

# A Study on the Influence of Digital Advertisements in the Purchase Decision Making of People in Bengaluru

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**Abstract:** Online is a word that we are hearing every day. Each business is changing to online mode. Technological advancement is the key in internet based business. In early 2000's, we started online based business in India. At that time online, based retailing was flourished in developed countries. New form of retailing was recognised as a big scale business in India after the emergence of e commerce companies. This online based retailer achieved billion profits within five years. This paradigm shifts in the Industry ignite the satellite sectors as well as economic uplift. Also created million jobs to people directly and in indirectly. In any business weather it's an online or offline, the key factor of sales are advertisements. In this digital era, we are always influenced by digital advertisements through digital devices. Here researcher try to find the relationship between online digital advertisement and customer awareness and how it is influencing purchase decision making process.

**Keywords:** Digital Marketing, E Commerce, Buying Behaviour.

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## 1. INTRODUCTION

The Indian advertising industry has evolved from being a small-scaled business to a full-fledged industry. The advertising industry is projected to be the second fastest growing advertising market in Asia after China. It is estimated that by 2018, the share of ad spend in India's Gross Domestic Product (GDP) will be around 0.45 per cent. The Indian government has given tremendous support to the advertising and marketing industry. Advertising expenditure is likely to increase in the financial sector, driven by Reserve Bank of India (RBI) policies which could result in a more favourable business environment. Also, proposed licences for new banks and better market sentiments render the advertising and marketing industry in India a fertile space.

Advertisement and sales are closely related to each other. By booming technology in the last decade, IT and ITES where helped in selling process as well as the advertising techniques. In India, the Internet user base become 26 percentage of the total population by 2017. E-commerce was also growing with these technological advancements. By the penetration of mobile and broadband connections in India enabling the wide range of opportunities towards advertisers. Here the online digital advertisement how a vital role among the traditional advertisement techniques. Apart from traditional advertisements online advertisements has its own advantages, data easy segmentation and targeting, real time personalization, result oriented and Geographic demographic based advertisement and the accurate analytics generation etc. Hindi notes that only in advertisements help the advertiser to develop the best Strategies for an advertisement goal and easily analyse the output of it.

Each company can educate their customers through advertisements. Online advertisements give an opportunity to advertiser to target and monitors is penny they are spending. The quality of the product and the level of awareness in the customer's mind will be the cornerstone in the Purchase decision making. This study Evil it's how online advertisements can create awareness among customers and how it affects the buying behaviour

### **1.1 Statement of the Problem:**

“A study on the influence of digital advertisement in the purchase decision making of people in Bengaluru.”

Companies (from start up to multinational corporations) are spending huge amount of money over advertisements. According to modern trend most of the company are largely investing on online advertisements. They want to keep their product and services at the top of the customer's mind as well as in the competition. Online advertisement is the best in class tool for communication. Even after 10 years, companies are still in a dilemma in deciding what kind of strategies should be used to generate maximum conversions and how the online advertisement influences the Purchase Decision making process.

### **1.2 Objectives of the Study:**

- i. To identify the impact on online advertisement on consumers
- ii. To identify the role of online advertisement in value creation process of a product
- iii. To identify the consumer perception about the online advertisement
- iv. To study the infants of online and attachment on purchase decision making process
- v. To study the consumers' attitude towards online advertisements.

### **1.3 Significance and scope of the study:**

This specific research focuses on the influence of online digital advertisements on the Purchase Decision making of consumers. It examines the key influential factors that are affected by the online digital advertisements and ultimately influence the Purchase Decision making of the consumers. This study will help the readers to understand the influence of digital advertisement while purchasing goods through E-Commerce portals, so that companies can formulate new strategies for advertising and allocating advertising budget in a pre-eminent way.

The conclusion and findings drawn from the study are based on the responses given by the consumers in Bengaluru urban region. This study will be helpful in getting an insight into the influence of online digital advertisements on purchase decision making of consumers.

## **2. LITERATURE REVIEW**

Advertising provides information about products and services to intending consumers. This information helps consumers to make choices among different brands based on their needs, wants. The ultimate purpose of advertisers is to make their audience purchase such products and services either immediately or in the near future.

### **2.1 Online Advertisement types and Influencing factors:**

Ducoffee, (1996) writes that web advertisement consists of commercial content paid by a sponsor and it is designed for the targeted audience. Online advertisements should be delivered by video, audio and other visual formats. It is common in the form of banner, pop ups, logos, text and picture based hyperlinks of the website of the sponsor. O'Connor and Galvin, (2001) observed that web advertisements are mainly focusing on banner advertisements. Usually banner advertisements carry animations to attract customers and get clicked by the banner to redirect the customer to the sponsor's website. By the help of a tracking cookie a developer can ensure customers visit on the website.

Combar and Snyder-Duch (2001) explained that the online advertisement and other interactive responsive technologies made it possible to create advertisement more targeted and more personal. Advertisements always be an experience that customers must participate and engage in it. Belch & Belch (2001) described that the modern form of advertising is online advertisements. Here internet as the medium of publishing online advertisement. The type of online advertisement are pop up, tracking cookies, banner ads, sponsored ads, links, Web casting, etc. Choi and Rifon (2002) find out that the revenue from the online advertisements have a rapid growth in year by year from 2000. It shows the success of online advertisements and also the advantage toward traditional advertisements like print media. Internet is the powerful and most viable media for advertising. Li, Daughterty and Biocca (2002) also observed that rich media advertisements have more potential than the traditional online advertisement. Usually rich media advertisements incorporated with highly interactive audio visual contents. All kind of online advertisements can embed the rich media in it.

## **2.2 Customer behaviour and attitude towards online Advertisement:**

Khong Kok Wei, Theresa Jerome and Leong Wai Shan, (2010) find out that most of the companies in the world are widely use online advertisements for promotion of their product and services. But the major difficulty in this kind of promotion is that it is very difficult to make it effective to generate positive response from the customer. Gaurav Bakshi and Dr. Surender Kumar Gupta, (2013) opined that business advertisement comes with more interactive services like rich media advertisements. It leads to more sales as the outcome of the advertisements. Most of the business to business companies are widely using internet as a platform to advertise their product and services. The major advantage of this kind of advertisement is that companies can easily monitor the people's response towards the advertisement.

Gupta (2013) write about a consumer make a rational and irrational decisions. Rational decisions make on the basis of continuous information search and find the best alternative from the market. Rational buying decisions made by the influence of promotional activities. Into this a purchase decision making always related with emotional behaviour of a consumer. At last He suggest that every buying process is a part of problem solver Gunjan Baheti (2012) the influence of an advertisement can be affected on a consumer in two ways. First time advertisement give value addition to a product. It emphasis the benefit of a product, second an advertisement psychological motive in buying process. Some advertisement is used to positioning the product in a psychological way.

## **2.3 Impact of online advertisement and Purchase decision making:**

Yasir Rafiq(2012) suggest that advertisement have a vital role in purchase decision making. The major way to communicate with customers. Advertisements always gives information towards a product for customers which help them in information search. Sometimes advertisements create an artificial or unnecessary need development in consumers mind, also TV commercials playing a vital roll FMCG industry. Raju (2013) wrote that the boom in technology create the Unique content in advertisements. Creativity become the key factor in developing and communication strategy to each advertiser. Technological advertisement provides lots of information for a buyer in a short span of time. Is very difficult to an advertiser to create a brand awareness and perception in customers mind. Rai(2013) according to her advertisement have a major place in developing or creating customer perception along with culture, behaviour and attitude. Sometimes advertisement can shape the lifestyle of people. It leads to cultural change too. advertisements are widely influencing social groups.

Regrow (2008) Advertisement got an additional enhancement by a celebrity endorsement, carrying a public message, a slogan or song. Sometimes beyond the product these slogan and song will go viral and reach beyond the limits. It create and increase the brand value, believes, brand positivity, validity in consumers' mind. Samar Fatima sumreen Lodhi (2015) find out that the customer perception and customer awareness on directly related to the buying behaviour. Advertisement did not create any influencing customer awareness in cosmetic products. but customer perception of a product can be changed by the influence of an advertisement.

## **3. RESEARCH METHODOLOGY**

### **3.1 Source of Data Collection:**

The data to achieve the objectives of the study was found from Primary and secondary sources.

#### **a. Primary Sources:**

Primary data was collected by approaching various consumers in each part of Bengaluru urban area using online forms with strict checking for unique submission, through social networking sites, email, direct submission to complete the survey.

#### **b. Secondary Sources:**

Primary data was collected by approaching various consumers in each part of Bengaluru urban area using online forms with strict checking for unique submission, through social networking sites, email, direct submission to complete the survey.

### **3.2 Sample size:**

Sample Size for the study was 200 people in Bengaluru urban area.

### 3.3 Research Approach:

In this study primary data gathered from Internet users (consumers) from Bengaluru urban area. Measurement and analysis taken place by Quantitative approach.

### 3.4 Research Instrument:

A well-designed web based questionnaire was developed to gather primary data from respondents. Various kind of scaling techniques was used in the resource especially Likert scale and rank order in the questionnaire. The survey was conducted various places (east Bengaluru, West Bengaluru, south Bengaluru, north Bengaluru and Central Bangalore) of the city to gather data from the people of Bengaluru urban area. The data gathered from the authenticate sources and it was clearly mentioned and defined to them that this response will only used for research purpose.

### 3.5 Hypothesis:

Three hypotheses have been developed in this research article

H0: There is no relationship between online advertisement and customer awareness

H1: There is a relationship between online advertisement and customer awareness

H0: There no relationship between online advertisement and consumer perception of a product

H2: There is a relationship between online advertisement and consumer perception of a product

H0: Customer awareness and customer perception have no impact on purchase decision making

H3: Customer awareness and customer perception have impact on purchase decision making

### 3.6 Research model:

The following diagram shows the research model of the study

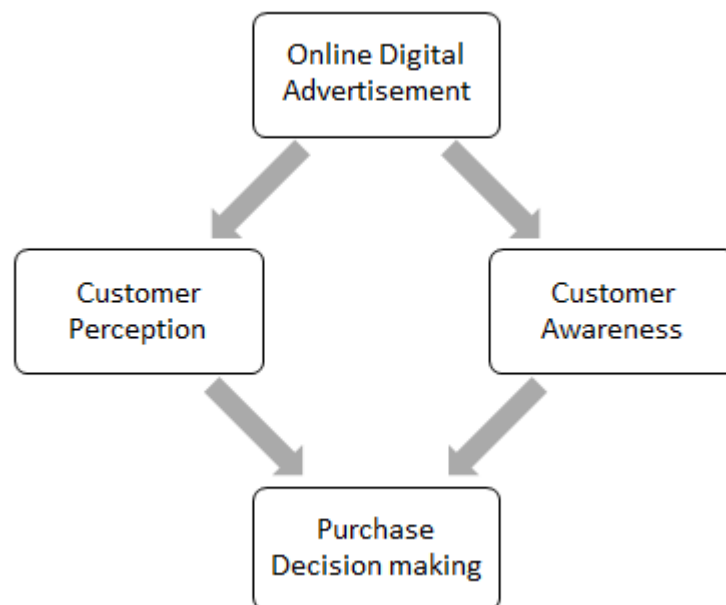


Figure 1. Research Model

In the projected model it clearly examines the influence of online digital advertisement on the consumer purchase decision making. Online digital advertisement has a direct impact on consumers it create positive as well as negative perception about a brand in consumer's mind despite from the cost. This is one of the major supporting factor of an online advertisement.

In the proposed model it is clearly mentioned that awareness, brand value of a product in consumers mind and consumer perception about a product can be influence by an online advertisement that can change or motivate the consumer in purchase decision making process.

**3.7 Analysis of Data:**

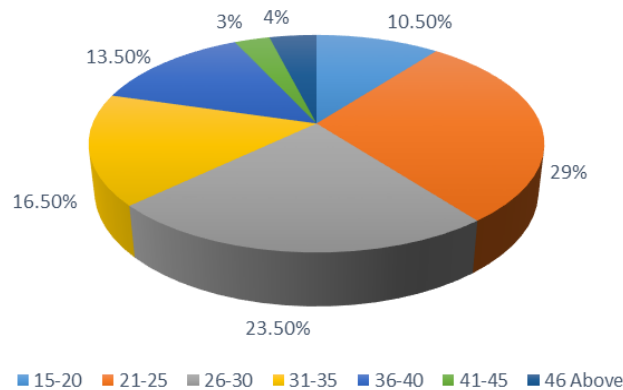
Using the help of online spreadsheet based forms primary data was recorded. Gathered data recorded and inserted in Statistical Package for the Social Sciences (SPSS) to analyse the various factors and dependability of the variables. This included coding, scoring, processing, tabulation and analysis of collected data.

**4. DATA ANALYSIS AND INTERPRETATION**

Customers are very curious about buying. The main reason is that the availability of alternatives in the market. Before buying customers will always select the best alternative using the existing knowledge and their perceptions. Advertisement is the best tool for creating a direct impact in sales, because it can change the level of customer awareness. This research result also deposit the same. Customer awareness are also shipping some kind of perceptions. Customer awareness and perception are the main factors in buying behaviour.

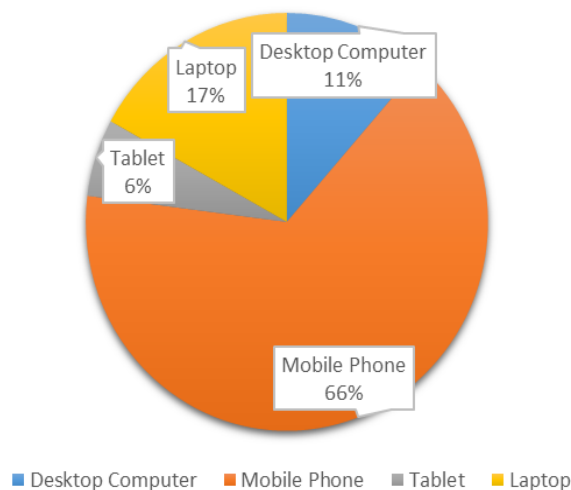
**4.1 Sample Characteristics:**

Figure 2.0 showing the collected opinion about 200 respondents. More than 90% of the respondent's age are lies in between 15 to 40. There are 7 percentage of 40 above aged respondent's opinions recorded. They are also considered as the consumer in E Commerce industry. 10.5% of total respondents are age in between 15 to 20 , 29% aged in between 21 to 25, 23.5 % are aged in between 26 to 30, 16.5 % of the respondents are aged between 31 to 35 and 13.5 % of the respondents are aged in between 36 to 40.



**Figure 2.**

Internet access is very easy and low cost in the present era .Figure 3.0 65.5 among the total respondents are accessing Internet via mobile phone. 17% are using laptop computer, phone 5% are using desktop personal computer to access Internet. Only 6% are using tablet devices to access Internet and other online services



**Figure 3.**

**4.1 Hypothesis Analysis:**

**Hypothesis 1:**

H0: there is no relationship between online advertisement and customer awareness

H1: there is a relationship between online advertisement and customer awareness

**Descriptive Statistics**

	Mean	Std. Deviation	N
Online_advertisement	2.36	1.008	200
Customer_awareness	1.01	.100	200

**Correlations**

		Online_advertise ment	Customer_aware ness
Online_advertisement	Pearson Correlation	1	.164*
	Sig. (2-tailed)		.020
	Sum of Squares and Cross- products	202.080	3.280
	Covariance	1.015	.016
	N	200	200
Customer_awareness	Pearson Correlation	.164*	1
	Sig. (2-tailed)	.020	
	Sum of Squares and Cross- products	3.280	1.980
	Covariance	.016	.010
	N	200	200

\*. Correlation is significant at the 0.05 level (2-tailed).

Researcher applied person’s correlation test on the variable using SPSS. There are 200 sample considered for this test with 0.05 significance level. The result report shows that significance level of the test is 0.020 less than 0.050 which means that the null hypothesis will be rejected such that there is no relationship between online advertisement and customer awareness. Researcher conclude that there is a relationship between online advertisement and customer awareness, this relation is not very strong because the person’s correlation values are not a large positive number.

**Hypothesis 2:**

H0: There no relationship between online advertisement and consumer perception

H1: There a relationship between online advertisement and consumer perception

**Descriptive Statistics**

	Mean	Std. Deviation	N
Online_advertisement	2.36	1.008	200
Customer_perception	2.04	1.118	200

**Correlations**

		Online_advertisement	Customer_awareness
Online_advertisement	Pearson Correlation	1	-.038*
	Sig. (2-tailed)		.421
	Sum of Squares and Cross- products	81.542	-3.652
	Covariance	.410	-.021
	N	200	200

Customer_perception	Pearson Correlation	-.038*	1
	Sig. (2-tailed)	.421	
	Sum of Squares and Cross-products	-3.652	81.542
	Covariance	-.21	.410
	N	200	200

\*. Correlation is significant at the 0.05 level (2-tailed).

Researcher applied person's correlation test on the variable using SPSS. There are 200 sample considered for this test with 0.05 significance level. The result report shows that significance level of the test is 0.421 which is larger than 0.05, it means that null hypothesis will be accepted such that there is no relationship between online advertisements and consumer perception. Rather than advertisement people rely on peer group and expert reviews. Experience and the lifestyle are creating major factors in building perceptions. Customers are liked to create perception about a product after testing its physical attributes. Positive and negative perception will create after using a product.

**Hypothesis 3:**

H0: Customer awareness and customer perception have no impact on purchase decision making

H3: Customer awareness and customer perception have impact on purchase decision making

**Descriptive Statistics**

	Mean	Std. Deviation	N
Purchase_decision_making	1.36	.481	200
Customer_awareness	1.01	.100	200
Customer_perception	2.04	1.118	200

**Correlations**

		Purchase_decisi on_making	Customer_aware ness	Customer_perce ption
Purchase_decision_making	Pearson Correlation	1	.134	.687**
	Sig. (2-tailed)		.059	.000
	Sum of Squares and Cross-products	46.080	1.280	73.520
	Covariance	.232	.006	.369
	N	200	200	200
Customer_awareness	Pearson Correlation	.134	1	.105
	Sig. (2-tailed)	.059		.141
	Sum of Squares and Cross-products	1.280	1.980	2.320
	Covariance	.006	.010	.012
	N	200	200	200
Customer_perception	Pearson Correlation	.687**	.105	1
	Sig. (2-tailed)	.000	.141	
	Sum of Squares and Cross-products	73.520	2.320	248.880
	Covariance	.369	.012	1.251
	N	200	200	200

\*\*.. Correlation is significant at the 0.01 level (2-tailed).

After analyzing the test result, researcher found out that there is an impact of one variable on other, such as for 1 value of customer awareness causes increase in value of purchase decision making by 0.134. More than this there is a huge impact on purchase decision making by customer perception about a product. 1 value of customer perception it causes 0.687 value of purchase decision making.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change
1	.689 <sup>a</sup>	.475	.470	.350	.475	89.202	2	197	.000

a. Predictors: (Constant), Customer\_perception, Customer\_awareness

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.899	2	10.949	89.202	.000 <sup>b</sup>
	Residual	24.181	197	.123		
	Total	46.080	199			

a. Dependent Variable: Purchase\_decision\_making

b. Predictors: (Constant), Customer\_perception, Customer\_awareness

After analyzing the ANOVA table researcher find out that significance level  $0.000 < 0.05$ , it means null hypothesis will be rejected and alternative hypothesis will be accepted. Such that Customer awareness and customer perception have impact on purchase decision making.

After analyzing the model summary table, it shows that R square vale 0.475, it means there is relationship between independent variables on depended variables. But the impact is not too strong because the vale is a smaller positive number. There is a positive relationship between customer awareness and customer perception on purchase decision making.

## 5. FINDINGS

Online advertisements are creating influencing factors among Internet users in Bengaluru urban region 65.5 percentage of the eCommerce user are accessing online services through mobile devices. This shows that there is a huge increase in the usage of mobile based applications. More than 80 percentage of the online users are searching information about a product online before making a final Purchase Decision .Search engine and e-commerce portals are the sources of information about a product. More than 90 percentage of the Internet users are checking about a product before buying it. YouTube based video advertising how the higher customer awareness among other type of online advertisement. Search based text advertisement and shopping advertisement do not have a high awareness among users. That means Internet users are not able to recognise search text advertisement and search based shopping advertisement. Around 65 percentage of the Internet users cannot able to recognise both. This shows the higher opportunity of this advertisement types. the higher popular advertisements are creating and annoying nature among uses. Especially YouTube video advertisement and banner advertisement.

Obtained rankings of e-commerce portals

1. Amazon.in
2. Flipkart.com
3. Snapdeal.com
4. Ebay.in
5. Myntra. Com
6. Jabong.com.
7. shopclues.com



Remarketing features are widely using by The E-Commerce industry. 75 percentage of the respondents are able to recognise it. Online advertisements are not creating wrong product selection among uses. But 25 percentage of the users find out that some advertisement lead to wrong product selection. E-Commerce portal are able to provide new product information. Users are like to buy all type(branded and non branded) products through an online eCommerce portal. Time, payment and offers are the advantage factors of online purchases. Exchange, quality determination and selection of a product have some problems while purchasing a product from an eCommerce portal. Customers are like to buy electronic gadgets and appliances, bags book through online portals. Office stationery, automobile items or not have a higher demand in online sales. There is an increase in home furnitures in The E-Commerce industry. Post-paid payments suggest cash on delivery (COD), equal monthly instalments (EMI) have a high acceptance among online payment methods. Son increase in payment wallet users after the demonetization in India.

Online buying is still having some problems. The problems are mostly affected with the retaining process. Payment gateways are also creating some issues. 60% of the problems are associated with exchange or return of a product. Some people find that accepting the delivery is a problem but it's very minor compared to others. There is a positive relationship between online advertisements and customer awareness. There is no relationship between online advertisements and customer perception. Customer awareness and perception have huge impact on purchase decision making process.

## **6. CONCLUSION**

This study was conducted to find out the influence of online advertisement in the Purchase decision making of people in Bengaluru urban area. Researcher conducted the study among 200 respondents from the premises of Bengaluru urban region who are aware about online eCommerce buying process or we can name it as a consumer of eCommerce industry.

This study was conducted based on two important factors of buying behaviour, there are customer awareness and customer perception it will save the Purchase decision making. Show the researcher divided the study into two parts such as to check the relationship between influence of online advertisement on customer awareness and influence of online advertisement on customer perception. Researcher find out that there is a relationship between online advertisements and customer awareness. But in the second hypothesis researcher accept the null hypothesis such that there is no relationship between online advertisements and customer perception.

At the end of the analysis researcher checked influence of both variables (customer awareness on customer perception) on purchase decision making. Here the result came out such that there is an influence of customer awareness on customer perception on the Purchase Decision making process and the influence is very huge.

In conclusion online portals need to create customer awareness as much as possible by various kind of online advertisements. Search advertisements and video advertisement can create more awareness. Try to increase customer perception by using expert reviews, client testimonials, user reviews, hand on experience stores. Both the factors are highly influencing the Purchase decision making.

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