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Impact of On-line marketing on buying behavior – A Study with reference to households in Bengaluru

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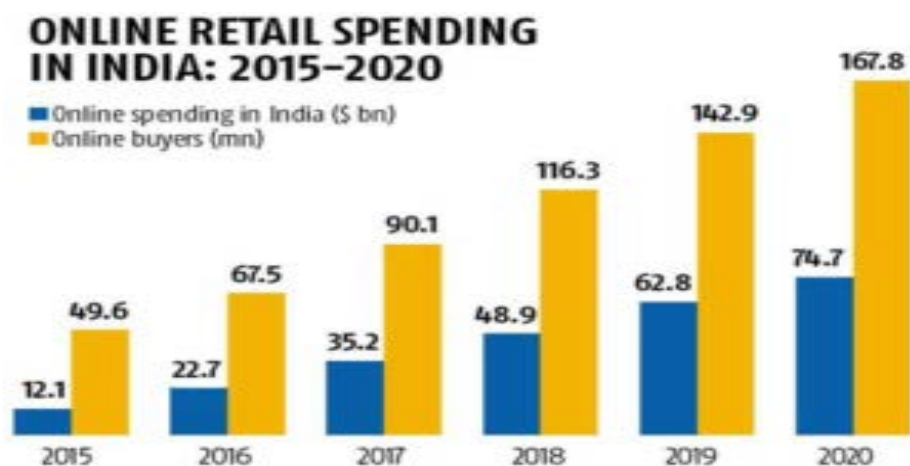
Abstract

The online marketing on both the sponsored and individual websites of the companies has led to the search queries that have led to increased consumer propensity to buy products through multi-channel retailing. Impulse buying driven by the daily deals, offers and the like attract potential and the new consumers. The companies use videos, pictures, stories and the like in providing the information to the consumers at large. The companies should focus on customer engagement and online presence in order to serve customers and satisfy their needs. The present study introspects into the influence of the on-line marketing on the buying behavior of the households in the city of Bengaluru.

Keywords: On-line buying, Retailing, Digital payments

Introduction

Every day we wake up to the news of some of the other company foraying into e-commerce space in India. Google and RIL are announcing plans to enter e-commerce through a hybrid model. These trends point out one thing for sure. E-commerce has huge potential in India. According to Goldman Sachs, India's e-commerce market will account for 2.5% of India's GDP by 2030 and is likely to touch \$300 billion. As per Walmart, total retail will grow at a compounded annual growth rate (CAGR) of around 9% between FY18-23, while e-commerce market in India will grow by around 36%. This, eventually, will increase Indian e-commerce's penetration from 2.1% in 2017-18 to around 6.2% in 2022-23.



Source: Forrester research online retail forecast 2015-2020 Asia Pacific

Fig 1: On-line Retail Spending India: 2015-2020

Factors leading India to be considered a hot destination for e-commerce as compared to the rest of the world are:

1. Technology led purchase revolution

Shopping as an experience has changed in India. In earlier days, shopping was a fun and leisure activity enjoyed with family and friends. Today, it is a solo activity, digitally

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influenced and all about convenience. The concept of shopping anything-anywhere-anytime has given the boost to the e-commerce industry in India. All of this has been contributed by technology. *A report by the Boston Consulting Group says that by 2025, India is expected to have 850 million online users. It also revealed that between 2014 and 2016, the number of online buyers have multiplied seven-fold.* This exponential growth has made India one of the largest consumer base in the world.

2. A rise of digital wallets and online payments

Digital India campaign and Demonetization has spelt wonders for the e-commerce industry. For convenience and safety, regular buyers are parking a fixed amount of money in mobile wallets like Paytm, Ola Money, Mobiwik, BHIM etc. and using it for quick payments. Even banks have come up with their online wallets. There is also growing awareness about using net banking and debit/credit cards. To capitalize on this popularity, mobile wallets and banks are also flooding users with cashback and discount offers.

3. Plenty of festive seasons in India

Being a land of diverse religion and faiths, India has festive and wedding seasons generously spread across the year. We all know that festivals and weddings are synonymous with shopping. It is a boom time for

retailers and because people hardly head to malls these days, online selling is the best option. E-commerce is the now most preferred way of shopping for self and loved ones. *According to Red Seer, in 2017, Festival season generated highest-ever monthly sales for Indian e-commerce at \$3.2 billion.*

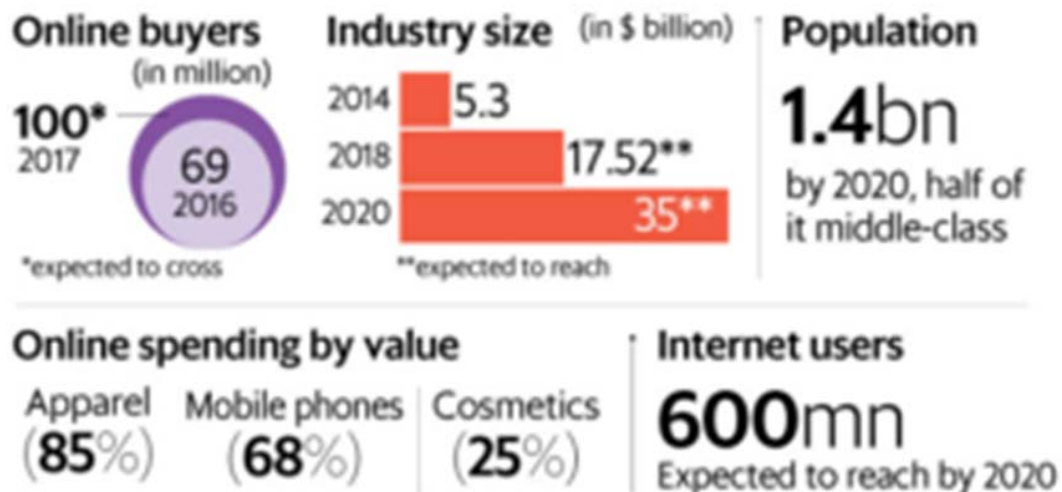
4. Indian shoppers enamoured with discounts

Due to the growing access to a smartphone, 62% of Indians using coupons are on smartphones. This is again higher than Brazil (30%), Spain (22%), Australia (28%) and Singapore (37%).

5. Leveraging the untapped power of small-town shoppers

India has a considerable population in small towns and villages. As per Red Seer, small-town Indians contribute around 41% of all online shoppers. With such a big share, there is a lot of scope and wide consumer base for e-commerce companies to hold ground. The leading players are already launching campaigns to tap the power of rural India. Amazon, under its Project Udaan, has partnered with small stores in rural India, wherein shopkeepers guide customers to shop on Amazon. *RedSeer also predicts that non-metro towns will account for 55% of all active online shoppers in 2020.*

Entry of E-Commerce Players into India



(Source: ASSOCHAM – Resurgent India Study, EY)

Fig 2: India’s E-Commerce Potential

It is an overcrowded sphere for sure. However, the potential that India has justifies the influx of so many e-commerce players. In fact, we could see more of these in the future. It is quite possible that now the e-commerce entrants would start focusing on niche segments rather than being just generic marketplaces. This would also help to maintain market share, earn profits and prevent a price war. The statistics quoted above show that e-commerce has got deeply ingrained in the Indian fabric and shows no signs of leaving. It has one of the largest consumer base in the world with a growth rate that is exponential. Also, the adaptability quotient of the consumer is high.

Online Advertising Types

- **Display**
Display advertising is pretty simple to define: it’s the visual stuff. You’re probably already pretty familiar with them; videos, banners, even the dreaded pop-up are all types of online advertising that fall under the umbrella of “display”. Display advertising include all of the visual ways to get your message across; videos, graphics, banners, sidebars, logos, photos...you get the idea. The display delivery system has come a long way from the early days of internet advertising, and it isn’t uncommon to see ads that are more experiential than

passive, like interactive video ads.

Common types:

- **Frame:** These are your banner and sidebar ads, so named because they “frame” page content.
- **Floating:** Ads that are superimposed over content, that must either be interacted with or closed to access the webpage.
- **Interstitial:** These ads are displayed as a page before a consumer can view click through content, and are usually employed in circumstances where content is being loaded. Consider it the “wait time” music of the internet.
- **SEM**
SEM stands for Search Engine Marketing, and has a few components. Put simply, this is type of online advertising that attempts to increase a brand’s visibility in a search engine when a potential consumer is searching for like products, services or goods. Of all the types of online advertising, search engine marketing has to be one of the most dynamic and challenging to harness. Basically, popular search engines like Google use complex algorithms to deliver searched-for content in their results pages. It obviously pays to be one of the first few results on a popular search engine! However, because these algorithms are constantly changing, staying on top of the search engine optimization (or SEO) methods can be a little challenging.

Common Methods

- **Keyword:** By researching what words and combinations of words people use to search for products and services, you can tailor your own copy and meta tags to anticipate those searches
- **Metrics:** By using Analytic tools, you can determine how popular your website is, your click through rate, and how many pages are indexed on a search engine results page, or SERP.
- **Paid Inclusion:** Probably the easiest way to get on the first page is to pay for a spot. You’ll notice in popular search engines that there are “sponsored ads” up top. These look just like the search results, and can lead a consumer to believe that they are “organic” search results.
- **Social Media**
More and more companies are looking to social media sites like Facebook and Twitter to grow their visibility and fuel sales. Arguably one of the easiest to use but trickiest to master types of online advertising at your disposal.
There are lots of other options available, and you can see that with all of these delivery systems for your online advertising needs, you won’t be short of options when you begin deciding how you’d like to spend your advertising budget. Not only are there a lot of paths to explore, each type of ad system has a number of vendors and suppliers vying for your time and resources. Understanding which sources are reputable, effective, and will give you the most bang for your buck is absolutely vital. Social media marketing is definitely the current sweetheart of types of online

advertising choices that you have available to you. As you probably already know, social media refers to the various online communities and sites that allow people to interact with one another instantly, sharing the information, products, and services that they find interesting over various platforms. Virality, or the exponential rate at which information is shared is what makes social media marketing so desirable—though it can be a little tougher to determine which things actually will spread like wildfire.

Common Methods:

- **Twitter:** This popular “micro-blogging” platform has become increasingly popular among businesses who can use it to advertise, interact with customers, and handle customer concerns all in one place. When people follow you, your activity automatically updates to their feed, which is helpful in promotional events and linking to external sites like your online shop or site.
- **Facebook:** Who *isn’t* on Facebook? By setting up a business page and inviting people to “like” it or share content, you are reaching an incredible amount of people. Facebook also includes virility tracking in it is admin tools for business owners, which can give you an idea of what your ROI will be, especially if you pay for Facebook ads.
- **Yelp:** By far, the most popular place for people to talk about businesses, professionals, and services that they’ve used with other customers. Yelp is also a very popular place for people to check the reputability and service of a business they’re unfamiliar with. There is a lot of potential for growth and retention with this particular platform.

Review of Literature

Abayi (2016) ^[1] aimed at investigating the impact of advertising on online shopping tendency for airline tickets by considering motivational factors and emotional factors. Studies show the impact of advertising on consumers to gradually change their buying behaviors and re-think of the products they buy. Good advertising can cause consumer tendency for online purchases in the marketing process by making use of proper expertise and technologies. The results of the analysis showed that emotional and motivational factors are effective in online purchases. Also, appropriate advertising adjusts the impact of motivational and emotional factors when shopping online. Also, the presented model has good fit and finally, several suggestions are presented based on the obtained results (Abayi, 2016) ^[1].
Mathews-Hunt (2016) ^[14] contend that Online Behavioral Advertising (OBA) comes to the consumers at a price. Often unknowingly, people deliver up commercially-valuable personal information as a condition of online user experience, functionality and access. Websites are increasingly tracking user behaviors for commercial purposes and social media derives its income largely from data collection and advertising targeted to the personal disclosures and behavioural attributes which are their data-production mainstays. In this context, consumers face a plethora of information collection practices, all designed to generate data analytics including inferential and predictive profiling to create a ‘digital identity’ for OBA purposes

(Mathews-Hunt, 2016) ^[14]. Batikas (2019) ^[2] study the effects of a self-regulation effort, orchestrated by the European Commission in 2016 and finalized in 2018, that aims to reduce advertising revenues for publishers of copyright infringing content. Data on the third-party HTTP requests made by a large number of piracy websites lets us observe the relations of the piracy and advertising industry over time. The researches compare these dynamics to a control group of non-advertising services which are not subject to the self-regulation. The results suggest that the effort is limited in its effectiveness (Batikas, 2019) ^[2]. Estrada-Jimenez (2019) expresses that Online tracking is the key enabling technology of modern online advertising. In the recently established model of real-time bidding (RTB), the web pages tracked by ad platforms are shared with advertising agencies (also called DSPs), which, in an auction-based system, may bid for user ad impressions. Since tracking data are no longer confined to ad platforms, RTB poses serious risks to privacy, especially with regard to user profiling, a practice that can be conducted at a very low cost by any DSP or related agency,. In the research work, researchers illustrate these privacy risks by examining a data set with the real ad-auctions of a DSP, and show that for at least 55% of the users tracked by this agency, it paid nothing for their browsing data (Estrada-Jiménez, 2019).

Analysis and Interpretation

The study surveyed 48 respondents representing the people active online who are residing in Bengaluru are surveyed for the research study.

Table 1: Socio- Demographic Profile of the Respondents

Age	N	Percentage
15-25	21	43.75
25-35	12	25.00
35-45	5	10.41
45 and above	10	20.84
Total	48	100
Gender	N	Percentage
Male	29	60.41
Female	19	39.59
Total	48	100
Product Type	N	Percentage
Fashion products	12	25
FMCG	18	37.5
Electronic products	10	20.84
Cosmetics	3	6.25
Others	5	10.41
Total	48	100

The data mustered from the respondents reveals that 43.75% of the respondents are in the age group of 15-25. One-fourth of the respondents belong to the age category of 25-35. Today the smart phone revolution has surpassed the users in all age categories. Direct connection to the Internet through the inbuilt factors has made it easy to the Mobile and

handheld devices have led to swift growth in the E-commerce. The representation of male respondents is 60.41%. Female respondents account for 39.59% of the respondents. The product type that the respondents buy online depicts that one-fourth of the respondents buy the fashion products. FMCG goods bought are by 37.5% of the respondents. The electronic products are also bought online.

Table 2: Online Daily Deals and Individual shopping Experience factors, influencing the Online Buying

Online Daily Deals	N	%
Period of offer	13	27.08
Price of the product	10	20.83
Discount Rate	11	22.91
Product category	14	29.18
Total	48	100
Individual shopping Experience factors	N	%
Solo activity	33/48	68.75
Digital influence	41/48	85.42
Convenience	37/48	77.08
Anything-anywhere-anytime shopping	43/48	89.58

Four factors are identified under the various online daily deals influencing the Online Buying indicate that Period of offer influences the 27.08% of the respondents. 20.83% of the respondents indicate that Price of the Product as an influencing factor. Discount rate offered during festive seasons, during various special occasions and the like also influence the Online Buying.

As online buying is most of the time a solo activity the buyers tend to take it as an influencing factor. Digital influence of the online purchases cannot be ruled out because of the smart phone revolution in India. The ease of online buying as Anything-anywhere-anytime shopping is opted by 89.58% of the respondents.

Table 3: Stimulus to buy products on-line

Stimulus to buy products on-line	N	%
Factor offers	36/48	75
Price	32/48	66.67
Easy Access	36/48	75
Free Delivery	14/48	29.16
Means of Access	12/48	25
More immediate positive feelings	37/48	77.08

The stimulus influencing the buying of products online are identified and date are mustered regarding it price motivates 66.67% of the respondents. There are regular offers provided to trigger the sales. Easy access to the various online buying portal has definitely influenced the online purchases. The free delivery and Mobile wallet payments has led to increase in the E-commerce. The Shopping experience is often more specific and customized that leads to posited feelings towards the purchase behaviour.

Table 4: Motivation Factors

Motivation Factors	To Full Extent	To Great Extent	To Medium Extent	To Small Extent	Not at All
Trust	10 (20.83)	12 (25)	13 (27.08)	8 (16.67)	5 (10.42)
Price consciousness	19 (39.58)	10 (20.83)	8 (16.67)	9 (18.75)	2 (4.16)
Ease of use	21 (43.75)	13 (27.08)	7 (14.58)	6 (12.5)	1 (2.09)
Usefulness	16 (33.33)	9 (18.75)	13 (27.08)	8 (16.67)	2 (4.17)
Large variety of Products	30 (62.5)	12 (25)	3 (6.25)	2 (4.16)	1 (1.84)
Internet time spent	32 (66.67)	8 (16.67)	4 (8.33)	2 (4.17)	2 (2.16)

The factors that motivate and influence online buying indicate that the large variety of products opined by 62.5% of the respondents influencing to the full extent. The internet browsing has become very common as they spend a considerable time on the internet. 2/3rd of the respondents

feel it influences to the full extents. Price consciousness is turned down by 4.16% of the respondents trust is felt by 27.80% of the respondents to be influencing to a moderate extent.

Table 5: Belief factor influencing the Attitude towards online Advertising (ATOA)

	To Full Extent	To Great Extent	To Medium Extent	To Small Extent	Not at All
Information seeking	23 (47.92)	11 (22.91)	8 (16.67)	4 (8.33)	2 (4.17)
Entertainment	19 (39.58)	16 (33.33)	3 (6.25)	7 (14.59)	3 (6.25)
Economy	26 (54.17)	9 (18.75)	7 (14.58)	2 (4.17)	4 (8.33)
Credibility	21 (43.75)	13 (27.08)	10 (20.83)	1 (2.03)	3 (6.26)
Willingness to Share personal data with the brand	17 (35.42)	17 (35.42)	6 (12.5)	10 (10.41)	3 (6.25)

Information seeking by the online buyers gives them not only the knowledge but also diverse options to exercise entertainment industry have got a facelift. The songs, Images and videos are downloaded in huge number every

day. 39.58% of the respondents contend the same. Credibility of the online advertising is opined by seven-tenth of the respondents to be an influencing factor.

Table 6: Opportunities of online Advertising to the marketers

Factors	To Full Extent	To Great Extent	To Medium Extent	To Small Extent	Not at All
Potential for Engagement rate	24 (50)	10 (20.83)	5 (10.42)	8 (16.67)	1 (2.08)
Automatically generating Sponsored Search keywords	21 (43.75)	11 (22.92)	12 (25)	3 (6.25)	1 (2.08)
Search patterns using online stores Internal Search Engine	16 (33.33)	13 (27.08)	13 (27.08)	5 (10.42)	1 (2.09)
Increased Time spent on Internet and Online group buying	19 (39.58)	14 (29.17)	5 (10.42)	6 (12.5)	4 (8.33)

The Internet revolution and the E-commerce boom have gone hand in hand. The relentless internet has increased the user engagement rate. Search Keywords generating the options available automatically provides wide option to the customers. Only 2.08% of the respondents turn down the same. The online stores have got a leap in the recent past. This has been rightly used by the consumers.

Conclusion

The online marketing of the products under different categories has acquired new dimensions leading to branded search queries and mediating role of these queries by the organisations have led to designing of the communication campaigns. The various researches show that the online ads, the shopping propensity have likely to influence the consumers’ beliefs, attitudes and behavioral responses. The smartphone usage by masses have opened up avenues for the business people to strengthen the belief factors.

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