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INTERNET CONSUMERS' PERCEPTION OF ONLINE ADVERTISING

Case
Study

Keywords

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Abstract

Over the last 2 decades, the Internet has transformed our lives, becoming the most frequently used means of communication. Unlike traditional media, the Internet has also become a very important advertising tool thanks to its versatility, interactivity and ability to target relevant consumers. This article analyses consumers' perception of online advertising, based on by research carried out on a sample of 50 participants. This paper will outline trends in the advertising environment in Romania.

INTRODUCTION

Online advertising has witnessed an impressive evolution in Romania, which has determined companies to focus on this branch of marketing and to develop various strategies in the online environment in order to reach the final consumer as quickly and efficiently as possible. Consumers have been very receptive to this phenomenon, but the difference lies in the way companies choose to do this type of advertising. It is a fairly smooth passage from attractive advertising to a disturbing one for users and companies should pay special attention to this, otherwise, the reaction of users may be unfavorable.

The present study focuses on respondents' attitudes to online advertising, aiming to identify their opinion about different ways of practicing online advertising. Considering the crucial role companies play in the purchasing process (i.e. influencing purchasing behavior) it is also essential to identify which are the most effective techniques companies can use.

LITERATURE REVIEW

Digital marketing is currently the fastest-growing marketing component. As a result, direct marketing continues to rely increasingly on the Internet, and digital marketing will account for most of marketing and sales spending (Amstrong and Kotler, 2016, p. 449).

Digital marketing and social networking has registered the largest expansion of direct marketing. It utilises tools such as websites, email, blogs, social media, mobile apps – which are more and more frequently used. In order to reach this expanding market, most companies make use of advertising to sell their products and services, some of them exclusively online (Amstrong and Kotler, 2016, p. 452-453).

Responses to advertising are closely related to its purpose, consumer-mass media relations, execution, general acceptance of advertising, etc. Responses are seen to show an attitude towards the advert itself and an attitude towards the brand. The consumer's reactions to them are influenced by the way advertising is assessed. This assessment implies the adoption of a favorable or unfavorable attitude during exposure (Mooji, 2011, p. 22). In this context it is essential that advertising does not disturb users but attracts their attention and stimulates interest.

Online advertising gives information about a company, its products, services or brands at a cost. Audience may be general or specific (Grosseck, 2006, p. 243). Companies adapt their strategies according to the audience. It is important the way the audience is approached. Thus, in online

advertising, consumers play the role of active participants in building commercial messages by being free to choose what, when and how often they want to see. Interactivity with the consumer is the most important change in the transition from mass advertising to a very precise selection of the target group leading to individual, personalized communication (Grosseck, 2006, p.246).

At present, on-line communication tools are extremely varied and evolving. Be it e-mail marketing, or viral marketing, affiliate marketing, blogs, sites, banners, newsletters, social media, etc., each form of communication contributes to the success of the business.

Gabriela Grosseck (2006, p. 254-268) considers that the most commonly used web advertising methods are:

- Banner advertising (static, dynamic, interactive, vertical banners, etc.);
- Interstitial advertising (pop-up, pop-under);
- Bold advertising (combines aggressiveness with creativity, e.g. simulation in the page of special effects);
- Floating advertising (flying objects, scrolling ads);
- Comparative advertising;
- Local advertising.

As useful as these methods are, some of them have become disturbing to the consumer's browsing experience. This reaction of rejection towards certain forms of advertising can also be caused by the inappropriate manner in which they have been implemented. "Attitudes to Internet advertising have become increasingly negative. Uncontrollable Internet advertising patterns tend to interrupt and irritate Internet users, negatively affecting their attitude towards Internet advertising" (Mooji, 2011, p. 293). Advertising could be aggressive or deceptive, which brings the consumer out of the comfort zone, eventually attracting his antipathy.

Therefore, steps have been taken to avoid it. According to a study conducted by IAB Romania in 2017 on the use of advertising blocking programmes, only 12% of Romanians use such software. The reason was obviously the irritating advertisement that either blocks the content of the site or disturbs through auto-play and the lack of a way to close it. The most affected online activities by aggressive advertising were reading news and watching movies online. The ad-block software standard user in Romania is male (67.7%), aged 18-44 (65.9%), employed in higher education, or private manager or entrepreneur (53.7). Regarding the device used, most software is installed on the desktop, followed by a tablet and a mobile screen.

The explosive success of social networks and blogging or podcasting is also worth mentioning. The popularity of social media is also phenomenal. Through these, companies come in direct contact with communities and their customers. For

example, the informal, bilateral nature of the groups on Facebook is an important aspect for companies. Within a Facebook group, each participant has the opportunity to post information and participate actively in brand promotion (Scott, 2010, p. 292-293).

Blogs are currently the main way through which organizations express their ideas to the market. Their viewers consider the information communicated to be one of the few real and genuine forms of communication on condition they are properly communicated. Interestingly, the public is skeptical about the official statements of executive directors, but they can be receptive to messages communicated by someone who is part of that company, a nonprofit organization, a church, etc. (Scott, 2010, p. 326).

A spectacular stunt in recent years has had mobile advertising, especially because the use of smart phones is explosive. The mobile phone could become the main screen on which advertising campaigns take place, being an extremely attractive option in the development of the communication strategy. Its main advantage, which is also the biggest drawback, is that it can reach users wherever these services exist (Grosseck, 2006, p. 284-285).

The widespread use of the Internet through smartphones has led businesses to adapt marketing budgets in this direction. That is why cyber consumers now have quick access to the information they desire, relevant to them. Communication is two-way process, which increases engagement. When consumers are provided mobile content, their personal space is shared with providers. This "intimacy" between the marketer and the consumer also comes with a responsibility for the marketer, with a negative effect on the brand's reputation. The content must be relevant, useful and enjoyable, but at the same time, it must respect the consumer's personal life. Mobile advertising is much used for making people's lives easier, portable, accessible, always ON 24 hours a day. (Ryan, 2014, p. 209-210).

According to IAB Romania, in 2017, mobile advertising was 42% of the local market, being in line with European trends. It is noteworthy is that Mobile represents 41.4% of total digital advertising investment.

The main functions of online advertising are: information, persuasion and reminders. Information is an important function, making Internet consumers aware of the existing brands on the market, outlining a positive image and targeting the relevant public quickly and at a relatively lower cost than in traditional environments. This function also facilitates the market entry of new marks and the increase in demand for existing ones (Shimp and Andrews, 2013, p.242).

Persuasion occurs when advertising generates changes in the perception of a product/service promoted: when it determines increase in the number of customers but especially when it makes individuals buy. (Prihoancă, 2008, p.54).

Reminder advertising aims to maintain and even enhance the effects of previous ad campaigns. It also keeps interest in the product / service. In general, it is practiced by large firms (famous brands) (Prihoancă, 2008, p.57).

Personalized advertising is closely linked to the concept of CRM, precisely because relationship-based marketing emphasizes customer loyalty and retention, and this must be done in accordance with the fact that each client is an individual entity.

According to Ken Burke (2002), personalization is crucial to commercial success, as consumers have different needs and preferences that need to be met. As far as web experience is concerned, the purpose of personalization is to make consumers feel that the site has been specially designed for their preferences. Online customization uses customer data to segment the right markets to apply more targeted marketing strategies, especially by using cookies (Gay, Chalesworth and Esen, 2009, p.254).

According to the InternetWorldStats report for December 2017, the Internet penetration rate in Romania was 73.5% and an 80.2% penetration rate across Europe. Another study shows the share of households in Romania that have access to the Internet. In 2017, 68.8% of them had access to a home network, with a 3.6% increase over the previous year. Of these, 64.3% are urban and 35.7% rural (Figure no. 1).

However, Romania is among the countries with the smallest share of online shopping, according to ARMO (Romanian Online Shop Association). Although the trend is encouraging (online commerce has registered an increase of 35% in the previous year), considerable investment is needed in the workforce, in the development of digital skills but also in the infrastructure.

It is common knowledge that technology is evolving and rules that seem successful become useless overnight so the main challenge for companies lies in coping with change showing authenticity and engagement.

David Meerman Scott (2010, p.64-65) admits that the new rules are mainly based on the following issues: marketing means more than advertising; people want authenticity; people want to participate in discussions; companies need to guide their buyers with the help of great online content; the dividing lines between marketing and PR no longer exist on the web.

Marketing tools, techniques and content are constantly evolving. This is more about art than science, with consumers rewarding creativity (Scott, 2010, p.318).

METHODOLOGY

The study is based on a quantitative, direct marketing research that aims to identify the trends of online advertising in the perception of Internet consumers (reasons for accessing the internet, frequency of accessing the internet, typology of online advertising, functions of online advertising, influence of online advertising, efficiency of online advertising, reasons for online advertising accessing online advertising etc). The method of collecting information is based on a questionnaire consisting of 25 questions, designed on the EsurveyPro online platform. The sample is made up of both male and female participants, from urban and rural areas, Internet users in Romania. Fifty respondents were interviewed between April and May, 2018.

DATA ANALYSIS

A first objective in conducting the research is to identify users' behavior related to accessing the Internet, an objective pursued through questions Q1-Q7. 74% of the respondents interviewed access the Internet from home, and a slightly smaller percentage, 22%, from work. Also, regarding the device used, most, 78% of the respondents, use the mobile phone to connect to the Internet and only 12% the laptop, respectively 10% a personal computer. As these findings show mobile phone has become the main screen where advertising can capture the Internet users more effectively (Figure no. 2).

All respondents use the Internet daily, and in terms of browsing time during the day, in approximately equal proportions, 38% navigate between 4-6 hours, 34% between 1-3 hours and 28% spend more than 6 hours per day.

When they access the Internet, 66% of users have a specific reason, knowing exactly where to find what interests them. The analysis highlights three main reasons for accessing the Internet: information - 92%, social media - 74%, and entertainment - 54%; e-commerce is in the last place, being chosen only in proportion of 16% (Figure no. 3).

The second objective is the analysis of consumers' perceptions regarding online advertising, results highlighted with the help of questions Q8-Q20. Regarding the typology of online advertising encountered by Internet users, their distribution is as follows: 44% cover advertising, 32% information advertising and 24% reminder advertising. As noticed persuasive advertising is the most widespread in the online environment. Of all these, information advertising proves to be the

most influential, being chosen by 62% respondents, while advertising reminder by only 18%.

As a result of watching an online advertisement recently (previous month), almost equal percentages, 36% of respondents look for more information and 34% do not take any action. Only 10% respond to the advert by buying the product.

Another research objective concerns the analysis of the criteria for accessing an online advertisement (Q11 question). In almost equal proportions, internet users focus on organization's notoriety, personal needs, the attractiveness of the advertisement, the type and size of the advertisement, as well as the information provided and the call to action. However, respondents do not think that personalizing the advertisement is important.

Although some respondents believe that online advertising contains advertisements that distract attention and slow down the page load, over 50% of those surveyed appreciate the fact that it is compelling and provides relevant information. Thus, the importance of advertising is widely recognized (Figure no. 4).

As part of online advertising, personalized advertising also has a major influence on the respondents, 70% of them agree that they are receptive to this type of online communication.

Regarding the preference for a certain form of online advertising, the general tendency is to appreciate the above mentioned forms of advertising, very few of the respondents considering a certain category unfavorable or very unfavorable. Social media advertising (44%) is the most popular form, followed by search engine advertising (42%) and newsletter advertising (42%). At the opposite end, the least appreciated forms of advertising are: mobile ads (16%) and video ads (14%) (Figure no. 5).

Asked how much influence online advertising has on the purchase act, the respondents have different opinions; so the highest share of respondents (40%) is influenced between 10 to 30% by advertising, closely followed by 28% respondents who are influenced by less than 10% and 26% of participants who were influenced by 31- 60%. Only 6% of respondents state that online advertising has a major influence, 61% (Figure no. 6).

Mainly, there is a positive attitude towards online advertising, more than half of the respondents being satisfied with the actions taken by companies in order to promote products/services online, which means that the buying experience is satisfactory. As seen, the answer to the next question, namely Q17, is in line with this. Over 50% of the respondents consider online advertising necessary.

As the negative or far-reaching effects of online advertisements cannot be ignored one of the questions focuses on consumers' use or non-use of specialized programmes enabling them to avoid

online advertisements. The percentages are somewhat close, but the dominant position is held by 56% of those who do not use ad-block software (Figure no. 7).

Although we are all disturbed to a greater or lesser extent by online advertisements, the prevailing response of the people questioned regarding the allocation of a certain amount of money in order to avoid these ads is negative. As a result, an extremely high percentage (86%) state that they are not willing to pay in order to avoid this problem. Drawing a parallel between online and traditional advertising in terms of efficiency, 78% of respondents clearly appreciate the positive effects of online advertising, to the detriment of the second category.

CONCLUSIONS

The study has been proved the high efficiency of online advertising among consumers. An interesting aspect is that companies should take into account the fact that most respondents are accustomed to accessing the Internet from their mobile phones. In this context, commercials have begun to be customized, depending on the devices they access.

At the same time, the study shows that most of the respondents access the Internet for a specific purpose, and the main reason is to find out more information that only the Internet could provide in a timely manner. In addition, the most effective form of advertising remains the information advertising, to which the respondents were most receptive. Thus, we could say that browsers are aimed primarily to obtain relevant information, information that would not be accessible in the offline environment or that would involve additional time or cost.

On the other hand, advertising, regardless of its form should be customized to capture the attention of browsers. According to the study, the personalization of the advertisements is an important factor for the users who, in a proportion of 70%, claim that they are receptive when they encounter any form of personalized advertising.

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Figures & Tables

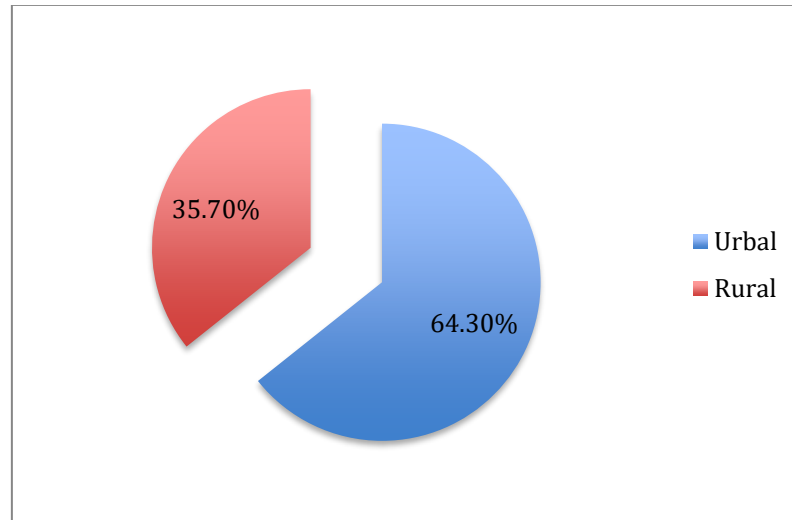


Figure No. 1
Structure of households with access to home internet, by residence environment, in 2017
Source: INS, 2017

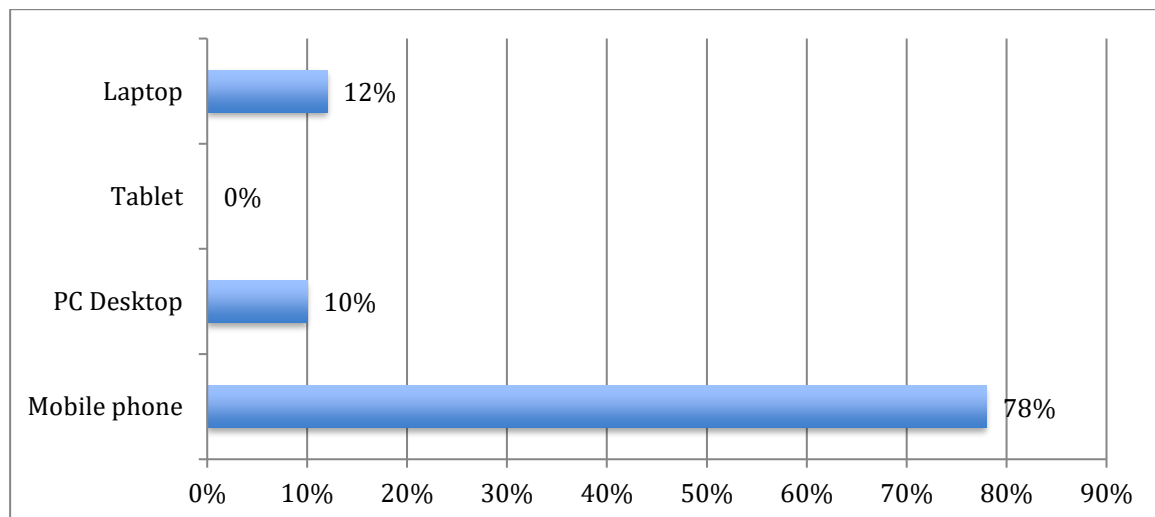


Figure No. 2
Accessing Internet gadget

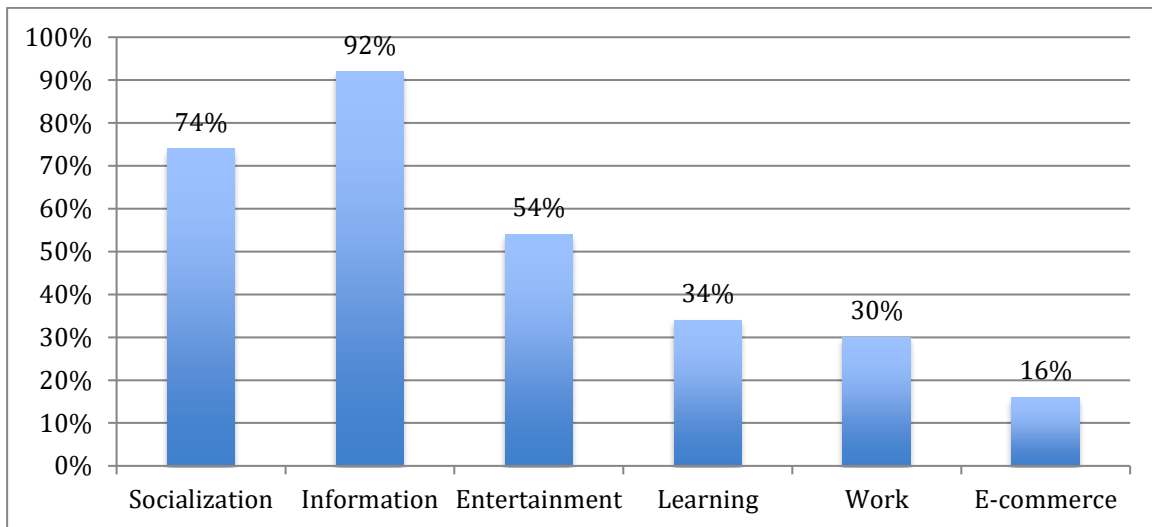


Figure No. 3
Motivation for accessing Internet

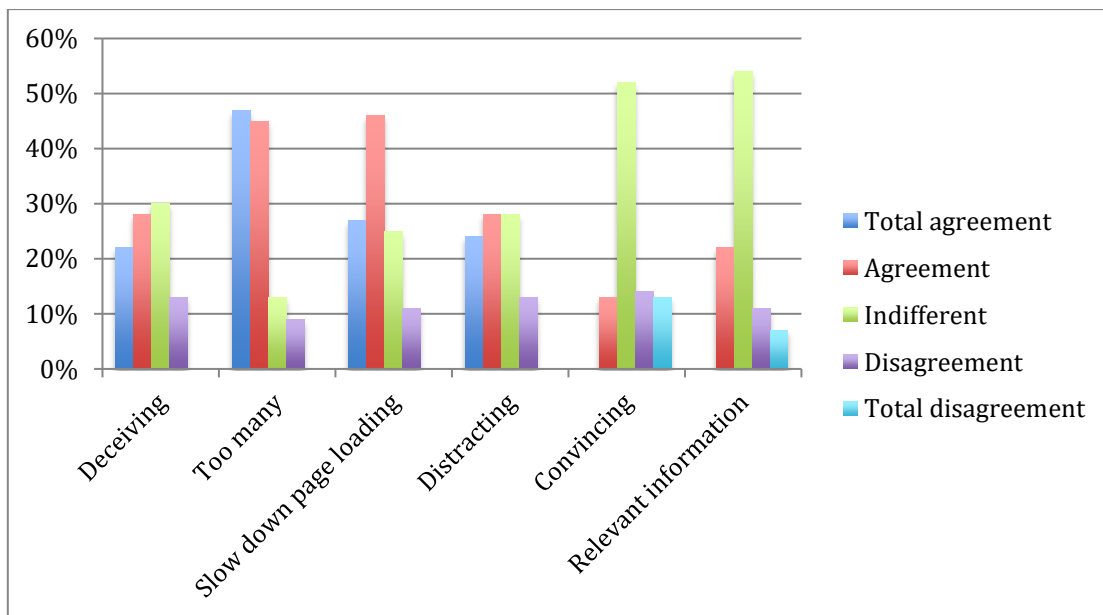


Figure No. 4
Online advertising appreciation

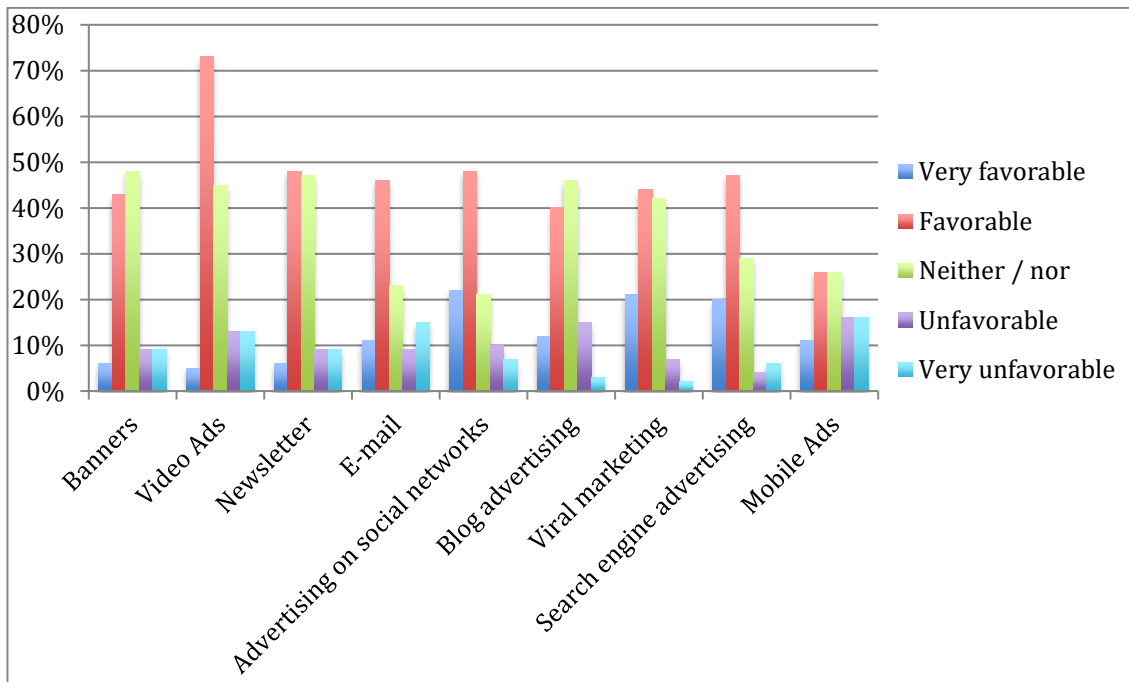


Figure No. 5
Preference for different online advertising forms

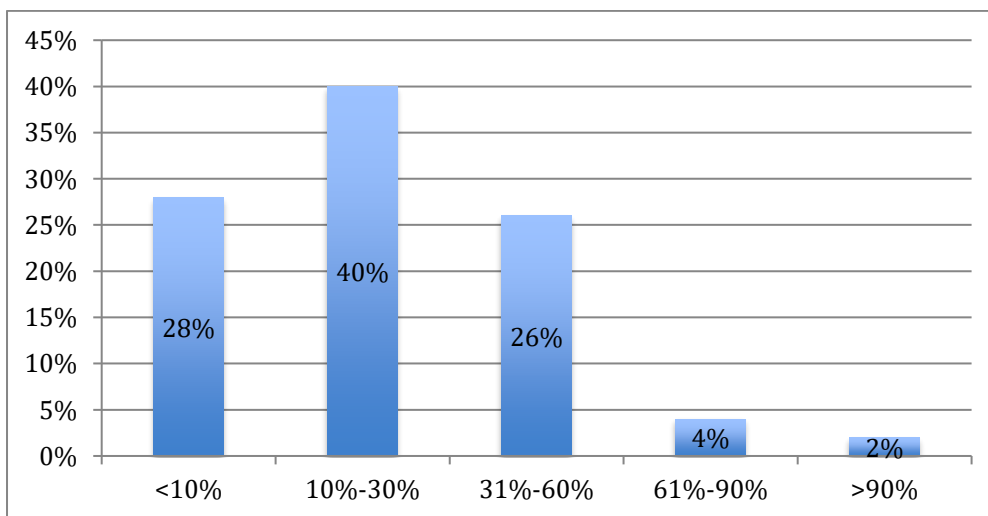


Figure No. 6
Online Advertising's influence on consumers' behavior

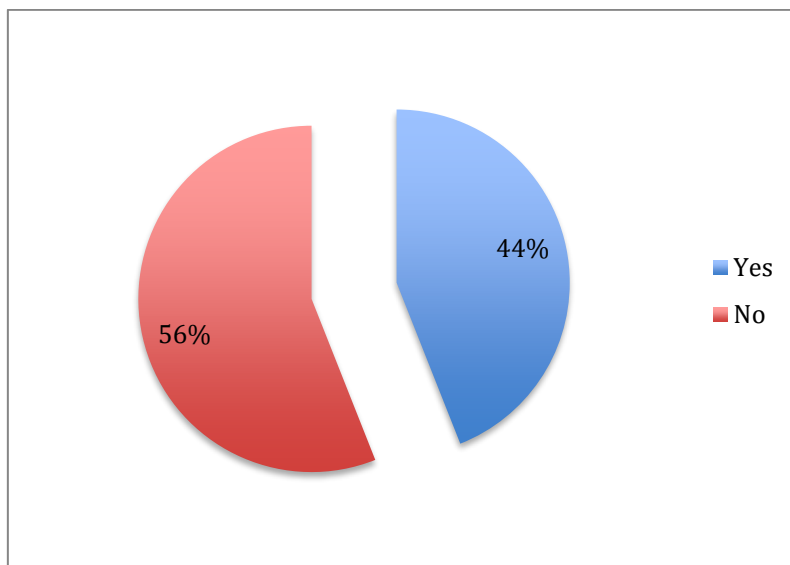


Figure No. 7
Ad-blocks usage