Delivering Services Digitally-A conceptual framework

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Abstract

Advertising becomes necessary due to the competitive environment prevailing in the business activities. Advertising will have impact on the minds of customers. Now-a-days internet invading the households in urban areas, this situation resulted in new kind of advertising through digital mode. Advertising impact can be known only if it resulted in increasing of sales or sales revenue. Business firms are adapting digital techniques in their activities to stay ahead in the competition or stay in the business. Digital advertising is one of the effective techniques in the business. It is easy to adopt and use. Digital advertising can be controlled by the business firm itself. The new era customers are searching internet frequently before making any purchase. This gives business firms to explore opportunities through internet. Digital advertising has limitation as it can reach urban areas of the country so far. Rural areas are not still having adequate resources for digital mode of advertising to reach. This paper is a conceptual one in this regard to know the behavior of customers towards digital advertising and its effectiveness.

Key words: Digital Advertising, m-Commerce, Rural Area, Urban Area, e-Commerce.

Introduction:

Almost every one grows up inside the global that is flooded with the mass media e.g. Television, advertising, films, videos, billboards, magazines, movies, song, newspaper, and internet. Of all advertising and marketing weapons, advertising and marketing is famed for its durable effect on viewer's thoughts, as its publicity is tons broader. Advertising is a subset of promotion blend which is one of the 4P's inside the marketing blend i.e. Product, price, place and promotion. As a promotional method, marketing serves as a primary device in creating product cognizance in the thoughts of a capability customer to take eventual buy selection. Advertising, income merchandising and public relations are mass-conversation gear to be had to entrepreneurs. Advertising thru all mediums have an impact on audiences, however television is one of the most powerful medium of advertising and due to its mass reach; it may have an impact on now not

only the character's attitude, behavior, lifestyles fashion, exposure and in the long run, even the tradition of the United States of America. The evolution of commercial dates again into the historic instances societies used symbols, and pictorial symptoms to draw their product users. Over centuries, these factors were used for merchandising of products. In the early a while, these were handmade and were produced at confined scale for promotions. Later on, this phenomenon gained power greater intensively for promotional purposes. Today's cutting-edge surroundings, commercials have turned out to be one of the important assets of communicational device among the manufacturer and the consumer of the products.

Advertising is done in two ways:

a) Offline advertising and through traditional media (TV, Radio, Magazines, Newspapers...)
b) Online advertising (Web sites, Email…). (Solomon 1996)

Background of the study:

In the cutting-edge many years, one of the crucial problems of Companies is the expertise of ways the patron will respond to diverse matters as a way to be used for reaching their remaining goal. The study of consumer behavior have become a problem for marketers, as they will learn how consumers choose their items and offerings required to satisfy more than one wishes, which are the elements which might be influencing their desire. For this cause Companies now draws closer to on-line advertising due to the fact on line marketing has grown hastily within the final decade. The numbers of peoples turns into very high each day in connecting and spending more time on-line. Additional gadgets (including cellular phones and televisions) are able to provide in addition net connectivity. The rapid generation improvement and the upward thrust of new media and communication channels extraordinarily changed the advertisement business panorama. However, the growing dependency on internet because the closing supply records and verbal exchange, makes it a main advertisement platform. The beginning of online advertising and marketing was in 1994 when Hot Wire bought first Banner on the enterprise's own web page, and later on line marketing evolved to come to be a key issue in which agencies obtain honest returns for their services and products.

Source: http://livertising.net

Objectives of the Study:

1. To understand the core concept of Online Advertising.
2. To Study the effect of Online Advertising on Consumer Behavior.
3. To know the importance of Online Advertising.

Literature Review:

An estimated figure is around Rs. 100 crore worth of ads on the net. Ads on the net are still not paid to the extent of 60-70%. Even billed ads are at discounted rates. The real ad business on the net is still Rs. 25-30 crore. A lot of agencies are coming forward to do net advertising. Clients still are not comfortable with this new medium. On-line media planning is emerging as a new business. In the US, the leading firm is the Double click. In India, firms are Micro media, Media Acope and Intercept. A net can narrowcast and target ads at a sharply defined segment. Some sites have a revenue model based on ad income. Ads on the net have to buy audience rather than space or banners. An advertiser can approach his target through a variety of sites, but with one single media buy. Advertisers can select audiences' location wise, say a BPL mobile ad in Mumbai and Bharati Telecom ad in Delhi. Ads can be targeted to editorial content of the web pages, say cosmetic ads to the health and beauty pages. Ads can be targeted in terms of time, in the afternoon rather than in the morning. Research can increase the effectiveness of on-line communication.

Neelika Arora has published research article entitled "Trends in Online Advertising" in Advertising Express, Dec2004. The global online advertising revenues are expected to touch US $10bn by 2006. In India, the revenues at present are estimated to be Rs. 80 cr. and are expected

to increase six times more within the next five years. In India, Internet as a medium is accepted by a wider industrial segment that includes automobiles, telecom, education, banking, insurance, credit cards, FMCG, apparel/clothing, durables, media, business services and tourism. Out of these, it is estimated that the banking, FMCG and insurance sectors together account for 45% of the total advertising spend. In comparison to this, automotive, travel and retail spend 37% of the total advertising revenue and financial service companies spend 12% only. Some of the top spenders in India are automobiles, followed by brands like Pepsodent, Kellogg's, Cadbury, HDFC (Housing Development Finance Corporation Ltd.) loans and Sunsilk.

In addition to these the early adopters in the field of finance and IT are also increasing their spending. Globally, the trend is that almost 60% of the revenue goes to five firms- Goggle,Yahoo, Microsoft, AOL(America Online Launchers),and Overture. Approximately, 90% of the Goggle revenues come from advertising. In India, portals like indiatimes.com, exchange4media.com, rediffmail.com, etc are attracting major online spender. This article explains demographic profile of Indian users. It also gives the comparison between global trend and Indian trend, which is useful for my research work. Choi and Rifon (2002) were of the view that "rapid growth in online advertising revenues indicates the viability of worldwide web advertising as an alternative to that of traditional media considering internet advertising growth, there is little doubt that the internet is a powerful and viable alternative to traditional media advertising."

Concept of Online Advertising:

Online advertising is a type of mass communication which is based on traditional form of advertising but develops its own communication strategies in correlation with the new technical and medium based requirements. Broadly, online advertising is about delivering advertisements to Internet/online users via Web sites, e-mail, ad-supported software and Internet-enabled smart phones Examples of online advertising include contextual ads on search engine result pages, banner ads, Rich Media Ads, Social network advertising, interstitial ads, online classified advertising, advertising networks and e-mail marketing, including e-mail spam etc.

Types of Online advertisement:

- **Floating ads:** A floating ad is a type of rich media Web advertisement that appears uninitiated, superimposed over a user-requested page, and disappears or becomes unobtrusive after a specific time period (typically 5-30 seconds). The most basic floating ads simply appear over the Web page, either full screen or in a smaller rectangular window. They may or may not provide a means of escape, such as a close button. More sophisticated versions can come in any shape or size and include sound, animation, and interactive components.

- **Expanding ads:** These are ads that expand when users click on them. The ads do not expand just from mousing over hyperlinks, which is a technique used by some other advertisers. They often take a long time to download, which in turn can negatively impact the visitor's experience on that page. Polite ad formats were developed to address this challenge by enabling advertisers to serve larger file formats without disturbing the load time for the rest of the images on the page. A polite ad format is loaded in two phases:
    a. *Phase One***:** The initial load is a compact image or SWF file that is smaller in size, so there is no delay in loading other contents on the page. This could be the first few frames of the ad, or a teaser.
    b. *Phase Two***:** The main load is the full version of the ad. The full ad can have a larger file size. It is loaded only after the whole web page has finished loading into the visitor's browser.

- **Wallpaper ads:** An ad which changes the background of the page being viewed.
  a. **Trick Banner:** A banner ad that attempts to trick people into clicking, often by imitating an operating system message.
  b. **Pop-up:** A new window which opens in front of the current one, displaying an advertisement, or entire webpage.
  c. **Pop-under:** Similar to a Pop-Up except that the window is loaded or sent behind the current window so that the user does not see it until they close one or more active windows.

Internet advertising strategies:

Two strategies useful in this regard include:

a) **Awareness :** "Dukafy" and "Brackets and Et" have expressed awareness is one of the most common permanent strategies on the Internet, especially for sites that have more complex products and purchasers need to larger range of information in related products. To provide more information, which improves the possibility of creating value and satisfaction for a website? (Richard 2007)

b) **Entertainment:** As the researchers suggest that television advertising for products simpler, applies for internet advertising about less complex goods that have require detailed information and resources less to facilitate of purchase. Entertainment model suggested by researchers include different stimuli for the customers to see and stay on the website. (Rettie 2003)

Online Advertising Motivations and Consumer Purchasing Behavior:

Gallarza, M.G., I. Gil-Saura, and M.B. Holbrook covered future idea to concentrating on elements like pleasure, feeling, aesthetics, emotion, and satisfaction to obtain high profitability and consumer motivations. Empirical shows that customer motivation has been shifted from the utilitarian online advertising lookout to improve conceptual of marketing business through convince the customer, increase cost saving and customize the product or services globally. Chiu, H.-C., et al., indicated online advertisement decision must be made up certainly for products benefit and categorization of customer purchase because customer satisfaction and high Loyalty. Chen C. F. and F. S. Chen recognized the customer behavior as goal-oriented and consideration sloping behaviors in business. In the Goal oriented, consumers must have a significant shopping plan in their minds as determination of customer behavior provide information to easier purchase products in business for own consumer. On the other hand, exploration-oriented consumers do not have a substantial plan in their minds because of using easy way to access the browse or window shop by implement of advertising purchase. Concentrating Customer behavior on the advertising is similar to that in physical storefronts, which means that consumers could be performing either search activity, with or without a specific purpose. Lee .K.H. and D. Shin indicated behavior theory because is actual behavior to convince the consumer to purchase. However, it consuming online advertising preparations like transform and dressing up, convenient browsing medium and increases capability. So, consumer behavior effects on purchasing base indicating on goal-oriented and exploration-oriented in

business organization. Finally, the empirical research verified online advertising value to categorize the consumer purchase behavior, such as amount of money to spend and satisfaction procured, influences consumer behavior.

Flow Theory:

Flow theory states elements such as playful, fact-finding, and self-motivating will restructure behavior happiness. It also occupied online advertising because of pleasure customer's gain from the business cycle process. However, flow does not mention to a specific state exactly, it is a constant variable in that various levels of flow can occur. "Some connections within computer facilitated surroundings may be more playful and tentative in empirical documents "Stranahan, H. and D. Kosiel. Ullén, F., et al., stated flow theory created an optimal mentality for those consumers implement individually to purchase the product based on online advertising from market. Moreover, Flow theory effects on limitation period and cost saving to suggesting better customer service because of inherent appearances. On the other hand, customers operating within computer refereed locations to impact of various appointments in different shopping behaviors during various measurements of flow theory based on individual and/or product features to better concentration, creativity, control, and satisfaction in business.

Benefits of Online Advertising:

Online advertising, however, is much less expensive and reaches a much wider audience and will probably give you more profit than traditional advertising. It has a lot of advantages that traditional advertising haven't even dreamed about. This new form of advertising gives such wide possibilities, that it makes your head spin: video advertising, advertising on social networks, mobile advertising, e-mail advertising, banner advertising, Google Search advertising and a lot more. These are the benefits of online advertising:

1. **Less Expensive:** A main benefit of online advertising is that it has a much affordable price when compared with the traditional advertising costs. On the internet, you can advertise at a way more inexpensive cost for a much wider audience.

2. **Wider Geographical Reach:** Online advertising gives your campaigns global coverage, which helps your online campaigns reach more audiences. This will definitely help you achieve superior results via your online advertising strategy.

3. **No Rigorous Payment:** This is another appealing benefit of online advertising. In traditional advertising you have to pay the full amount of money to the advertising agency, no matter the results. In online advertising however, you have to pay only for the qualified clicks, leads or impressions.

4. **Easy Result Measurement**: The fact that it's so easy to measure makes online advertising more appealing than the traditional advertising methods. You can find a lot of effective analytics tools in order to measure online advertising results, which help you, know what to do and what not to do in your following campaigns.

5. **More Targeted Audiences**: In comparison with traditional advertising, online advertising helps you to easily reach the targeted audience, which leads to your campaign's success.

6. **Speed:** Online advertising is faster than any of the offline advertising activities and you can start sending out your online ads to a wider audience, the moment you start your advertising campaign. So if you have a large targeted audience online at the time of triggering your online advertisements, then your ad will be served to majority of the audience in no time.

7. **Informative**: In online advertising, the advertiser is able to convey more details about the advertisement to the audience and that too at relatively low cost. Most of the online advertising campaigns are composed of a clickable link to a specific landing page, where users get more information about the product mentioned in the add.

8. **Better ROI:** Since online advertising is mainly focused on performance based payment, you ROI is sure to be far better when compared with offline advertising. You can also easily track and analyze the performance of your online advertisements and adjust them so as to improve your ROI.

9. **Easy Audience Engagement:** Most of the online advertisement platform makes is easy for the audience to engage with your ads or products. As an advertiser we would be able to get more feedback from the audience and thereby improve the quality of our ads going forward.

10. **Better Branding**: Any form of advertising helps in improving the branding and online advertising stands a notch high in improving the branding of your company, service or

product. If your digital advertising campaign is well planned, you have the chances of getting your brand name spread virally over a larger audience.

Disadvantages of Online Advertising:

The biggest disadvantage of advertising on the Internet is that your marketing materials are automatically available for anyone in the world to copy, regardless of the legal ramifications. Logos, images and trademarks can be copied and used for commercial purposes, or even to slander or mock your company. This is not the case with television and magazine advertising, wherein images must be replicated rather than simply copied electronically. Another disadvantage is the fact that the Internet-advertising gold rush has begun to introduce ad clutter to the Web. Web users are so inundated with banner ads and spam email that they have begun to ignore internet advertising just as much as ads on traditional media.

Conclusion:

The actual impact of advertising is hard to track and quantify for both mass media and the Internet, although interactive technology presents new possibilities for the entire advertising industry. In the case of mass media, there are companies that measure the size of the audience per commercial message, for instance Nielson TV and radio ratings, and efforts are underway to further evaluate the economic impacts of advertising by correlating advertising and an increase in sales. But broadcast advertising is fundamentally inefficient because of its redundancy. In comparison, selecting an audience and verifying the number of people who received a message is relatively easy on the Internet. However, the advertiser still does not know whether the receiver actually read the message or not. Refined measures and methods are being proposed for the Internet. Including advantages of internet advertising can be cited to two-way communication with the audience, relatively low cost, universal and boarding access. Internet advertising is efficient on consumer behavior in process of products purchase. Internet advertising have that fits needs of individuals and contain sufficient information about the product types and could identify consumer behavior with respect to affecting factors and select appropriate strategies, can greatly contribute to the process of purchasing and ultimately customer loyalty.

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