

A

Project Report on
“ADVERTISEMENT ATTITUDES
AND
ADVERTISEMENT EFFECTIVENESS”



Palamuru University

**This project Report submitted in partial fulfillment of the requirement for
the award of the Degree of “*BACHELOR OF COMMERCE*”**

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CERTIFICATE

DEPARTMENT OF COMMERCE

This is to certify that this project work entitled

“*ADVERTISEMENT ATTITUDES & ADVERTISEMENT EFFECTIVENESS*”

Of Dr.BRR Govt. Degree College, Jadcherla, Mahabubnagar in partial fulfillment of the requirement for the award of the Degree of Bachelor of Commerce, Palamuru University. This project has not been submitted to any other University or Institution for the award of any UG B.Com/Certificate.

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EXTERNAL EXAMINAR

INTERNAL EXAMINAR

DECLARATION

I hereby declare that the project work entitled on “**ADVERTISEMENT ATTITUDES AND ADVERTISEMENT EFFECTIVENESS**” submitted by me to the Department of Commerce is a Bonafide work done by me and it is not submitted to any other university or Institution for the award of any UG B.Com/Certificate or published any time before, under the guidance of **Mrs. Vijaya Laxmi Devi, (lecturer of commerce.)**

The project embodies the result of original work and studies carried out by me and the contents of the project do not form the basis for the award of any other degree to me.

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ABSTRACT

Advertisers are expected to shift and spend millions in internet advertising in the coming years than TV, print ads and other traditional advertising media. With the rapid growth in technology, the internet is becoming an important one stop point for consumers in finding most of their needs. Be it communication, entertainment, shopping, information search, internet serves as a panacea for all their requirements. Many consumers are online every day for their personal work, but do they notice the ads, banners displayed on that webpage, and most important their recall value. The current study investigated the effectiveness of internet advertising on consumer behavior by conducting a case study of University of Nairobi Students. The study sought to determine the effectiveness of internet advertising on reach and creation of awareness; to establish the reliability of internet advertising through recall; and to determine the relationship between internet advertising and purchase decision. The study used a case study research design. The target population was the University of Nairobi students.

The study used stratified sampling technique to select 100 study respondents. The primary data was collected using questionnaires. Content analysis was used to analyze qualitative data while the quantitative data was analyzed using descriptive statistics using SPSS. Regression and Correlation analysis was used to show the relationships among the variables. The data was presented through percentages, means, standard deviations and frequencies. The study found that internet advertising was effective on reach and creation of awareness due to diverse usage, and established that its reliability as an advertising media was low compared to TV. Internet advertising has significant relationship with purchase decision of the consumers and therefore is a key determinant in influencing consumer behaviour. The study determined that there is a positive relationship between internet advertising and consumer purchase decision and further recommends that companies should conduct a market research on the different markets in various countries to ensure that the internet advertising initiatives being implemented suits the targeted markets to improve product purchases.

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CHAPTER -1

INTRODUCTION

1.1 Background to the study

Internet has grown tremendously in both its applications and number of users due to its unique characteristics of flexibility, interactivity, and personalization. It has been a very useful tool for communication, entertainment, education, and electronic trade (Ko *et al.*, 2004; Koyuncu and Lien, 2003). The revolutionary change brought forth by information technology has an important impact on the daily lives. It has transformed the way we do business by allowing retailers to offer unlimited range of products and services to all consumers from around the world at any point in time. The Internet has emerged as an advertising medium (Silk *et al.*, 2001). Many companies have turned to the Internet to advertise their products and services; and the Internet is deemed to be the most significant direct marketing channel for the global marketplace (Faber *et al.*, 2004; Ko *et al.*, 2004; Korgaonkar and Wolin, 2002). Companies are pouring billions of dollars into Internet advertising to obtain greater return on investment on ads (Edwards, 2005; Joines *et al.*, 2003).

The Internet has given consumers more control in accessing information on products and services. There are several factors that contribute to consumers pull for online content—consumers are the one who decide when, where, what, and how much commercial content they wish to view (Korgaonkar and Wolin, 2002). The Internet enables consumers to access an unlimited range of products and services from companies around the world, and it has reduced the time and effort they spend on shopping (Ko *et al.*, 2004).

Consumers play a much more active role in searching for information online with some goal in mind, and that goal can influence individual behaviors and responses to online information and advertisements (Smith, 2002). With the rapid advancement in the computer industry, many companies have made the Internet as part of their advertising media mix to take advantage of the online technologies (Calisir, 2003).

The Internet has become a popular advertising platform because marketers found that the Internet possess greater flexibility and control over the advertising materials (Ducoffe)

1996). Since the Internet can be used as an efficient marketing communication tool, both scholars and practitioners are interested in understanding how to take full advantage and maximizing the value of this communication medium (Rodgers and Thorson, 2000).

Consumers within Kenya have been largely exposed to the traditional advertising forms as the main media used by advertisers to provide information. However, over the years marketing strategies have evolved with technology leading to the internet creating unprecedented opportunities for digital marketers to connect with customers to create an immersive connected digital environment, influence and drive purchases, fuel new growth and create new market share. The growth of internet advertising is both globally and locally outpacing offline advertising. While outdoor advertising is also experiencing growth, it is not growing as rapidly as Internet advertising. It is on this basis that the study investigated the effectiveness of online advertising based on a consumer sample from University of Nairobi to determine the relationship between advertising and consumer behaviour.

1.1 1. The Concept of Promotion

Promotion is the component of a company's marketing system that involves delivery of messages to target customers that emphasizes the benefits of your brand, products and services. A few common communication tools such as advertising are used in a promotional plan. Goals of promotion include building brand awareness, creating favorable brand attitudes, gaining market share, inducing buying, building loyalty and growing sales (Kurtz 2010).

To reach its promotional goals, a company develops an effective promotional mix, which is a combination of strategies including advertising, personal selling, sales promotion, direct marketing and public relations through a cost effective allocation of resources (Robinson, 1991). In large companies, the marketing department has many roles. It determines the promotional mix, establishes the budget, allocates resources, coordinates the campaign, supervises any outside resources, and measures the results. Manufacturers often develop a promotional mix for each segment of the distribution channel. To promote a product to large retailers that sell its products, a manufacturer

might want to use a mix of personal selling, advertising, and buying discounts. This is known as the push policy. (The manufacturer pushes the product to the retailer.) The same manufacturer might use a different promotional mix of local and national advertising, instore displays, sales promotion, and public relations to reach consumers. The pull policy directs promotions towards the consumers. It is used to create customer interest and demand. This study focuses on advertising as one of the strategies in the promotional mix used by companies within Kenya.

Advertising is the communication relayed from companies to persuade an audience to purchase their products. This communication is usually through various forms of paid media -- TV and radio commercials, print ads, billboards and more recently, product placements, social media and online ads. Ads are placed where advertisers believe they will reach the largest, most relevant audience. Commercial businesses within Kenya e.g. Unilever, Safaricom use advertising to drive the consumption of their product, while nonprofit organizations may place ads to raise awareness or encourage a change in behavior or perception.

1.1.2 The Concept of Internet Advertising

Internet advertising is a form of promotion that uses the Internet and World Wide Web for the expressed purpose of delivering marketing messages to attract customers. Examples of online advertising include contextual ads on search engine results pages, banner ads, Rich Media Ads, Social network advertising, online classified advertising, advertising networks and e-mail marketing, including e-mail spam. Online video directories for brands are a good example of interactive advertising. These directories complement television advertising and allow the viewer to view the commercials of a number of brands. If the advertiser has opted for a response feature, the viewer may then choose to visit the brand's website, or interact with the advertiser through other touch points such as email, chat or phone. Response to brand communication is instantaneous, and conversion to business is very high. This is because in contrast to conventional forms of interruptive advertising, the viewer has actually chosen to see the commercial.

Consumer can gather information about products and services, communicate with other consumers and firms for related products and services, and sometimes complete

transactions. As the Internet session is a self selected environment of the consumer, the promotion message will be more effective. Internet advertising is also capable of providing an experiential environment to the consumer through virtual reality interfaces thus allowing the consumer to experience some of the features of products before making the purchase decision. Consumer can provide feedback content about the product, to the firm and to other consumers. A positive feedback becomes a good promotion for the marketer. A marketer can even exploit a negative feedback by solving the consumer's problem and showing the commitment of the organization to satisfying consumer needs. Consumer can also add "collective content" to the medium through discussion forums like the virtual communities (Ducoffe, 1996). In Kenya, online advertising has gained increased popularity with more people spending time online

1.1.3 The Concept of Consumer Behaviour

The term "consumer behavior" refers to actions and decisions that factor into a customer's purchase. Researchers, businesses and marketers study consumer behavior to understand what influences a consumer's shopping preferences and selection of products and services. Multiple factors affect consumer behavior, among them economic status, beliefs and values, culture, personality, age and education (Kotler, 2004). Findings on consumer behavior are used to develop methods and products that will boost company performance and sales.

Customers are becoming more powerful, more knowledgeable and more sophisticated, and research into modern consumer behaviour is increasingly important for businesses according. Advertising to attract consumers, providing better environment, product, services and policies is important in improving today's consumer experience to support businesses in retaining customers. This study seeks to determine and explain the effectiveness of internet advertising in stimulating consumer response.

The number of internet users in Kenya was estimated at 10.2 million in 2011 according to Communications Commission of Kenya (CCK). This majority of internet users are youth especially university students, who regularly use the social network sites through their mobile phones, either searching for information or chatting with friends online. Many students from the University Nairobi have embraced the evolution in technology.

and adopted latest variety of android products, tablets, ipads, and the popular models of Samsung galaxy for easy access of the internet. The growth has been fuelled by the implementation of the ICT policy by the government and the introduction of the fibre optic network offering fast internet connections.

This study used a sample of these university students from the main campus to determine and explain the relationship between internet advertising and consumer behaviour. The students come from a diverse background and were ideal in studying various characteristics related to consumer behaviour. Students are enrolled in different study programmes through fulltime and module II, with some operating from outside the institution while others have residence within the university leading to variability in exposure to advertising.

1.2 Research Problem

Advertisers are expected to shift and spend millions in internet advertising in the coming years than TV, print ads and other traditional advertising media. Internet advertising broadly consists of various commercial content formats delivered by video clip, print, and audio; either solicited or unsolicited and includes company web sites, corporate logos, email messages, pop-ups, banner ads, skyscraper ads, buttons, interstitials, hyperlinks, dynamic media, and interactive games (Ducoffe, 1996; Goldsmith and Lafferty, 2002; Korgaonkar and Wolin, 2002; Wolin and Korganokar, 2003).

With the rapid growth in technology, the internet is becoming an important one stop point for consumers in finding most of their needs. Be it communication, entertainment, shopping, information search, internet serves as a panacea for all their requirements. This has led 70% of the ever users to glue themselves to the Internet and access it on a regular basis. The problem is that, volumes of consumers are online everyday for their personal work, but do they notice the ads, banners etc. displayed on that webpage, most important what is their recall/remembrance value. What about the reach of online advertising, is it effective across over all target groups?

While a lot of research has been done on advertising, the effectiveness of online advertising in Kenya is a segment that has been missing from these studies. Research

done by Wanjoga, (2002) mainly focused on consumer attitudes towards online advertising in Nairobi, and showed that consumers were aware of the online adverts though with no preference to the advertising forms. It however, failed to quantify and explain the

effectiveness of internet advertising on such consumers. Similar research done by Wakukha, (2011) on the use of internet advertising by Kenya mobile telephone industry, explained forms of internet advertising in use, the success and challenges faced in its use and the level of adoption, but failed to provide information on its effectiveness in influencing or stimulating consumer response. The findings of a survey of the attitude of consumers towards retail media advertising by tobacco firms in Kenya, showed that the consumers are aware and knowledgeable about Retail Media Advertising tools. The study used a sample of 200 consumers from retail outlets in Nairobi, which was not a viable sample to determine its effectiveness on all consumers from Kenya. However, as suggested by Gong and Maddox (2003), “future research can look into the impact of web advertising across different countries and cultures to enhance the global understanding of web advertising effectiveness” (p: 46). In addition, more studies are needed to cover various samples in different countries to increase external validity of the research findings (Calisir, 2003). To fill these gaps, the current study sought to determine the effectiveness of internet advertising on consumer behaviour.

1.3 Research Objectives

The objectives of the study were to;

- i. Determine the effectiveness of internet advertising on reach and creation of awareness.
- ii. Establish the reliability of internet advertising through recall.
- iii. Determine the relationship between internet advertising and purchase decision.

1.4 Value of the Study

The study may benefit marketers, businesses, government and academicians. This study may be able to inform marketers on the consumer preference of the advertising media and whether using Internet advertising would be effective in reaching and increasing

Before adapting marketing practices to the Internet, it is imperative to understand the characteristics of the online customers towards online advertising as would be revealed by this study. The Internet has grown in popularity as an advertising medium because, among other things, it allows 24-hour interactivity between the advertiser and customer. It is important for local businesses to look into internet advertising as more consumers turn to the internet for their purchasing. A small business that can offer online purchasing may be able to tap into this customer base.

The government from this study would understand the value of internet advertising and its influence on consumer decisions which ultimately impacts electronic commerce/trade, and therefore would effectively regulate how internet advertising is delivered by acting rationally on laws that would restrict data usage, creating an ambient environment and availing resources to internet providing companies and at the same time safeguarding the interest of consumers.

For scholars and academic researchers, the current study forms a basis upon which future research on Internet Advertising may be established. The findings may be resourceful in providing viable information to academicians, researchers and consumers on various concepts related to internet advertising.

1.5 LITERATURE REVIEW

1.5.1 Introduction

This chapter provides, through selective reference to some of the literature, a clearer understanding of Internet advertising concept and outlines previous research findings on the effect

1.5.2 Theoretical Foundation of the Study

Emotional appeals in advertising theory and classical conditioning theory in learning consumer behaviour form the theoretical basis of this study. Extensive academic research has been conducted on the psychology of emotion (e.g., Lazarus 1984) and the ways in which ad-evoked feelings may influence consumer response to marketing communication (e.g., Batra and Ray 1986; Holbrook and Batra 1987). Scholars have also observed that advertising may evoke both positive and negative emotions when seeking to persuade.

Indeed, Brown, Homer and Inman (1998, p.115), suggest that from a practical perspective, “the relative strength of positive and negative feeling effects potentially could guide advertisers’ decisions regarding executional strategies.”

It has been suggested that ads use positive affect to make consumers like the ad and then buy the product, and negative affect to evoke an uncomfortable state that makes consumers want the “solution” offered by the advertiser (Aaker, Stayman and Hagerty 1986). Unfortunately, there are no guarantees that what the consumer actually experiences will be the affective response the advertiser intended to create: Research has shown that this kind of mismatch between advertiser intentions and consumer response occurs all too often (Cotte, Coulter and Moore, 2004; Englis 1990; Stout, Homer and Liu 1990).

These insights notwithstanding, a number of fundamental questions remain unanswered with respect to ad appeals. Why, for instance, do these appeals induce such powerful consumer responses in certain cases? What causes them to be more or less effective on consumers? With specific reference to internet advertising, this study will attempt to answer these questions.

Classical conditioning is often referred to as a means in which humans learn by association. In the classical conditioning paradigm, Pavlov’s Dog, a neutral stimulus is paired with an unconditioned stimulus to elicit an unconditioned response. For example, after repeated pairings of meat (known to cause salivation) with the sound of a bell, the sound of a bell alone elicits salivation. This association is dependent on two characteristics of the association: contiguity and frequency. The law of contiguity states that in order for associative learning to take place, the unconditioned stimulus and the neutral stimulus must be paired close in time to each other. Furthermore, it is not enough for a neutral stimulus and an unconditioned stimulus to simply co-exist in a close period of time. The more frequent the pairing, the easier it is to form an association.

Proponents of applying classical conditioning to marketing believe that the association between a product and positive stimuli may help explain the effect of many variables in communication and attitude change. Gorn (1982) tested the effects of a positive unconditioned stimulus on product preference. His results support the notion that the

simple association between a product (conditioned stimulus) and another stimulus such as music (unconditioned stimulus) can affect product preferences as measured by product choice.

However, these effects were diminished in situations where consumers were in a clear decision making mode. The learning's of classical conditioning give us some insight on the characteristics of an effectively branded Internet advertisement. First and foremost, the frequency with which an ad is served impacts brand awareness. Frequency also impacts whether or not, an association between a message and a brand, is made by a consumer.

1.5.3 Internet Advertising

As a new advertising channel the Internet and particularly the World Wide Web (WWW) portion of the Internet, are challenging traditional forms of mass media advertising (Hoffman and Novak, 1996; Hearn, Mandeville and Anthony, 1998). Meeker (1998) defines a mass communication medium as the communication from "one person or group of persons through a transmitting device (a medium) to a large audience or market". The Internet offers an interactive alternative to mass media communication through the use of web pages, discussion groups and email (Hoffman and Novak, 1996).

A significant advantage for advertisers will be the opportunity to communicate more directly with individual consumers through this medium. Marketers will also be able to promote their products and services in a personalized, targeted manner to interested people within their target market. Importantly, wastage of advertising and marketing funds often experienced when exposing promotional messages to the mass market, may be reduced as a result of using this new interactive medium. Advertisers will need to readdress their techniques, services and agency structure and evolve new communication strategies for the Internet as market share is being lost to this more personalized, interactive form of Internet advertising.

Schlosser et al., (1999) surveyed a national sample of over 400 participants and found no majority opinion of Internet advertising-about a third of the participants liked, disliked

and felt neutrally toward Internet advertising respectively. The Internet users found online advertising was informative but less entertaining, and it did not encourage them to make purchases even they did not perceive it to increase product prices. Korgaonkar and Wolin (2002) examined the differences between heavy, medium, and light web users and concluded that “heavier users hold stronger beliefs about and attitudes toward Web advertising which likely lead to stronger purchase intent” (p: 201). Comparing with lighter users, the heavy Internet users believed that web ads were more believable, entertaining, informative and helpful; but harder to understand. They perceived that web advertising was a good thing, moderately essential, and it reduced the cost of products. Marketers should include web advertising in their promotion efforts but the ads should be designed with the respective user groups in mind. For example, ads targeted to heavy web users should stress the price value relationship of the products, since they engage in more frequent purchasing and believe that web advertising helps to decrease the prices of products. Similarly, Ducoffe (1996) found that Internet advertising was perceived to be informative, entertaining, useful, valuable, and important.

1.5.3.1 ADVERTISING MEDIA

Regardless of how well designed and appropriate a particular advertisement is, its success is continuously depends upon whether it is transmitted or communicated through an appropriate media or not. An advertising medium is a channel of communication through which the advertising message is conveyed to a large group of prospect consumers. A wise selection of media is aimed at maximum effective coverage at minimum costs. Therefore the choice and selection of advertising media is a critical decision in the area of advertising. Advertising media can be broadly classified into two major categories: Print media and Electronic media. Print media encompasses mediums such as Newspaper, posters, magazine, journals, packaging and other miscellaneous media like handbills, brochure, catalogue etc. whereas electronic media also referred to as broadcast media deals with radio and television in particular. Outdoor advertising medium or Out of Home (OOH) in the form of poster, billboard, kiosks, gantry, hoardings, which are mainly printed formats for outdoor purpose. Recent advertising mediums includes internet, digital, web and online advertising.

The most brilliant and original advertising ideas will be wasted if they are not presented through the right media in the right place and at the right time. Hence the selection of right media is an important for achieving the objectives of advertising. An advertising media is a means or vehicle of delivering a definite message. It is a means through which an advertising messages or information is passed on to the prospective customers, readers, viewers, and listeners.

Print is one of the oldest and the most highly regarded media of advertising and also a very challenging one. Executing a creative idea in this medium calls for various skills such as creative writing, visualisation, designing etc. Print advertising is the most popular and effective method of publicity. It has become the part of our culture and socio-political life today. Press also referred to as print, is an advertising media comprising all those vehicles which carry the advertising message in print to be read by target customers. In India, this media is very commonly used by companies and account for nearly 70 % of their total expenditure of advertising media (Sharma and Singh, 2009).

The contribution of print media in providing information and transfer of messages is remarkable, that has the advantage of making a longer impact on the minds of the consumers. The majority of the advertising in India is carried out in the printed form of newspapers and magazines in prominence with few other miscellaneous print mediums like direct mail, booklets, catalogues, brochures, handbills, leaflets, shade cards etc.

Specialty advertising provides low cost articles as gift novelties for the customers constitutes calendars, ball pens, dairies, bags etc. which bears the name and logo of the advertisers, printed on the articles to build a brand image with every purchase. Selection of a right media is an important factor in advertising, which must be capable of attracting the attention of the consumers and at the same time must be economical to reach a larger section of readers. The nature of advertising message appeal also determines the advertising media for a company. Types of print media

a) Newspaper

Newspaper forms an important medium of advertising and an important part of our daily life which can be retained, read and re-read when required. It carries with them a mood of urgency because it is read not as a form of entertainment but because of the day to day happenings of local regional, national, international significance. It satisfies the

curiosity of the reader to know what is taking place around him and how directly or indirectly it affects him (Rege, 1990).

A newspaper has a high level of credibility where the readers rely on newspaper for factual information. The readers also hold high level of interest in the articles they read. They tend to pay attention to advertisements as well as news stories. The increased audience's interest allows advertisers to provide a lot of copy details in their advertisements (Sharma and Singh, 2009).

Newspaper advertisers also receive volume discount for buying large column inches of advertising space. Many local consumers rely heavily on newspaper advertising for information about grocery specials and other price discounts and offers. One classification system based on the newspaper advertising rates separates advertising into the categories of classified, display, retail, and reading notes.

Classified advertising refers to advertising according to the product or service advertised. These advertisements are arranged by subject matters for the convenience of the readers and generally do not include illustrations. Display advertising uses illustrations in other hand with white space, colourful images, headlines, sub-headlines and other visual elements.

Display advertisements are the major source of revenue which accounts 70% of total advertising revenue. There are two types of display advertisement national or general advertising and local advertising. National advertising refers to display advertising for marketers of branded products or service, who sell on a national or regional level. Local advertising is often refers to as retail advertising and is used by local business establishments.

Along with these, a variety of special inserts and classified advertisements appear in newspaper, such as tender notices, public notices, financial reports along with advertisements related to social causes or public interest. Print media have remained a very important mass media for advertising, though with the appearance of radio and subsequently television, there have been some changes in the reading habits of people. But in spite of tremendous popularity of television, print media has successfully met the challenge posed by television, where a newspaper commands a position of significance

Magazines are considered as the most specialised of all media, which were read and preserved over a longer period of time as compared to newspapers. A newspaper generally published daily, bi weekly, weekly or fortnightly, contains current news political, social or economic. However, a magazine contains features of general interest, not necessarily topical only and makes up for leisurely readings. Often, readers linger over an advertisement for a longer period of time, because they read magazines in awaiting situations (Rege,1990).

The atmosphere of a magazine is not one of urgency as is the mood of a newspaper. A magazine however has more casual readers than regular readers, depending upon the appeal. In India magazine are popular, especially those published in regional languages and as such forms an important advertising medium. Possibility of colour 'advertisements afforded by many magazines makes it all the more essential to certain types of consumer products advertising.

Variety of literature and topics and lavish use of colour photographs, unusual images, and sophisticated reproduction process produces intriguing and exciting advertisements accounts to its popularity. Magazines are so highly differentiated that high audience interest becomes another advantage. People reading magazines also tend to view and pay attention to advertisements related to their needs and wants. This high level of interest, segmentation and differentiation are ideal for products with precisely defined markets. Magazines, both trade and business journals, are a major medium for advertisements with copy matters, providing a great level of detail about products. Readers, if interested, take time to read the information in an advertisement. Magazines have a long advertising life beyond the immediate issue, because the subscribers read and re-read them. This means that the same advertisement is often read by more than one person. It is not unusual for an avid magazine reader to examine a particular issue several times and spend considerable amount of time with each issue.

This appeal is attractive to advertisers, because they know the readers will be exposed more than once and likely will pay attention to the advertisement. Apart from magazine, another major advertising medium is direct mail. Many companies send advertisements directly to target markets of consumers through mailing lists.

The major advantage of direct mail is that, it normally lands in the hands of the person who opens the mail, usually makes a significant amount of family purchasing decision. Purchase point advertising is another set of miscellaneous media along with the direct mail which is undertaken at the premises of the manufacturers or the dealers for attracting the customers in the form of danglers, window display, show cards etc. Under this method, goods are displayed at the counters or shelves where the prospective consumers were reminded finally about the product.

1.5.3..2 Outdoor advertising media

Outdoor visual media are the oldest form of advertising media and remains as the most common media even today. Outdoor advertising consists of a display of advertisement which includes printed as well as painted shop signages, posters, hoardings, billboard, bus shelters, neon light signs, mobile display van, spectaculars, painted bulletin, window displays, point of sale material etc. They have been given this name, because they are out of home or outdoors, mostly in open. Outdoor advertising boards are located in busy places where it can be seen by the commuters who passes-by. It is that publicity which produces a visual sensation after coming into contact with the spectator's vision that catches the eye of the passer-by for a few seconds only and it is rarely that people stop to read the message, unless they are attractive or awaken enough interest (Rege,1990). Unlike other forms of media, the outdoor medium has very little editorial matter or programming. Hence an innovative design solution becomes extremely important for this medium.

It is a widespread popular advertising media which makes the goods and services of interest to mass appeal. Outdoor advertising media has high coverage with longer life which plays a dominant role due to its powerful eye catching characteristic of viewing. It is usually used as a supportive medium by most national advertisers that can generate considerable reach and frequency levels at a fraction of the cost of mainstream media.

a) Poster

The oldest of the outdoor media, known technically as poster which is generally in printed form, has been designed since roman times. It is one of the most common and popular forms of outdoor advertising. Though they are not regarded as one of the primary media, but acts as reminders or supporting media for a reputation already achieved with the help

of other media. They can reach almost all the people who go out and hence would act as repeated reminders. A poster should be conducive to rapid perception and accurate observation. For this it must be able to attract the attention of the observers. A poster should be an identifiable unit, individualised and exclusive (Rege,1990).

It must be crystal clear to the observers as to what it is about and he or she should identify it with something they had seen before. The messages, to be grasped immediately should be telegraphic. The concept of 'maximum meaning with minimum means' should be incorporated in a poster for easy attention. A poster also gives considerable scope for the use of suitable and attractive colour. The essentials of a good poster should have cumulative effects, i.e. make an impact on the spectators. Advertising boards, made of metallic sheets, enclosed in a wooden frame is also the part of posters which are kept at certain fixed places where people assemble frequently, such as traffic points, bus stops, railway crossings etc.

b) Hoardings

Hoardings are the most common outdoor advertising media in India, kept and installed at certain fixed places, especially traffic points where people frequently gather. They are generally large in format, made of metallic frames, on which the printed design is mounted and stretched. They have specified height and length and carries bold visuals and typefaces. Hoardings in India carries a special space for admiration with one of the longest running advertising brand called Amu/, that made a distinct signature in the mind and soul of the Indian consumers with innumerable set of topical advertisement since the time of its inception and still growing. Many companies have their own hoarding sites, whereas some merely trade sites. The kind of impact that a hoarding will give depends not only the location, but also its size, its view from the street, its lighting, the attractiveness of the advertising message etc. Today the advertising effectiveness of a hoarding is enhanced using cutouts, moving images and mobile mode of displays from one point to another.

c) Transit advertising

As the name suggests, transit media refers to all media, which is in transit or in motion. Transit advertising consists of printed paper posters, placed inside or on transit vehicles and in transit stations. It is a healthy and growing medium under the impact of energy crisis and the apparent need for more public transportation. The most common types of

transit advertising are- car cards, exterior displays, delivery vans, bus panels, trams and station posters. They are fairly sighted by the commuters and can be easily read (Sharma and Singh, 2009).

Other form of outdoor advertising media includes electric displays, signage, neon signs, sky advertising or writing, sand witching, stickers and puppet shows. Electronic displays are illuminated by electrical devices which is a very attractive form of outdoor display. Neon signs are brilliantly coloured tubes available in various shades which can be still as well as flashing type. Sky advertising is another modern form of outdoor advertising which uses the aero planes to write the name of the product and the producers in the sky. It is also known as 'smoke writing'. Sandwichman are hired persons who walk on streets in a procession with boards, posters and notices to attract the attention of the consumers. There are several other options which have emerged due to increased popularity of advertising. Car cards, travelling displays, sky balloons etc. forms the alternative media which supports or supplements the press advertisements. They had the advantages of pleasant appearances which constantly remind the prospect consumers about the product. They are more permanent in comparison to the newspapers and magazines.

1.5.3.3 Electronic media

Electronic or broadcast media consists of radio, television, motion pictures, and video and in recent time internet and web. The radio is audio in nature, appealing only to the sense of sound (ears). It is more effective in rural areas, as compared to urban areas. Radio advertising has a wider coverage, which can convey messages even to remote areas. Radio advertising affords variety of programmes including entertainment and education.

Television on the other hand as an advertising medium is more attractive in nature because it is an audio-visual medium appealing to both the senses of sight and sound. It makes the message more attractive and impressive. It has a wide coverage in comparison to print media.

Different methods, such as spot announcements, sponsored programmes etc. are used for broadcasting the advertising messages. However, broadcasting media are very expensive form of advertising in compared to print media. At present internet is the fastest growing advertising medium after television and radio, which offers incredible opportunities for a wide range of business and advertising.

1.5.4 Integrated Marketing Communication

The Internet has contributed to a greater adoption of integrated marketing communication (IMC) strategies, by allowing marketers to communicate more directly with individual consumers (Low, 2000). Internet functions become integrated into a company's communications mix, which permits the operation of the Internet as an advertising medium to be incorporated alongside more traditional media types. The application of the IMC concept involves the progression away from the traditional one-to-many marketing communication model for mass media to the one-to-one communication, or many-to-many communication model (as illustrated in Figure 2.2) (Hoffman and Novak, 1996).

The inclusion of the Internet in the promotional mix will not eliminate the use of mass media advertising channels such as television, radio, newspapers and magazines. However, the Internet may reduce the amount of mass media advertising required. Arguably, this will occur because the personal computer with Internet access is being utilized frequently by target audience members as an effective communication channel to make both social exchanges using email and commercial exchanges to purchase products on the web. The advertising industry is being challenged to create more direct, personal and interactive communication with the target market through the use of the Internet.

The influence of the Internet on business-to-consumer (B2C) relationships has introduced a new dimension of interactivity to the communication industry (Shiva, 1997). Along with the introduction of the Internet, advertising as a form of communication has become more interactive. Traditionally advertising has involved the reduction of information about a product, service or idea's core benefits into a 30 second TVC, a full page colour magazine advertisement, or a 15 second radio spot, in order to persuade the target market to take action (Shiva, 1997). However, while traditional advertising involves the reduction of information, the Internet enables the advertiser to provide consumers with detailed information with no time or space restrictions. Internet-based advertisers do not need to rely on traditional media channels,

1.5.7 Internet Advertising and Consumer Behaviour

The evolution of the Internet as a global communication infrastructure (Cae, 2000) has created a new advertising channel for advertisers and advertising agencies to utilize and

will provide advertisers with the means to more cost effectively target their promotional messages to consumers. Psychological factors such as thinking, feeling, sensation, and intuition directly correlate with customers' online advertising experience. Companies should aim to strengthen customer interactions with advertisements on the Web, keeping both context and cognition in mind. Unfortunately, most companies provide a generic experience to all customers rather than relying on customer analysis to deliver a personalized experience. They've failed to innovate and bring the online advertising experience to a whole new level of interaction and integration that would truly let them achieve effective communication.

As consumers experience and respond to stimuli around them, emotions arise. Their reactions manifest themselves as physiological changes they experience as feelings. Likewise, as people react to stimuli online—for example, to an online advertisement—they have emotional responses that are directly proportional to their reactions to these stimuli. On the other hand, when customers repeatedly experience the same stimuli, they may not cause any emotional response. People become conditioned to ignore the ever-present ads on Web sites, which is called ad blindness (Wolhandler, 1999).

Advertising and promotion offer a news function to consumers. As Yoo W., Suh K. and Lee M. (2002) mentioned in their report, personal interactions with other customers and service providers play a very important role while shopping online. Viewers of ads learn about new products and services available to them, much like they learn about events in the news. This information function has a neutral role. It provides facts without approval or disapproval from consumers. Customer behavior at this stage encompasses expressions of curiosity. Consumers have a rational response to advertising when they look at the features of a product or service. This response focuses on a logical listing of all the functional aspects of the offering. This is an intellectual response, rather than an emotional one (Lee, 2002).

Repeated advertising messages affect consumer behavior. This repetition serves as a reminder to the consumer. Behavior that stems from reminders includes suddenly thinking of a product while shopping and making a decision to buy it, as if it had been on the consumer's "to-do" list (Lee 2002).

Consumer behavior splits between loyalty and alienation depending on how well the product lives up to its advertised benefits (Thorson, 2000). Corporate behavior – such as scandals or charity work – can also affect alienation and loyalty responses. Once the consumer makes this choice, advertising and promotion are not likely to undo that decision. The Cannon-Bard Theory that Walter Cannon and Philip Bard advocated suggests human beings feel emotions first, and then act upon them. When customers visit a Web site, the ads they encounter evoke an emotional response—before they even decide what their next step should be. If ads don't trigger customers' emotions, they may not take any action in response.

Based on the review of the research studies mentioned above, it is clear that Internet advertising is gaining much attention and should be an essential part of a marketer's advertising media mix. The inconclusive findings call for further studies on Internet advertising to gain more insight into consumers' response and perception of the Internet as an advertising medium. Hence, this study determined the effectiveness of internet advertising as an ad medium, and its relationship to consumers' response e.g. online purchase decision.

The present work is also focusing on quantifying the impact of internet advertising on consumer buying behavior, which raises the consumers' intentions towards the product and buying behaviors. The purchasing behavior is strongly influenced by the icon of the product which is built by the advertisers. The primary data on the field are collected through questionnaires and secondary data were collected through internet, journals and business magazines. This survey study was conducted in November, 2015. A sample of 100 respondents was taken, out of which 30 were in government or semi-government services, while 20 were taken from business class and the rest 50 were private sector employees. The written report reports that creative online advertisement has always a great impact on the buying trends or purchasing behaviors of the consumers. At the

CHAPTER TWO

RESEARCH METHODOLOGY

2.1 Introduction

This chapter focuses on research methodology that was used in the study. It provides a detailed description of the research approach adopted in this study. Research design, target population, research instruments, data collection and analysis methods used were presented in the subsequent sections.

2.2 Research Design

This study used descriptive research. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection (Glass & Hopkins, 1984). It often uses visual aids such as graphs and charts to aid the reader in understanding the data distribution and therefore offered a better clarification on online advertising, and ultimately give a clear picture on the effectiveness and reliability of online advertising and its relationship to purchase decision.

Types and Benefits of Internet Advertising

Internet advertising is referred to as advertising of products and services through use of the internet. According to Priyanka (2012), there are a variety of online advertising types and these include: Affiliate marketing where affiliates or publishers earn a commission for every person they refer to a website through special tracking links that identify the affiliate and connects to the product or service page. Display advertising which is a type of advertising that involves placement of banners by advertisers on third party website to drive traffic to their product or service pages. Search engine marketing is another form of internet advertising where search engines such as Google display an advertisement on their search result page as determined by what the user is searching. Email advertising which is a form of advertisement where advertisers send emails with their adverts using email lists compiled by publishers. Social media advertising is another form of advertising that is similar to display advertising but it's only used within social media platforms such as Facebook. The internet serve's a variety of purposes which include advertising through different formats as mentioned. However this is not the only benefit of the internet to commercial entities because the internet hosts

commercial websites which serve as storefronts and offer the first contact between the seller and the consumer, the internet also offers an opportunity to develop point-of-purchase stimuli by communicating offers or superior value and the same platform can be used to conduct research through the collection of online data and offline or realtime analysis of the same (Interactive Advertising Bureau, 2012)

2.3 Population of the Study

University of Nairobi has over 63,000 registered students with 48,000 in undergraduate and 15,000 in postgraduate as at July 2013 according to the Varsity Focus Newsletter. This study targeted undergraduate students of the University of Nairobi because of their background diversity and exposure to advertising with a larger percentage using the internet. Students of the University of Nairobi are provided with the Internet access through wireless connection, and therefore, the chances for them accessing online advertising via social media are very high. On the same basis of their diverse background, only undergraduate students from the Main campus were chosen for this study.

New opportunities, new measurement challenges : Today the internet is at the core of communication and consumption behaviour. For example, internet users in the U.S. spend 58 minutes watching video or surfing on the web⁴ . 78% of internet users state that they consult a website before buying a product⁵ . As social networks develop, the Web has also become a place where a brand's reputation and image is shaped. Advertising formats are more developed, videos more sophisticated and targeting tools more focused. Now that advertisers are better equipped for communicating on the Web, they are gradually directing their budgets towards online advertising. Measuring online advertising performance is therefore becoming critical for them. For display advertising campaigns, the clickthrough rate remains the most widely used indicator, but is not without its limitations. In 2009, only 16% of internet users clicked on advertisements . In addition, this rate gives no indication of the impact of a campaign on a brand's image or on the consumer's subsequent browsing or purchasing behaviour. So there is now a real need to find other solutions...

Starting point: a clear online strategy : Developing the brand experience, growing online or offline sales, generating leads, reducing acquisition costs. An online campaign can

have many objectives. It can have many resources too, including brand websites, search tools, rich media campaigns, presence on community networks and website sponsoring. Which online resources achieve the best performance in terms of a campaign's objectives? How much of the budget should be allocated to each resource? For advertisers investing 10%-30% of their budget in online advertising, and up to 50% in some campaigns, these questions are crucial. Faced with this realm of possibilities, the advertisers who were interviewed identified two key imperatives:

- Defining a clear and measurable online strategy with indicators tailored to each objective
- Measuring the Web's performance together with that of other media, in terms of coverage, impact on the brand and additional sales

Measuring the impact of campaigns on the brand: 61% of American advertisers find that the internet meets branding imperatives such as awareness, recognition, brand loyalty and purchase intent. Several studies demonstrate the impact the Web has on a brand. For example, an analysis conducted on a campaign run by a catering firm reveals that brand identification improved by 10%⁸. Similarly, a luxury goods campaign achieved a rise of 9%. By studying display advertising campaigns run by four advertisers from different industries, Médiamétrie NetRatings revealed that the purchase intent of internet users who were exposed to these campaigns increased by 11%. In a study of 73 display advertising campaigns reaching 100,000 internet users, United Internet Media found that the internet enabled the rate of aided brand awareness to jump by 26%⁹. Post-test studies continue to be the benchmark method for evaluating the impact of campaigns on a brand. In this respect, it is increasingly common for advertisers to carry out specific analyses on the Web. Indicators other than the clickthrough rate can however help determine the impact online advertising has on branding. By measuring exposure, advertisers are aware of the actual visibility of a display advertisement and the average time during which internet users are exposed to the advertisement. This indicator will continue to develop in the future with the standardisation of measurement methods.

Measuring interaction also provides an initial analysis of the impact a video or rich media campaign has on a brand. Several studies have revealed a close correlation between interaction and impact on a brand's reputation and image. Advertisers can also assess the impact of their branding campaigns by internet users' engagement on a

website. This is achieved by analysing every aspect of their browsing behaviour, including depth, duration and actions. From our meetings with advertisers, we discerned a strong tendency to develop these online indicators, which provide a responsive interpretation of the impact on their brands and can be monitored over the long term. Do online campaigns generate offline sales?: In 2009, 24% of French internet users interviewed by IFOP responded that they could be enticed to buy a product advertised online. The same percentage of respondents said that TV advertising could influence them in the same way. In 2010, eight out of ten internet users interviewed by Médiamétrie reported consulting a website before purchasing a product. This trend is confirmed by assessing the impact that online advertising campaigns have on offline sales. After analysing the purchasing behaviour of a panel of 185 million consumers, comScore showed that exposure to display advertising campaigns resulted in a 10% increase in shop sales. The objective of online advertising is therefore not just to boost web traffic and online sales. It also has real leverage to boost sales in bricks-and-mortar distribution channels. But how can this be demonstrated and evaluated? Post-tests assess the impact of advertising campaigns on consumer behaviour and purchase volume. Econometric models can be used to measure the impact of advertising on the Web and other media on sales over time, but they require a relatively long observation period. In general, advertisers often use an empirical measurement method by crosschecking sales data against media campaign strategies. Many advertisers feel this method could be improved as a number of organisational and technical issues make the indicators difficult to implement.

Finding the most effective mix of the Web and other media: Media use is becoming increasingly interlinked. In 2009, 40% of European consumers watched TV at the same time as browsing on the internet at least once a day. The Web is viewed as a means of both extending coverage and optimising performance with a fixed budget. A study carried out by Nielsen for an alcoholic beverage manufacturer revealed that by reallocating 10% of the TV advertising budget to the Web, the advertiser succeeded in increasing its audience by 3.4% and boosting the campaign's total GRP (gross rating point - see definition on page 30) by 20.7 points. Mixing media is an effective means of branding, which in some cases can enhance brand awareness and loyalty by up to

20

2.4 Sample Design

Stratified sampling technique was used to select the units for study. 100, module I and II undergraduate students of the University of Nairobi Main campus was used as a study sample to represent the population of consumers. This sample was stratified into each of the four years of study and respondents were randomly selected from each stratum to come up with the representative sample of 100 for the entire population. This was a viable sampling technique since it gave the advantages of focusing on important subpopulations and allowed the use of different sampling technique for different subpopulations in improving the accuracy of estimation.

2.5 Data Collection

The research made use of primary data, which was collected using structured questionnaire distributed to the 100 respondents sampled from the University of Nairobi main campus, found outside the library, from classes, within the university square and within the hostels. The administered questionnaires were collected after completion by the respondents on the same day and their responses used for analysis. The questionnaire had both open ended questions to enable guide the respondent through filling of the questionnaire as well as probe them for more information.

2.6 Validity and Reliability

Content validity refers to the extent to which an instrument represents the factors under study. To achieve content validity, questionnaires included a variety of questions on the knowledge of students on internet advertising and consumer behaviour. All the subjects completed the questionnaires in the presence of the researcher. This was done to prevent subjects from giving questionnaires to other people to complete on their behalf

2.7 Data Analysis

The study applied both nominal and ordinal scale to measure a range of factors establishing the effectiveness of internet advertising on consumer behaviour and an interval scale in determining the relationship between internet advertising and consumer behaviour. Descriptive statistics was used to analyze this data. The mean responses, standard deviation and other relevant statistics were computed to better understand the data. The data collected was compiled and edited to check for logical inconsistencies. The data was then coded according to the responses. Relationships between responses was assessed and presented using tables and graphs and analysis was done using SPSS. Regression and Correlation analysis was applied in this study to reveal relationships among variables in the findings fro

CHAPTER THREE

DATA ANALYSIS, RESULTS AND DISCUSSION

3.1 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The results were presented on the effectiveness of internet advertising on consumer behaviour: the case of University of Nairobi Students. The study objectives were; to determine the effectiveness of internet advertising on reach and creation of awareness; to establish the reliability of internet advertising through recall; and to determine the relationship between internet advertising and purchase decision. The study targeted 100 respondents out of which all the 100 respondents responded and returned their questionnaires contributing to a response rate of 100%. This response rate was sufficient and representative and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good while a response rate of 70% and over is excellent. This commendable response rate was due to extra efforts that were made via courtesy calls made to remind the respondents to fill-in and return the questionnaires. The chapter covers the demographic information, and the findings based on the objectives. The findings were then presented in tables, graphs and charts as appropriate with explanations being given in prose thereafter.

3.2 Background information

The study initially sought to ascertain the general information on the respondents involved in the study with regards to the year of study, age, and gender. The demographic information points at the respondents' suitability in answering the questions on the effectiveness of internet advertising on consumer behaviour: the case of University of Nairobi Students.

The respondents were asked to indicate their year of study. The study findings are illustrated in Table 3.1.

Table 3.1 Distribution of the respondents by year of study

	Frequency	Percentage
First year	20	20
Second year	29	29
Third year	33	33
Fourth year	18	18
Total	100	100.0

Source: Field data.

As shown in table 3.1, the study sample was representative of all the years of study with the third year students forming the highest proportion of the sample.

The respondents were also asked to indicate their age bracket. The study findings are illustrated in Table 3.2.

Table 3.2 Distribution of the respondents by age bracket

Age bracket	Frequency	Percentage
19-25 years	82	82
26-35 years	18	18
Total	100	100.0

Source: Field data.

The findings indicate that majority of the students at the university of Nairobi were aged 19-25 years.

The study sought to establish the gender of the respondents and the findings are as shown in Table 3.3.

Table 3.3 Gender distribution of the respondents

	Frequency	Percentage
Male	72	72
Female	28	28
Total	100	100.0

Source: Field data.

From Table 3.3, the study recorded a higher response rate from males than females in their various years of study.

3.3 Effectiveness of internet advertising on reach and creation of awareness

The first objective of the study was to determine the effectiveness of internet advertising on reach and creation of awareness. The study sought to establish whether the respondents were aware of various forms of advertisements adopted by various companies. Majority of the respondents (98%) attested to being aware of various forms of advertisements adopted by various companies. This illustrates that the effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements adopted by various companies in Kenya.

The respondents were asked to indicate their attitude towards advertisements. Table 3.4 illustrates the study findings.

Table 3.4 Attitude towards Advertisements

	Frequency	Percent
Informative	35	35
Creates awareness	31	31
Entertaining	25	25
Irritating	3	3
Annoying	3	3
Waste of time	3	3
Total	100	100

Source: Field data.

As shown in Table 3.4, most of the respondents (35%) indicated that advertising was informative, with a closer percentage indicating creation of awareness. 3% indicated that advertising was either irritating, annoying or a waste of time. These findings mean

that most of the respondents had a positive attitude towards advertising as illustrated by their various perceptions about the use of advertising. This clearly shows a positive attitude toward advertising and hence is a good indication for marketers. In order to further identify the effectiveness of internet advertising on reach and creation of awareness, the respondents were requested to indicate the amount of time spent on various platforms of advertising. The responses were rated on a five point Likert scale where: 1=less 1hr, 2=1 - 2hrs, 3=2 - 4hrs, 4=4 - 6hrs while 5=over 6hrs.

Table 3.5 Time spent on various platforms of advertising

	Mean	Standard deviation
TV, Movies	2.42	1.241
Newspaper, Mags	1.11	1.372
Radio	1.03	0.927
Internet	4.21	0.515

Source: Field data.

According to the findings in Table 4.5, on an average, a person spends more than 4 hours on the internet during his free time which is more than that of TV and movies, radio and print medium. Hence, on an average the exposure of internet to an individual is around 40% more than that of other mediums i.e. the reach of medium internet is much better than that of others.

The study sought to establish whether the respondents watched the TV/ or listened to Radio commercials during commercial break. The findings are as shown in Table 4.6.

Table 3.6 Watching the TV commercials during commercial break

	Frequency	Percent
Yes	70	70
No	30	30
Total	100	100

Source: Field data.

According to the findings, the majority of the respondents attested to watching the TV/commercials during commercial break. This implies that for television commercials, around 70% of consumers had a positive perception towards advertising on TV.

Table 3.7 Change the channel during commercial breaks

	Frequency	Percent
Never	26	26
Sometimes	17	17
depends on ad	33	33
Often	13	13
every time	11	11
Total	100	100

Source: Field data.

Respondents were asked to indicate if they changed channels during commercial and the results were tabulated. Table 3.7 shows that the degree of attractiveness of the advert and its relevance to the respondents determined their attention to the advert. The viewers would see the advertisement if the ad is attractive and appealing. Hence there is a probability of 0.75 of a consumer viewing the particular advertisement (for creating awareness and information) on television making it an effective mode of communication.

3.4 Reliability of internet advertising through recall

The second objective of the study was to establish the reliability of internet advertising through recall. First, the respondents were asked whether they would check an online advert and the findings presented in the Table 3.9.

Table 3.8 Checking an online advert

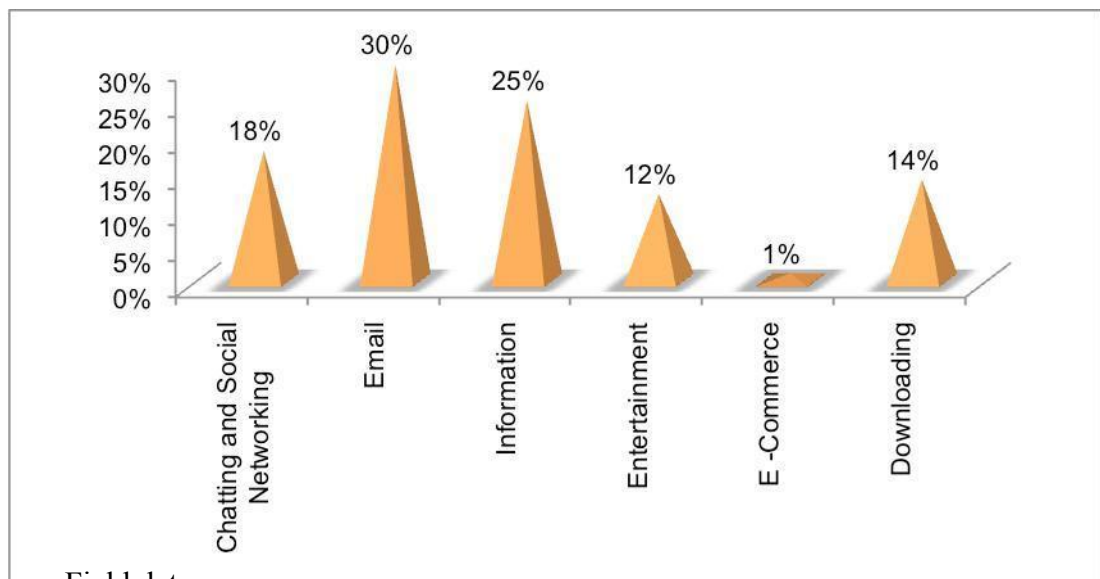
	Frequency	Percent
Yes	21	21
No	79	79
Total	100	100

Source: Field data.

In case of online advertising, majority (79%) of consumers ignored the advert completely while 21% indicated that they would check an online advert. Further the study found out that, out of the 21% respondents, 15% said that the intention was not to see the ads, but they didn't have any option but to see them as they were Interstitial Adverts, Pop – up ads or Floating ads. These ads either block the view of the content, or appear right in the middle of the page, or keeps on floating (moving) around which is considered to be very irritating for the consumers. Checking the ads determined the level of interaction with the online ads. Therefore, even though the reach of internet is much higher than that of other modes, its ability to attract consumers for awareness creation is very low.

The respondents were further asked to indicate their purpose of using internet. The study findings are illustrated in Figure 3.1.

Figure 3.1 Internet usage



Source: Field data.

As shown in Figure 3.1, 30% of the respondents used internet for E-mail, 25% for information, and others for chatting and social networking, indicating that communications has been the fundamental value of the internet to consumers. There was a higher chance of interaction with various online ads as reflected by the diverse usage of internet.

To establish the reliability of internet advertising through recall, the respondents were asked to indicate whether they would recall the last three TV and online ads.

Table 3.9 Ad recall

	Recall		
		Frequency	Percent
TV	Yes	84	84
	No	16	16
Online ads	Yes	30	30
	No	70	70
Total		100	100

Source: Field data.

This is for the last three ads that they had seen consciously or unconsciously. In case of TV ads, 84% remembered their last three ads which is a very good score in terms of creating awareness. In case of Online ads, only 30% could remember their last three interaction with the online ads. Therefore, one can easily make out the reliability of online and TV ads recall values. The study found out that TV ads are much reliable than internet advertising and other forms of advertising.

3.5 Relationship between internet advertising and purchase decision

The third objective of the study was to determine the relationship between internet advertising and purchase decision. Respondents were asked to indicate the mode advertising that mostly influenced their decision to purchase a product. The results were tabulated in Table 3.10.

Table 3.10 Mode of advertising influencing intention to buy product

	Frequency	Percent
Magazines and newspaper	17	17
Friends and relatives	40	40

TV Commercial	29	29
Online advertisements	6	6
Social Media – Blogs, forums, Social Networking sites	8	8
Total	100	100

Source: Field data.

Based on Table 3.10 above, the highest number of students, 40% of the respondents were influenced to buy a product based on information provided by friends and relatives, with TV commercials being second. Online advertisements was least in influencing their decision at 6%. Therefore, friends and relatives were the major influencers behind decision making. This depicts that traditional form of advertising has an edge over internet advertising in terms of consumer preference to mode of advertising. Traditional mode got over 86% preferences than that of internet advertising which is a huge margin.

Secondly, the respondents were also asked to indicate whether the internet ads they came across influenced their purchase decision. 52% of the respondents indicated that the internet ads they came across never influenced their purchase decision while 48% posited that the internet ads they came across influenced their purchase decision. This depicts that the internet advertising influenced purchase decision of the customers to a moderate extent as only nearly half of the respondents were influenced purchase decision.

Table 3.11 Statements on internet advertising and purchase decision

Statements on Internet advertising and purchase Decision	Mean	Standard deviation
Internet advertising influences customers' purchase Decision	4.21	0.513
duration of page viewing is a strong determinant of the ability to recall banner ads	4.13	0.746
Animation content, the shape of the banner ad, and frequency of the ad (repetition) leads to higher advertising recall	3.92	0.841

Companies should aim to strengthen customer interactions with advertisements on the Web	4.11	0.62
Most companies provide a generic experience to all customers rather than relying on customer analysis to deliver a personalized experience.	4.01	0.738
When customers weigh benefits, they become emotionally involved with advertising and promotion.	4.05	0.673
Repeated advertising messages affect consumer behavior. This repetition serves as a reminder to the consumer.	3.98	0.847

Source: Field data.

In order to further determine the relationship between internet advertising and purchase decision, the respondents were requested to indicate their level of agreement on relevant statements on effects of internet advertising on purchase decision. The responses were rated on a five point Likert scale where: 5-To a very great extent, 4To a great extent, 3To a moderate extent, 2-To a little extent, and 1-To no extent. The mean and standard deviations were generated from SPSS and presented in Table 3.11. The study established that Internet advertising influences customers' purchase decision (Mean=4.21) and duration of page viewing is a strong determinant of the ability to recall banner ads. Other factors as repeated advertising messages affect consumer behavior. This repetition serves as a reminder to the consumer (Mean=3.98), and that animation content, the shape of the banner ad, and frequency of the ad repetition leads to higher advertising recall .This implies that the internet advertising is a key determinant of purchase decision of the customers as they consider it to be an interaction point between them and the company from which they buy their products from.

3.6 Inferential statistics

In determining the effectiveness of internet advertising on consumer behaviour, the study conducted a multiple regression analysis to determine the nature of relationship between the variables.

The regression model specification were as follows

$$Y = \alpha + \beta_1 X_1 + \varepsilon$$

Where;

Y= consumer behaviour

X₁= internet advertising ε =

error term β =coefficient

α = constant

The study further applied multiple regressions to determine the predictive power of the internet advertising on consumer behaviour. The researcher conducted a multiple regression analysis so as to test relationship among variable (independent) on the consumer behaviour. The researcher applied the statistical package for social sciences (SPSS V 17.0) to code, enter and compute the measurements of the multiple regressions for the study.

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (consumer behaviour) that is explained by the independent variable (internet advertising).

Table 3.12 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.919	0.845	0.789	0.6273

Source: Field data.

The independent variable that was studied, explain only 84.5% of the consumer behaviour as represented by the R². This therefore means that other factors not studied in this research contribute 15.5% of the consumer behaviour. Therefore, further research should be conducted to investigate the other factors that affect consumer behaviour.

Table 3.13 ANOVA of the Regression

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.534	50	1.267	9.475	.000 ^a
	Residual	9.307	200	2.327		
	Total	11.841	250			

Source: Field data.

The significance value is 0.000 which is less than 0.05 thus the model is statistically significant in predicting how internet advertising affects the consumer behaviour. The F critical at 5% level of significance was 3.23. Since F calculated is greater than the F critical (value = 9.475), this shows that the overall model was significant.

Table 3.14 Coefficient of determination

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.147	0.2235		5.132	0.000
	Internet advertising	0.752	0.1032	0.1032	7.287	.000

Source: Field data.

Multiple regression analysis was conducted as to determine the relationship between consumer behaviour and the one independent variable (internet advertising). As per the SPSS generated table, regression equation ($Y = \alpha + \beta_1 X_1 + \epsilon$) becomes:

$$(Y = 1.147 + 0.752X_1 + \epsilon)$$

According to the regression equation established, taking all factors into account (internet advertising) constant at zero, consumer behaviour will be 1.147. The data findings analyzed also shows that taking all other independent variables at zero, a unit

increase in internet advertising will lead to a 0.752 increase in consumer behaviour; This infers that internet advertising contribute most to the consumer behaviour. At 5% level of significance and 95% level of confidence, internet advertising was a significant, factor in predicting the consumer behaviour.

To quantify the strength of the relationship between the variables, the study used Karl Pearson’s coefficient of correlation. The Pearson product-moment correlation coefficient (or Pearson correlation coefficient for short) is a measure of the strength of a linear association between two variables and is denoted by r . The Pearson correlation coefficient, r , can take a range of values from +1 to -1. A value of 0 indicates that there is no association between the two variables. A value greater than 0 indicates a positive association, that is, as the value of one variable increases so does the value of the other variable. A value less than 0 indicates a negative association, that is, as the value of one variable increases the value of the other variable decreases. The data presented before on internet advertising was computed into single variables per factor by obtaining the averages of each factor. Pearson’s correlations analysis was then conducted at 95% confidence interval and 5% confidence level 2-tailed. The Table 4.15 below indicates the correlation matrix between the internet advertising and consumer behaviour.

Table 3.15 Correlation matrix and the coefficient of determination

	Consumer behaviour	Internet advertising
Consumer behaviour (r) (p) Sig. (2 tailed)	1.000	
Internet advertising (r) (p) (2 tailed)	0.894 0.018	1.000

Source: Field data.

According to the Table 4.15, there is a positive relationship between consumer behaviour and internet advertising of magnitude 0.894. The positive relationship indicates that there is a correlation between the consumer behaviour with internet advertising.

This notwithstanding, all the factors had a significant p-value ($p < 0.05$) at 95% confidence level. The significance values for relationship between consumer behaviour and internet advertising was 0.018. This implies that internet advertising was a significant factor on consumer behaviour.

3.7 Discussion of findings

The study established that the effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements adopted by various companies in Kenya. Most of the respondents had a positive attitude towards advertising as illustrated by their various perceptions about the use of advertising. This clearly shows a positive attitude toward advertising and hence is a good indication for marketers. The findings augment the findings of Baltas (2003) who indicated that marketing is perceived by the internet users as a major source of information on available product in the market as reflected by their positive attitude in the world over. According to Calisir (2003) internet advertising is an effective channel for marketing as the ad is attractive and appealing which changes from time to time.

The study established that even though the reach of internet is much higher than that of other modes, its ability to attract consumers for awareness creation is very low. The study concludes that the reliability of internet advertising through recall was low as only a small percentage of the respondents could recall the online ads they had seen.. The study found that TV ads are much reliable than internet advertising and other forms of advertising. The findings are corroborated with Danaher and Mullarkey (2003) who posited that TV ads are much reliable than internet advertising.

The study established that friends and relatives were the major influencers behind decision making. This depicts that traditional form of advertising has an edge over internet advertising in terms of consumer preference mode of advertising. Traditional mode got high preferences than that of internet advertising which is a huge margin. According to Cho (2003) in the developing economies the traditional form of advertising has a greater market share compared with the internet advertising in terms of consumer preference mode of advertising.

CHAPTER FOUR

FINDINGS AND CONCLUSION

4.1 Introduction

This chapter presents summary of findings, conclusion and recommendations of the study in line with the objectives of the study.

4.2 Summary of the Study

The study found that the effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements and time spent on these media. On average, a person spent more than 4 hours on the internet during his free time than that of TV and movies and print medium and therefore the reach of internet medium is much better than that of other media. A higher percentage indicated that they were made aware of existence of various products through internet advertising and therefore it was effective in creating awareness. The study revealed that the ability of the respondents to recall the internet ads was low compared to TV, and therefore even though the reach of internet is much higher than other forms, TV ads are much more reliable than internet advertising Danaher and Mullarkey (2003). Internet advertising is a key determinant of purchase decision of the customers as they consider it to be an interaction point between them and the company from which they buy their products from. The study also established that internet advertising has significant relationship with purchase decision of the consumers. From the Pearson's correlations analysis, the study established that there is a positive relationship between consumer behaviour and internet advertising

4.3 Conclusion

The objective of the study was to determine the effectiveness of internet advertising on consumer behaviour using a sample of University of Nairobi students. After analysis of the study findings, the study concludes that the effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements adopted by various companies in Kenya and time spent on various media. Internet advertising was effective in providing higher reach and

creation of awareness. However, in spite of the diverse usage of internet and wide interaction with various internet advertisements, fewer respondents were able to recall the internet ads they had seen. This implies that the reliability of internet advertising is quite low. The research established that TV advertising is more reliable than internet advertising therefore conforming with Danaher and Mullarkey (2003), that TV ads are much reliable than internet advertising.

The study concludes that internet advertising influenced purchase decision of the customers to a moderate extent as only nearly half of the respondents were influenced purchase decision. However, internet advertising is a key determinant of purchase decision of the customers as they consider it to be an interaction point between them and the company from which they buy their products from. The study also concludes that internet advertising has significant relationship with purchase decision of the consumers. The study further concludes that internet advertising contributes most to the consumer behavior and that internet advertising was a significant factor in predicting the consumer behaviour. In addition, there is a positive relationship between consumer behaviour and internet advertising. This implies that companies should invest more in internet advertising to increase their market share and conduct a market research on the different markets in various countries to ensure that the internet advertising initiatives being implemented suits the targeted markets to improve product purchases.

4.4 Recommendations

The study established that the reliability of internet advertising is low and therefore recommends that the management of companies using internet advertising should provide unique experience to its customers based on customer analysis to deliver a personalized experience to the customers, Calisir (2003). The study also found that internet advertising is effective in reach and creation of awareness and recommends that the companies should invest more in internet advertising to increase their market share and provide product information.

Finally, the study determined that there is a positive relationship between internet advertising and consumer purchase decision and further recommends that companies should conduct a market research on the different markets in various countries to ensure

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