is limited to Chennai and Bengaluru cities – two major cities in South India – and may not apply to the findings and suggestions for other cities.

DATA ANALYSIS AND INTERPRETATION

The study examined in detail the major factors that determine the users' preference towards online advertisements in Chennai and Bengaluru cities, as shown in Table 1. Bengaluru and Chennai have been chosen for the study as the Internet penetration is likely to be higher than other major South Indian cities like Hyderabad and Thiruvananthapuram due to the vast information technology-related workforce and the number of engineering graduates.

Table 1
Variables Specification For Analysing The Users' Preference Towards Online Advertisements

S.No	*Variables*	*Statements*
1.	ATTRACTIVENESS	Big-size banner advertisement attracts more than small-size banner advertisement
2.	RELIABILITY	I do not click online advertisements until I am sure it is convincing.
3.	MODE OF ADS	I prefer online advertisements than the offline mode.
4.	FREQUENCY OF PURCHASE	I regularly purchase products that are advertised online.
5.	CONTENT/ MESSAGE	I carefully review the information provided in the online advertisements.
6.	SIZE	I do assign a weightage to the size of the online advertisements.
7.	VISUAL LOOK	I prefer advertisements that mostly use real-life pictures.
8.	PICTORIAL ADS	I prefer visual advertisements than text advertisements.
9.	DISCOUNT ADS	I prefer online advertisements that offer discounts.
10.	TOPICAL ADS	I prefer online advertisements that lead to products that are on sale/immediate delivery.
11.	POSITIONING OF ADS	I click advertisements that are better positioned.
12.	SUGGESTIVE ADS	I prefer advertisements that suggest products/services based on my browsing pattern.
13.	AUTHENTICITY	Online advertisements lack transparency/details.
14.	NEW LAUNCHES	When there are advertisements for new products, I usually click them.
15.	AD RELEVANCE	When there are advertisements for products/ services that meet my requirement, I click them.
16.	NON-SERIOUS USER	I click online advertisements only for details/fun.
17.	EXPERIENCE	I click online advertisements for a browsing experience.
18.	REFERRAL ADS	I click online advertisements referred by my friends.
19.	SOCIAL MEDIA ADS	I click online advertisements displayed in social media websites/e-mail account.
20.	NEWS PORTAL ADS	I click online advertisements displayed in news portal.

STATISTICS ASSOCIATED WITH FACTOR ANALYSIS

To test the null hypothesis (i.e., variables are not correlated with sample population), Bartlett's test of sphericity, which is based on Chi-square transformation of the determinant of the correlation matrix, is used. Test statistics' large value will lead to rejection of the null hypothesis.

Kaiser-Mayer-Olkin measure of sampling adequacy

The index compares magnitude of the observed correlation coefficient with the magnitude of the partial correlation coefficient. An occurrence of small values reveals correlation between the pair of variables cannot be explained by other variables. So, factor analysis will not be appropriate.

Eigen-values and Communalities

A factor's Eigen value or latent route is the sum of the squares of its factors loading and explains how well a given factor fits the data from the sample respondents on all the statements.

Communalities show the quantum of variance in each variable that is accounted for by the factors taken together.

Table 2 shows the results of the fitness test regarding factor analysis, based on KMO adequacy.

Table 2
KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.679
Bartlett's Test of Sphericity	Approximate Chi-Square	1.218
	Degrees of freedom	190
	Significance	.000

The results of KMO and Bartlett's Test show that factor analysis can be applied to the data as the KMO statistics value of 0.679 is greater than 0.5.

Communalities, which compute the quantum of variance a variable shares with all other variables, is shown in Table 3.

A large communality shows vast amount of variance a variable has extracted by factor solution. Table 3 reveals that the extracted communalities are high, and acceptable for all the variables.

EXTRACTION METHOD: PRINCIPAL COMPONENT ANALYSIS

The scale constructed and the components extracted must be able to explain the variance in the data. Table 4 reveals the key factors that determine the users' preference towards online advertisements in Chennai and Bengaluru cities, the initial

Table 3
Communalities

	Initial	*Extraction*
VAR00001	1.000	.463
VAR00002	1.000	.666
VAR00003	1.000	.661
VAR00004	1.000	.682
VAR00005	1.000	.567
VAR00006	1.000	.685
VAR00007	1.000	.676
VAR00008	1.000	.664
VAR00009	1.000	.701
VAR00010	1.000	.620
VAR00011	1.000	.708
VAR00012	1.000	.739
VAR00013	1.000	.591
VAR00014	1.000	.667
VAR00015	1.000	.682
VAR00016	1.000	.860
VAR00017	1.000	.779
VAR00018	1.000	.653
VAR00019	1.000	.655
VAR00020	1.000	.699

Extraction Method: Principal Component Analysis.

Eigen values, extraction sums of squared loadings and the rotation sums of squared loadings.

Table 4
Total Variance Explained

Component	*Initial Eigen values*			*Extraction Sums of Squared Loadings*			*Rotation Sums of Squared Loadings*		
	Total	*% of Variance*	*Cumulative %*	*Total*	*% of Variance*	*Cumulative %*	*Total*	*% of Variance*	*Cumulative %*
1	4.216	21.080	21.080	4.216	21.080	21.080	2.341	11.707	11.707
2	2.470	12.348	33.428	2.470	12.348	33.428	2.092	10.461	22.168
3	1.728	8.640	42.068	1.728	8.640	42.068	2.078	10.390	32.558
4	1.467	7.334	49.403	1.467	7.334	49.403	1.908	9.540	42.098
5	1.287	6.436	55.839	1.287	6.436	55.839	1.907	9.536	51.634
6	1.188	5.939	61.778	1.188	5.939	61.778	1.776	8.879	60.512
7	1.062	5.308	67.086	1.062	5.308	67.086	1.315	6.573	67.086
8	.877	4.383	71.469						
9	.807	4.037	75.506						
10	.787	3.936	79.442						
11	.667	3.334	82.775						
12	.595	2.975	85.751						
13	.560	2.798	88.549						

contd. table 4

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
14	.466	2.330	90.879						
15	.399	1.994	92.873						
16	.376	1.878	94.751						
17	.309	1.545	96.296						
18	.289	1.447	97.743						
19	.242	1.211	98.954						
20	.209	1.046	100.000						

Extraction Method: Principal Component Analysis.

Even though there are 20 variables that can be extracted, Table 4 shows that only seven variables with Eigen values more than one can be extracted. We retain only the variables with Eigen values greater than one, and infer: 21.080 percent of variance is explained by variable 1; 12.348 percent of variance is explained by variable 2; 8.640 percent of variance is explained by variable 3; 7.334 percent of variance is explained by variable 4; 6.436 percent of variance is explained by variable 5; 5.939 percent of variance is explained by variable 6; and 5.308 percent of variance is explained by variable 7. As such, all the seven variables collectively explain the variance to the extent of 67.086 percent.

The total 67.086 percent variance is not uniformly distributed across all the variables, as it is evident from Table 4 that only the first component accounted for 21.080 percent variance. Since the variables are not uniformly distributed, we adopt the rotated sum of squared loadings method to distribute the variables uniformly across all the factors with Eigen values more than one. Table 5 reveals the component matrix highlighting the components loading, which are the correlations between the variables and the components.

Table 5
Component Matrix

	Component						
	1	2	3	4	5	6	7
VAR00018	.601	-.294	.308	.097	.176	-.233	-.127
VAR00003	.589	.244	.012	-.478	-.096	.038	-.124
VAR00001	.582	-.062	-.129	-.029	-.136	-.255	.142
VAR00008	.544	.484	-.078	.334	.109	-.037	.049
VAR00012	.539	-.179	-.160	.186	-.311	.446	-.246
VAR00015	.537	.227	-.144	.303	.367	-.301	-.062
VAR00007	.528	.350	-.349	-.129	.119	-.257	-.237
VAR00017	.491	-.580	-.013	-.203	.141	.322	.190
VAR00009	.344	.575	.365	-.108	.112	.103	.290
VAR00019	.374	-.535	.280	.365	-.024	-.116	-.060
VAR00016	.332	-.525	-.148	-.281	.418	.326	.304

contd. table 5

	1	*2*	*3*	*4*	*5*	*6*	*7*
VAR00020	.435	-.502	.380	.277	-.065	-.173	-.042
VAR00010	.409	.473	.288	-.074	.017	.351	.129
VAR00006	.436	-.105	-.562	-.120	-.353	-.121	.124
VAR00004	.367	.123	.434	-.516	-.200	-.191	-.011
VAR00013	.168	.079	-.507	.105	.527	.077	.076
VAR00011	.517	.008	-.356	.147	-.521	.097	.109
VAR00002	.152	.325	.164	.391	-.003	.502	-.325
VAR00014	.473	-.109	.084	-.316	.204	.044	-.530
VAR00005	.428	.157	.246	.245	-.060	-.050	.482

Extraction Method: Principal Component Analysis.
a.7 components extracted.

COMPONENTS EXTRACTED

Table 5 indicates the components loading, while Table 4 reveals that the variance is now evenly distributed in the range of 11.707-67.086 percent, which was earlier 21.080-67.086 percent.

For all the 20 variables, Varimax rotation (Rotated Component Matrix) has been applied. However, factor loading of all the variables was observed and clubbed into seven factors, as shown in Table 6 and Table 7, respectively.

Table 6
Rotated Component Matrix

	Component						
	1	*2*	*3*	*4*	*5*	*6*	*7*
VAR00020	.822	.079	.024	.041	-.065	.095	.023
VAR00019	.785	.077	-.063	-.066	-.016	.127	.085
VAR00018	.696	.009	.107	.301	.215	.140	-.018
VAR00011	.085	.806	.118	-.003	.041	.006	.188
VAR00006	-.034	.777	-.096	.106	.154	.127	-.142
VAR00001	.287	.475	.174	.196	.223	.074	-.178
VAR00009	-.095	-.096	.789	.208	.113	-.042	.042
VAR00010	-.092	.011	.668	.244	.041	.061	.316
VAR00005	.294	.195	.635	-.160	.093	.023	-.063
VAR00014	.212	-.049	-.143	.695	.186	.192	.211
VAR00003	-.064	.290	.288	.684	.093	.105	.037
VAR00004	.149	.056	.363	.641	-.241	-.068	-.227
VAR00015	.266	.087	.189	.088	.745	-.065	.016
VAR00013	-.203	.018	-.068	-.132	.640	.342	.032
VAR00007	-.076	.307	.056	.449	.599	-.107	-.012
VAR00008	.085	.222	.463	.034	.559	-.158	.234
VAR00016	.114	.032	-.008	.051	.076	.911	-.091
VAR00017	.327	.203	.020	.145	-.075	.776	.040
VAR00002	.006	-.095	.202	-.013	.089	-.135	.768
VAR00012	.230	.511	-.037	.138	-.015	.210	.600

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 11 iterations.

Table 7
Rotated Component Matrix (Sorted By Size > 0.50)

	Component							*Eigen Value*	*Variance*	*Cronbach's Alpha*
	1	*2*	*3*	*4*	*5*	*6*	*7*			
VAR00020	.822	.079	.024	.041	-.065	.095	.023	4.216	21.080	.834
VAR00019	.785	.077	-.063	-.066	-.016	.127	.085			
VAR00018	.696	.009	.107	.301	.215	.140	-.018			
VAR00011	.085	.806	.118	-.003	.041	.006	.188	2.470	12.348	.811
VAR00006	-.034	.777	-.096	.106	.154	.127	-.142			
VAR00001	.287	.475	.174	.196	.223	.074	-.178			
VAR00009	-.095	-.096	.789	.208	.113	-.042	.042	1.728	8.640	.802
VAR00010	-.092	.011	.668	.244	.041	.061	.316			
VAR00005	.294	.195	.635	-.160	.093	.023	-.063			
VAR00014	.212	-.049	-.143	.695	.186	.192	.211	1.467	7.334	.755
VAR00003	-.064	.290	.288	.684	.093	.105	.037			
VAR00004	.149	.056	.363	.641	-.241	-.068	-.227			
VAR00015	.266	.087	.189	.088	.745	-.065	.016	1.287	6.436	.732
VAR00013	-.203	.018	-.068	-.132	.640	.342	.032			
VAR00007	-.076	.307	.056	.449	.599	-.107	-.012			
VAR00008	.085	.222	.463	.034	.559	-.158	.234			
VAR00016	.114	.032	-.008	.051	.076	.911	-.091	1.188	5.939	.714
VAR00017	.327	.203	.020	.145	-.075	.776	.040			
VAR00002	.006	-.095	.202	-.013	.089	-.135	.768	1.062	5.308	.702
VAR00012	.230	.511	-.037	.138	-.015	.210	.600			

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 11 iterations.

Table 7 represents Rotated Component Matrix in which seven components are extracted.

Factor 1 comprises of variables such as news portal ads, social media ads and referral ads. This factor is known as "nature of advertisements." **Factor 2** comprises of variables such as positioning and size of advertisements. This factor is known as "placement of advertisements." **Factor 3** comprises of variables such as discount, topical ads and content/ message. This factor is known as "components of advertisements." **Factor 4** comprises of variables such as new launches, mode of ads and frequency of online purchase. This factor is known as "attractiveness of advertisements." **Factor 5** comprises of variables such as relevance, authenticity, visual look, and pictorial ads. This factor is known as "importance and appearance of advertisements." **Factor 6** comprises of variables such as non-serious users and browsing experience. This factor is known as "user preference." **Factor 7** comprises of variables such as reliability and suggestive ads. This factor is known as "relevance and viral promotion of advertisements."

Table 7
Component Transformation Matrix

Component	*1*	*2*	*3*	*4*	*5*	*6*	*7*
1	.445	.481	.383	.437	.376	.256	.162
2	-.548	-.059	.541	.132	.306	-.519	.154
3	.474	-.545	.458	.185	-.453	-.167	.048
4	.417	.025	.018	-.693	.297	-.307	.404
5	-.013	-.661	.000	-.005	.614	.424	-.083
6	-.308	-.029	.145	-.100	-.287	.502	.734
7	-.094	.176	.574	-.516	-.114	.334	-.489

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

In order to reduce the number of variables that could have an impact on users' preference towards online advertisements, factor analysis has been adopted. Seven components have been extracted, from the rotated component matrix, namely: Nature of advertisements, placement of advertisements, components of advertisements, attractiveness of advertisements, importance and appearance of advertisements, user preference, relevance and viral promotion of advertisements.

CONCLUSION

The study was conducted to examine the key factors that determine the users' preference towards online advertisements in Chennai and Bengaluru cities. The present study identified that though there are several factors, the key factors that determine the users' preference towards online advertisements are: Nature of advertisements, placement of advertisements, components of advertisements, attractiveness of advertisements, importance and appearance of advertisements, user preference, relevance and viral promotion of advertisements. Top-tier cities have seen a rapid growth in the number of internet users. Further, exchange of messages through the user-centric social media is picking up momentum. The exponential growth of online social networking communities has drawn the attention of advertisers to find a new medium by tapping the online users for their advertising needs. As websites expand globally, the number of users increases in tandem. Online businesses cannot survive without understanding the users' preference. The trend is towards enhancing the usage of online media and social networking sites. So, advertisers must focus on the key factors like placement, components, attractiveness, appearance, relevance and viral promotion to enhance the effectiveness of their advertisements. The study may be extended to Tier-2 cities where Internet penetration is on the rise.

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