

ROLE OF CONSUMER BELIEF, ATTITUDE, BEHAVIOUR AND PURCHASE INTENTION IN DETERMINING THE EFFECTIVENESS OF ONLINE ADVERTISEMENTS

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ABSTRACT

The study analysed the role of consumer belief, attitude, behaviour and purchase intention in determining the effectiveness of online advertisements. Urban internet users served as the sample population. 250 respondents were chosen for the 30 items questionnaire. 16 items measured consumer belief, 9 items measured attitude & behaviour and 2 items measured purchase intention. Data was analysed using SPSS and AMOS. Statistical tools such as Exploratory factor analysis and Structural Equation Modeling were used. The results revealed that advertisements perceived to be informative and entertaining had a positive impact on consumer attitude and behaviour which in turn had a positive impact on purchase intention.

1. INTRODUCTION

Internet has revolutionized the way in which businesses are carried on around the world. Globally, there are four billion people connected to the internet. The Internet and Mobile Association of India has estimated the number of internet users in India to be 500 million. With this number poised to grow in future, internet, through online advertising as a medium offers plethora of options to marketers to enhance the visibility of their products. Online advertising as a marketing strategy includes advertisements in the form of banners, pop-ups, spywares, classifieds and advertisements through search engine result pages, social networking sites, email spam etc. Online advertising with its ubiquitous nature has gained significance because of its easy and cost effective reach.

2. BACKGROUND OF THE STUDY

Unlike the traditional forms of advertising, online advertising is user controlled, due to which its reach

cannot be taken for granted. Certain forms of online advertisements have been rendered useless by researchers through the use of 'Click through indices' - a measure to check the number of times a user clicks the advertisement. It has been ascertained that the click through rates are falling below 1% and are consistently declining. Further, use of ad blockers by consumers and their skepticism regarding privacy breach are the other worrying factors for online advertisers. Research reveals that 49% of the online advertisers in US felt the use of ad blockers by internet users to wean away advertisements from their screen as a major concern. Yet another research conducted among 1,000 US adults shows that 71% of the respondents did not trust the way in which marketers used the personal data of their customers (eMarketer, 2018). The complex conundrum of what makes the digital ad work can be solved by having a better understanding of customers' belief, attitude, behaviour and purchase intention. The current study purports to bridge the gap between expectations of online advertisers and the internet users by studying the role of consumer belief, attitude, behaviour and purchase intention in determining the effectiveness of online advertising.

3. OBJECTIVES OF THE STUDY

Following are the objectives of the study:

1. To examine if consumer beliefs about online advertising has an impact on consumer attitude.
2. To analyse the impact of attitude of the consumer on behaviour
3. To assess the influence of behaviour of the consumer on purchase intention

4. REVIEW OF LITERATURE

4.1 CONSUMER BELIEF

Consumer belief, a cognitive experience, refers to the manner in which the consumer perceives the ad to be. Pollay and Mittal (1993) developed a seven-factor model of consumer belief, of which four factors have been used for the current study, namely, Product Information, Perceived Entertainment, Reliability and Value Erosion. Additionally, Perception of Invasiveness has been introduced as the fifth construct to measure consumer belief. It has been conceptualised through several researches that the success of online advertising, irrespective of its form is dependent on the consumers' belief and attitude towards the ad (Mahmoud, 2012).

4.1.1 PRODUCT INFORMATION

The primary role of an advertisement is to provide the required information to the consumer. The more informative the ad is, more will be the effectiveness of the ad in terms of congruity with the requirements of the consumer. A four-item scale has been used in the study to measure the extent to which consumers perceive online ads to be informative. Stysko-Kunkowska (2010) found significant correlation between informative content and effectiveness of an advertisement.

4.1.2 PERCEIVED ENTERTAINMENT

Perceived entertainment, the second consumer belief factor refers to the evaluation of user experience with the ads in the light of it being enjoyable, motivating, humour filled, sentimental etc. A three-item scale measures the extent to which consumers perceive online ads to be entertaining. Research by Jung, Shim, Jin, & Khang (2015) points strong relationship between perceived entertainment and attitude towards online advertising.

4.1.3 RELIABILITY

Reliability refers to the extent to which the consumer perceives the ad to be truthful, trustworthy and accurate. The reliability of the ad is often measured by the content delivered by the ad to the consumer. Reliability of the ad becomes crucial particularly when the information provided by the ad is inadequate (Liu

et al, 2012). This construct has been operationalised through a three-item scale.

4.1.4 VALUE EROSION

Value erosion refers to the extent to which the online ad corrupts the established societal values. Advertisers should give prominence for upholding values, as, perception of value erosion is more likely to push consumers to resort to ad blockers. Perception of an ad as value eroding discloses one's belief about the impact of advertising on people's outlook on life (Wang, 2009). A three-item scale has been used in the study to measure perception of value erosion.

4.1.5 INVASIVENESS

An ad is considered to be invasive if it is perceived as disturbing, distracting and interfering. An invasive ad loses its persuasive power and subsequently the consumer tends to totally avoid such an ad. Perception of an ad as invasive has a negative impact on attitude towards advertising (Saadeghvaziri et al., 2013). A three-item scale has been used to measure consumer's response to invasiveness of online ads.

4.2 ATTITUDE

The manner in which the consumer responds to an ad is called as attitude. The response may be favourable or unfavourable. A favourable response implies a likelihood of purchase of the product. If the consumer is unwilling to purchase it means that the advertisers have failed to address the negative attitudes of the consumers (Onay, 2012). In a research conducted among University students by Zafar and Khan (2011) it was found that consumer perception about online advertisements had a positive effect on attitude. In the current study, attitude has been measured using a five-item scale developed by Taylor et al., (2011) to test the hypothesis that,

Belief of the consumer about online ads has a positive impact on the attitude of the consumer (H1)

4.3 BEHAVIOUR

The growing use of internet and the resultant increase in shopping through the online mode has necessitated giving prominence to online behavior of internet users. The behavior factor measures the extent to which

attention is paid for online ads or otherwise. It also assesses if the consumer clicks on the ad to gather more information about the product or to make a purchase. Research by Kola and Akinyele (2010) shows positive correlation between attitude of the consumer towards online ads and behaviour. Behavior factor has been operationalised through the scale developed by Zhang & Mao (2012) to test the hypothesis that,

Attitude of the consumer towards online ads has a positive effect on behaviour (H2)

4.4 PURCHASE INTENTION

Purchase intention refers to the willingness on the part of consumers to buy the product. It is a very significant component of consumer decision making process. The intention to purchase is crucial for measuring the effectiveness of an advertisement. Sellers aiming at effective market segmentation must factor in the intention of the consumers to purchase. The attitude & behaviour of the customer towards an advertisement has a significant influence on purchase intention (Kudeshia and Kumar, 2015). Purchase intention factor has been operationalised through a two-item scale developed by Zhang & Mao (2012) to test the hypothesis that,

Behaviour of the consumer towards online ads has a positive effect on purchase intention (H3)

5. RESEARCH METHODOLOGY

5.1 RESEARCH FRAMEWORK

Based on the review of literature the following research framework has been modeled (Fig 1)

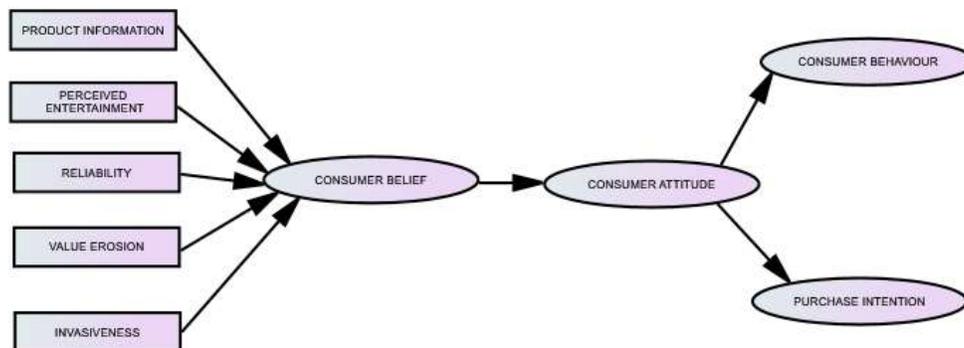


FIG 1: RESEARCH FRAMEWORK

5.2 QUESTIONNAIRE DESIGN AND SAMPLING

Questionnaire method has been adopted in the current study to collect the primary data from the respondents who are urban internet users. The first section collected data about the demographical characteristics. The second section measured the belief, attitude, behavior and purchase intention of the respondents. The respondents' perception about the variables used

in the study were measured using a five-point Likert scale with anchors ranging from 1 for strongly disagree to 5 for strongly agree. The study used convenience sampling to collect the data. The questionnaire was distributed to 250 urban internet users and 217 filled questionnaires were considered for the study, indicating a response rate of 86.8%. The data was analysed using SPSS 20.0 and AMOS.

5.3 RESEARCH VARIABLES

Consumer Belief comprising of Product Information, Perceived Entertainment, Value Erosion, Reliability and Invasiveness were considered as the exogenous variables. Consumer Attitude, Behaviour and Purchase Intention were considered as the endogenous variables.

6. DATA ANALYSIS

6.1 PROFILE OF THE RESPONDENTS

Table 1 shows that the percentage of Male respondents is slightly higher than the female respondents. Majority of the respondents are in the age group of 15-24 with an under graduate degree.

PROFILE	FREQUENCY	PERCENTAGE
Gender: Male	125	57.6%
Female	91	41.9%
Age: 15-24	131	60.4%
25-34	50	23%
35-44	22	10.1%
45 and above	13	6%
Education : Diploma	3	1.4%
UG	135	62.2%
PG	53	24.4%
Ph.D	25	11.5%

Table 1: Profile of the respondents

6.2 FACTOR ANALYSIS

Prior to applying factor analysis, adequacy of the data was ascertained by performing KMO and Bartlett Tests. As regards the KMO Test, values between 0.5 and 1.0 are taken as acceptable. A value of 0.834 was obtained for KMO test which proves that the sample size is enough. A value of 2569.642 and $p=0.00$ for Bartlett Test shows that the data is appropriate for factor analysis.

Subsequent to the ascertainment that the statements included in the questionnaire are appropriate for factor analysis, the components that represent the real traits underlying the 27 statements were found. Principal Axis Factoring with Varimax method shows that the statements were gathered under 6 factors. Five items (REL1, REL2, REL3, ATT3, BEH4) with less than minimum threshold level of 0.5 were deleted and Factor Analysis was conducted once again. Table 1 gives the factors, factor loadings, Eigen values,

variance explanation percentage of factors, cumulative percentage and Cronbach Alpha. Attitude and Behaviour converged into a single factor and has been considered as such which explains 17.016% of the total variance. Perceived Entertainment explains 10.345%, Invasiveness explains 10.002%, Product Information explains 9.893%, Value erosion explains 7.166%, and Purchase intention explains 1.115% of the total variance. The factor loadings of all the variables range between .568 and .894 ensuring construct validity for the six factor scale which explains 60.221% of the total variance.

The internal consistency of the observed variables with regard to the factors obtained through Factor Analysis was ascertained through Cronbach alpha values. Purchase Intention (.524), Value Erosion (0.670) and Product Information (0.771) have a medium reliability. Attitude & Behaviour (0.859), Perceived Entertainment (0.855) and Invasiveness (0.884) have a good reliability.

Table 1: Results of Factor Analysis

Construct Items	Factor Loading	Eigen Value	Variance Explained	Cumulative Percent	Cronbach Alpha
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Attitude & Behaviour		7.005	17.016	17.016	.859
ATT1	.725				
ATT2	.780				
ATT4	.751				
ATT5	.630				
BEH1	.673				
BEH2	.648				
BEH3	.619				
Perceived Entertainment		3.353	10.345	27.361	.855
PE1	.781				
PE2	.855				
PE3	.835				
Invasiveness		2.090	10.002	37.363	.884
INV1	.854				
INV2	.894				
INV3	.835				
Product Information		1.673	9.893	47.257	.771
PDINF1	.755				
PDINF2	.818				
PDINF3	.702				
PDINF4	.631				
Value Erosion		1.166	7.166	54.423	.670
VE1	.722				
VE2	.740				
VE3	.623				
Purchase Intention		1.115	5.798	60.221	.524
PINT1	.737				
PINT2	.568				

6.3 STRUCTURAL EQUATION MODEL AND HYPOTHESIS TESTING:

Based on the results of Exploratory Factor Analysis, the hypotheses were tested in AMOS.

The structural model gave a result of CMIN/DF = 1.960, GFI = 0.864, AGFI = 0.827, CFI = .902, RMSEA = 0.067 and RMR = 0.076. It indicates that the data fit the model well. Fig 1 gives the standardized estimates of the model and Table 2 presents the results of the hypotheses testing.

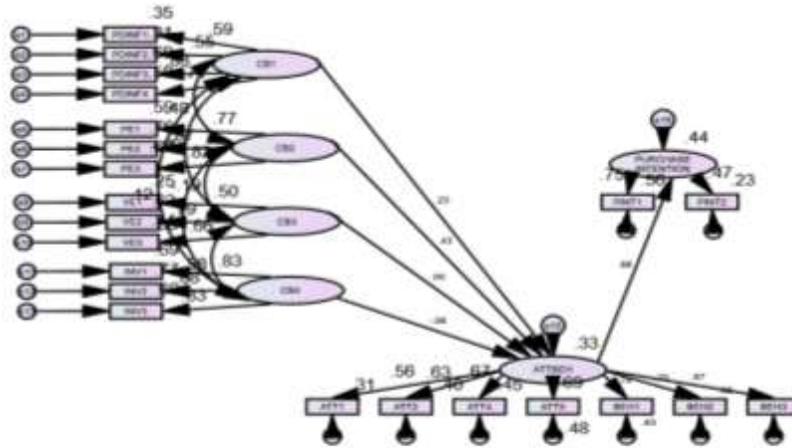


FIG 2: MODEL SHOWING STANDARDISED ESTIMATES

Table 2: Summary of hypothesis testing

Hypothesis	Coefficients (β)	S.E.	t-statistics	Result
H1 Product Information -----> Attitude & Behaviour	0.233	0.089	2.623**	Accepted
H2 Perceived Entertainment -----> Attitude & Behaviour	0.357	0.077	4.668***	Accepted
H3 Value Erosion -----> Attitude & Behaviour	0.004	0.108	0.040	Rejected
H4 Invasiveness -----> Attitude & Behaviour	-0.042	0.074	-.575	Rejected
H5 Attitude & Behaviour -----> Purchase Intention	0.462	0.108	4.277***	Accepted

***p<0.001; **p<0.01

Table 2 shows that the path coefficient to Attitude & Behaviour from Product Information is 0.233 with a t-value of 2.623, which is higher than 2.58 of two-sided critical value at .01 significance level. Hence, the hypothesis that informative online advertising has a positive effect on attitude and behavior towards online advertising is accepted. This result is consistent with the findings of Eze, & Lee, 2012; Saxena, Khanna, 2013 that, informative advertisements are predictors of consumer attitude and behaviour.

The path coefficient to Attitude & Behaviour from Perceived Entertainment is 0.357 with a t-value of 4.668, which is higher than 3.30 of two-sided critical value at .001 significance level. Hence, the hypothesis that entertaining online advertising has a positive effect on attitude and behavior towards online advertising is accepted. This result is supported by the studies of Usman et al., 2010; Eze & Lee, 2012, according to which the perception of online

advertisements as entertaining predicts attitude and behavior towards online advertising.

The path coefficient to Attitude & Behaviour from Value Erosion is 0.004 with a t-value of 0.040, which is lower than 1.96 of two-sided critical value at .05 significance level. Hence, the hypothesis that value eroding online advertising has a negative effect on attitude and behavior towards online advertising is rejected.

The path coefficient to Attitude & Behaviour from Invasiveness is 0.042 with a t-value of -0.575, which is lower than 1.96 of two-sided critical value at .05 significance level. Hence, the hypothesis that invasive online advertising has a negative effect on attitude and behavior towards online advertising is rejected.

The path coefficient to Purchase Intention from Attitude & Behaviour is 0.462 with a t-value of 4.277, which is higher than 3.30 of two-sided critical value at .001 significance level. Hence, the hypothesis that

Attitude and Behaviour towards online advertising has a positive effect on purchase intention is accepted. Hwang, J. et al., (2011) found consumer characteristics such as the behavior and attitude as an antecedent to Purchase Intention in an online environment. Hence, this result is consistent with past studies.

Thus the relationship between Perceived Entertainment ----> Attitude & Behaviour emerged as the most significant path in the research model. This is followed by Attitude & Behaviour ----> Purchase Intention and Product Information ----> Attitude & Behaviour. However the paths Value Erosion ----> Attitude & Behaviour and Invasiveness ----> Attitude & Behaviour were found to be insignificant.

The Squared Multiple Correlation values indicate that 33.1% variance of the variable Attitude & Behaviour is explained by Product Information and Perceived entertainment. 44.2% variance of the variable Purchase Intention is explained by attitude and behaviour factors.

7. FINDINGS & CONCLUSION

The purpose of this study is to analyse the effectiveness of online advertisements by assessing the consumer attitude and behavior based on their belief and to further understand the impact of attitude and behaviour on purchase intention. 217 urban internet users are the sample group of the study. Data collected through questionnaires was analysed and interpreted. It can be concluded from the study that few of the consumer beliefs about online advertisements have a positive impact on the attitude & behaviour and in turn on purchase intention.

The findings lead to the conclusion that perception of online advertisements as informative and entertaining have a positive impact on consumer attitude and behaviour. On the other hand, perception of online advertisements as value eroding or invasive does not have any impact on consumer attitude and belief. The positive attitude and behaviour of the respondents have a positive impact on purchase intention of the consumers.

8. MANAGERIAL IMPLICATIONS

The findings of the study can aid marketers to design effective advertisement campaigns by providing as much information as possible about the product in terms of price, quality, utility etc. Creating an advertisement that is perceivably entertaining is also crucial to influence the customer positively. Marketers should be cautious about advertisements that erode values and that are invasive. The success of any advertisement can be gauged by the extent to which it creates an intention to purchase which can be effectively performed through the prism of consumer belief, attitude and behaviour.

9. SCOPE FOR FURTHER RESEARCH

The current study has been conducted primarily among the young internet users. Future studies can target respondents with a different socio-demographic characteristic to enhance the applicability of the findings. The role of consumer belief and attitude as a mediating variable needs to be analysed. It also needs to be ascertained if the findings of this study can be validated through experimental studies.

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