

Impact of online advertising on consumer buying behavior with special reference to electronics industry in Delhi-NCR

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Abstract

With reference to the electronics industry in Delhi-NCR, this study investigates the effects of online advertising on consumer buying behavior. Every electronic brand in India is quite aggressive in influencing consumer buying behavior through online advertising of their goods and services. Companies are beginning to understand the value of producing more effective advertisements as a result of the growth in technology and digital transformation, which has become crucial for them to have a competitive advantage. 168 respondents of all ages who use various electronic items participated in this study. According to the survey, customers' purchasing decisions in the electronic industry are highly influenced by video advertisements and banner advertisements that include comprehensive product and price information. In the electronic industry, companies with strong brand images, service, and durability significantly impacted consumers' buying decisions.

Subject Classification: M300, M370.

Keywords: Online advertising, Consumer buying behavior, Electronics industry.

Introduction

Consumer electronics refers to electronic devices used daily. Laptops, Computers, Mobile Phones, and cameras are examples of consumer electronics.

The most common means of communication between the seller and the buyer is advertising. Online Advertising is an element of the Promotion Strategy that influences the purchasing decision of consumers and creates product awareness in the market. Commonly used mass communication tactics are advertising, sales promotion, and public relations.

Online advertising, often known as internet advertising, is a type of marketing that is done over the internet to send promotional marketing messages to online consumers. Due to its potential to reach a huge number

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of consumers via the internet, online advertising has a significant influence on a big number of online users.

Advertisements supplied over the internet to online users via webpages, e-mails, ad-supported software, and internet-enabled cell phones are referred to as online advertising. Contextual ads on search engine result pages, banner ads, rich media ads, social media advertising, online classified advertising, mobile advertising, display advertising, web banner advertising, and e-mail advertising are the most common types of online advertising.

Review of Literature

Tiwari, Agarwal, and Pandey (2020) conclude that Consumers can benefit considerably from shopping online in terms of convenience and cost savings. Companies utilize the internet to transmit, communicate, and disseminate information in order to sell products, while customers use the internet to evaluate costs, product characteristics, and after-sale service facilities. Experts believe that online commerce has a bright future. Deshpande, Rokade, and Darda (2019) found that commercials have a considerable impact on consumer purchasing behavior. This study can help advertisers in the consumer electronics sector understand what drives a customer's buy intent. It can also assess which aspects of advertising have the biggest influence and which have a lower impact. Ravikanth and Rao (2016) studied buying behavior and post-purchase satisfaction vary among customers for specific brands, and the factors that influence them differ across urban and rural locations. Because India's electronic industry is more vibrant, companies' current marketing mix techniques are well-directed to satisfy customers. Grover and Goyal (2020) discovered through this study that a consumer's purchase of a product is strongly linked to customer reviews and that these reviews play a significant part in online word of mouth. Gandhimathi and Shreeja (2021) found that consumers' behavior patterns are comparable, especially in areas like quality, preference, and decision-making. Customers are aware of electronic items, according to this study, and most of them have become requirements and enjoyment. Advertisements in rural areas should be upgraded much further. Tamilselvan (2015) implicated the marketers to have 24*7 touch with their customers through effective advertisement by keeping in mind consumer's demographic, social, cultural, and psychological factors. The study concluded that there is an effect of advertising on consumer buying decision-making style. Chukwu, Kanu, and Ezeabogu (2019) concluded

that the predictor variables, emotional response, environmental response to brands, brand awareness, and sensory-stimulated advertising, all have a positive relationship with consumer purchasing behavior. The t-ratio for each variable is statistically significant. Malik (2018) reviewed that we can clearly understand customers' purchasing behavior in showrooms. We can see that the showrooms are doing well, and there is a significant amount of rooms for change in this showroom. Meanwhile, there are many new participants.

Objectives of Study

- a) To identify the buying behavior of consumers with respect to electronic products in Delhi-NCR.
- b) To study the impact of online advertising on consumer buying.
- c) To study the potential for development of Online Advertising.

Research Methodology

- **Sampling Size & Method:** Convenience Sampling; which is a non-probability sampling method is used in which 168 respondents were chosen based on their accessibility, eagerness, and approachability.
- **Data Collection:** Primary data was gathered using a well-structured questionnaire which consist two parts. The foremost part contained questions about online advertisement and its impact on Consumer Buying Behaviour and; the second part of the questionnaire contained demographic questions. The data was collected through online mode using social media and e-mail.
- **Geographical Territory:** Delhi-NCR; June- September 2022.

Data Analysis and Interpretation

Table 1
Demographic Profile of respondents

Factors	No of Respondent (N=168)	Percentage
Gender		
Male	93	55.4

Contd...

Female	75	44.6
Age (Years)		
15 to 25	72	42.9
26 to 35	73	43.5
36 to 45	17	10.1
46 and above	6	3.6
Occupation		
Student	48	28.6
Businessman	17	10.1
Government Employee	25	14.9
Private Employee	57	33.9
Profession	21	12.5
Annual Income		
0 to 20,000	39	23.2
20,001 to 50,000	50	29.8
50,001 to 1,00,000	52	31.0
1,00,001 to 2,00,000	16	9.5
2,00,001 and above	11	6.5

Source: Primary Data (Questionnaire)

Table 1 explains brief about the demographic profile of 168 people among which 55.4% were male and 44.6% were female. Among these 42.9% were between 15 to 25 years, 43.5% were between 26 to 35 years, 10.1% were between 36 to 45 years and 3.6% were between 46 and above years. 28.6% were students, 10.1% were businessmen, 14.9% were govt. employee, 33.9% were a private employee and 12.5% are in professions. The income of 23.2% of respondents was up to 20,000, 29.8% of income was 20,001 to 50,000, 31% of income was between 50,001 to 1,00,000 and the income of 12.5% people was 2,00,001 and above.

Table 2
Factors Influenced while Purchasing Electronic Home Appliances

Factors	Price		Brand		Service		Durability		Ads		Personal Experience		New Technology		Recomm.	
	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%
Highly Influenced	95	57	97	58	96	57	93	55	71	43	80	48	87	52	67	40
Slightly Influenced	61	36	62	37	58	35	65	39	70	42	73	43	69	41	82	49
Least Influenced	11	7	9	5	11	7	10	6	21	13	14	8	12	7	15	9
Not at all Influenced	1	1	0	0	3	2	0	0	4	2	1	1	0	0	4	2
Total	168	100	168	100	168	100	168	100	168	100	168	100	168	100	168	100

Source: Primary Data (Questionnaire)

Table 2 shows the responses taken on a four-point Likert scale interprets that maximum responses are in favour of Highly Influenced and Slightly Influenced factors as all the above parameters have a strong influenced over buyers while buying electronic home appliances.

Table 3
Category-wise influence of Online Ads. on Consumer Behavior

	Frequency	Percentage	Cum. Percentage
Video Ads	93	19%	
Playable Ads	63	13%	31%
Banner Ads	95	19%	51%
In-Games Ads	64	13%	63%
Google Ads	66	13%	77%
Flash Ads	61	12%	89%
Social Media Ads	55	11%	100%
Total	178	100%	

Source: Primary Data (Questionnaire)

Table 3 shows that among 168 people 19% respondents were influenced by video ads and banner ads each, 13% were influenced by playable ads, in-games ads and google ads while 11% were influenced by social media ads. This means customers are influenced by the technology and marketers should use more of video and banner ads to attract more people.

Relationship between Demographic Variables and Consumer Buying Behavior

(Using Chi-Square Test)

Table 4
Relationship between the Gender and Importance of Online Ads.

	Value	df	Asymp. Significance (2-sided)
Chi-Square Value	.450	1	.502
Likelihood Ratio	.451	1	.502
No. of Valid Cases	168		

Source: Primary Data (Questionnaire)

Table 4 interprets that there is no significant association between the Gender of respondents and Importance of Online Advertising as the value of Pearson Chi-Square is greater than .05. So, Gender is not a significant factor in consumer behavior.

Table 5
Relationship between the Gender and Victims of Online Ads.

	Value	df	Asymp. Significance (2-sided)
Chi-Square Value	.450	1	.502
Likelihood Ratio	.451	1	.502
No. of Valid Cases	168		

Source: Primary Data (Questionnaire)

Table 5 interprets that there is no significant association between the Gender of respondents and Victims of Online Advertisement through unwanted purchases as the value of Pearson Chi-Square is greater than .05. So, variable gender and victims are not associated with each other.

Table 6
Relationship between the Age and Buying Behavior of Consumers

	Value	df	Asymp. Significance (2-sided)
Chi-Square Value	9.035	9	0.434
Likelihood Ratio	10.122	9	0.341
No. of Valid Cases	168		

Source: Primary Data (Questionnaire)

Table 6 interprets that there is a significant association between the age of respondents and Buying Behavior of Consumers as the value of Pearson Chi-Square is less than .05. So, variable age and buying behavior of consumers are associated with each other.

Table 7
Relationship between the Age and Category of Online Ads.

	Value	df	Asymp. Significance (2-sided)
Chi-Square Value	190.723	210	0.826
Likelihood Ratio	181.889	210	0.920
No. of Valid Cases	168		

Source: Primary Data (Questionnaire)

Table 7 interprets that there is no significant association between respondents' age and the category of online advertisements as the value of Pearson Chi-Square is greater than .05. So, variable age and category of online advertisements are not associated with each other.

Findings of the Study

- 34.5% of consumers preferred the Samsung brand is the most preferred with 34.5% responses.
- 33.3% of consumers purchased AC/Cooler, 28% purchased a TV, and 26.8% purchased a Refrigerator getting influenced by online advertisements.
- 45.2% of consumers preferred Online Shopping, 45.2% of consumers preferred Offline Shopping, and the rest 29.8% of consumers preferred purchasing directly from company outlets.
- Only less than 50% are having attention to an online advertisement in knowing the deals and discounts of different brands.
- 75% of consumers have selected that they are not highly influenced by online advertising.
- 35.7% of consumers selected that they have become the victims of online advertising through the purchase of unwanted items.

Suggestion & Discussion

The online marketer should be more focused on the security and privacy of customers' data. Because of transactional fraud still, most customers feel unsafe while purchasing through online advertising. Online shopping industry needs to work on customer service/support, for retaining customers they should provide adequate resolution to customer queries or complaints. It is recommended that promotional offers be made frequently because consumers are prepared to switch to other brands.

Conclusion

Today's generation cannot imagine their live without the internet and technology, where the internet is presumed to be the change agent for Indian consumers. We are in the era of globalization, and the World Wide Web has been playing the most vital role for two decades. Online advertising is the more frugal, cheaper, faster, and ideal method to advertise products and services locally or globally. It is more convenient, cost-effective, and faster to reach customers through internet marketing. Advertising has undergone a revolutionary change in the present age. Advertisements online play an important role in influencing consumer purchasing behavior. The analysis shows that online advertisements significantly influence consumer purchases. The findings of this study can help advertisers in the consumer electronics sector understand what makes a consumer have purchase intent. In the end, we conclude that electronic home appliance companies should focus on product and price information content in their online advertisements to create awareness and a strong perception in the minds of the consumers.

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