Advertising through Internet: A rising and viable channel of Marketing

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ABSTRACT

Internet Advertising is the most visible component of Internet Marketing. It is a form of advertising through Internet. It is a link between the customer and the Marketing function of an Organization. In recent time, Internet Advertising has become very popular among marketers and consumers. It has an edge over traditional advertising as it overcomes the shortcomings of traditional Marketing by providing expensive and sophisticated tools for advertising. It is advantageous to consumers and benefits them by ease and convenience. The reasons behind the growth of Internet Advertising are increased broadband availability, rising online penetration and the development of Internet and its associate technologies. The study is an attempt to find the advantages of Internet Advertising as compared to Advertising in Traditional media.

Keywords:

INTRODUCTION:

In the present business scenario change has become inevitable. The new world order demands the set of business practices which are innovative, flexible and adaptable. The function of marketing is to be changed view of the ever growing competition. Marketers and advertisers have to make them aware and informed themselves about the latest happening and developments in the market.

In this age of stiff competition and changing social trends the marketers are forced to keep a close eye on customers. It is not possible for companies to compete only by offering product differential. The concept of product differentiation is losing its relevance. Innovation in product developments is bringing plenty of products and services in market. It is becoming difficult for marketing organizations to achieve sustainable competitive advantage. The products and services are becoming obsolete and outdated in a very short span of time.

Adaptability is becoming the prerequisite for companies. Progressive companies are seeking innovative marketing strategies in order to remain competitive and relevant. The Internet technology is playing a key role in transforming the marketing. On the other hand the changes in the socio-cultural milieu have led to the emergence of various new segments of customers for whom time and convenience is the primary concern.

These developments are leading marketing organization to shift from traditional marketing mix to innovative and better alternatives. The marketers have to choose from various media options in order to engage the customers in a meaningful and a rational way. The customer of 21st century has become very choosy in selecting the media. The companies responsive enough to adapt will have a successful growth in the future.

In the wake of these developments Internet Advertising is gaining an acceptance as an innovative form of advertising. It is an advertising of products, services and Ideas through internet. One of the unique features of Internet ad is that in addition to advertising it also provides the channel of shopping the products through same medium by providing online payment facility.

Net Advertising is emerging as one of the fastest growing channel of Marketing. Revenue through internet is increasing tremendously. It is estimated that worldwide Internet sales has reached $1.915 Trillion in 2016. And the trend will go upward in 2010 where the Internet sales estimated for 2020 will be $27 Trillion. (Source–www.emarket.com). Internet users across the world have crossed 3.58 Billion users (Source –
www.statista.com). worldwide is forecast to increase at a fast pace in the coming years. Nearly 170 billion U.S. dollars were spent on digital advertising in 2015. By 2021, this figure is projected to add up to more than 330 billion U.S. dollars. (Source- www.statista.com).

LITERATURE REVIEW:

Krutishah and Alan D’Souza through a book titled “Advertising and promotions an IMC perspective”, have explained the concept of advertising in context to the contemporary scenario of changing socio-cultural trends and modern day business practices. They believe in this age of stiff of competition wherein the concept of product differentiation is losing its relevance innovation and creativity in promotions and advertising will play a crucial role in the success of the marketing. Hollis Thomases in an article, “The Future of Online Marketing”, had explained the growing importance of internet marketing and its future, while he had appealed the traditional businesses to give preference to the concept of internet and integrate its applications into the promotion of their products and services. In an article “commercialization of internet”, S SubaRao while discussing the commercial applications of the internet puts light on the basic conventions of web advertising and giving a comparative perspectives on Internet Advertising and General advertising highlights the salient features that make internet a unique medium of advertising such as global visibility, personalized targeting, accurate count of viewers and respondents, detailed information of online consumers, online payment, multimedia, ease of entry, interactivity, low setup cost etc. In the research paper entitled “Remodeling Marketing Communications in an internet environment “, Jennifer Rowley had discussed the role of internet as medium for marketing communications She had highlighted the dominant features of internet that can transform the marketing of products and services. The important features of internet that influence marketing like 24*7 access, interactivity, narrow casting, worldwide availability of products, personalized marketing etc. were taken into considerations. Dr. Mrs. D. Kamalavani in a research paper entitled “Internet- An emerging Medium of Advertising” describes the emergence of Internet as a medium of Advertising while highlighting the finer aspects of Net Advertising and explained its advantages over Advertising through traditional media. Abdul Azeem and Zia Ul Haque in a research paper entitled “Perception towards internet advertising : A Study with reference to three demographic group” had elaborated upon important factors of internet advertising like entertainment, information, credibility, economy, value and their relationships with consumers attitude. The study was carried out to know the perceptions of employees, entrepreneurs and students towards internet advertising.

Through research paper “The Six Principals of Viral Marketing” has Dr. Ralph F. Billson has explained the growing influence of viral marketing. Wherein he had discussed the important principals and techniques of effective viral marketing strategy in modern business arena. The research paper entitled “Internet Marketing Challenge of Twentieth Century” by Paul Herbig and Brain Hale”, had elaborated upon advantages, issues and challenges of internet marketing. The researcher had described the special attributes of internet as a channel of advertising and marketing. Through research paper entitled “Advertising Values and Advertising on The Web”, Ducoffe R.H. has tried to understand the attitudes of consumers towards internet advertising. The research study elucidates that the respondents have positive perceptions and consider internet advertising to be more informative. In an article blogging for brand SairaKurup has emphasized upon the role of bloggers in marketing. She had explained the concept of blog marketing and its role in the promotion of a brand. Blogs are accepted by online consumers very seriously, since bloggers are independent people who share their opinions and information about the products and services with very plane and credible manner. Blog marketing also helps marketers in gaining insights about ever changing needs and wants of the customers and allows them to modify their marketing strategy. In a research paper entitle “Empirical research of investigation of online users”, Sheng Wen, Cathy Slin, Jean Lin have described the growing popularity of keyword advertising and its role and significance in building the purchasing intentions among the customers. They had highlighted the effectiveness of keywords advertising in identifying the intentioned and truly motivated customers willing to buy the products and services.

STATEMENT OF THE PROBLEM:

All though Internet advertising provides many unique features. It has not emerged as the dominant medium in comparison to traditional media like Television and Newspaper. It has not displaced other traditional media. The present study is aimed knowing the advantages of Internet Advertising it offers and strengthen Marketers in formulating their Advertising strategies.
OBJECTIVES OF THE STUDY:
1. To know the salient feature of Internet as Medium of Advertising.
2. To compare Internet Advertising and Traditional Advertising

RESEARCH METHODOLOGY:
The present study is based on the secondary data collected from the web and print media

Internet Advertising spending worldwide from 2015 to 2020(In Billion U.S.Dollars)

The above chart indicates the Digital Advertising spending worldwide for the period of 2015 to 2020. The digital advertising spending revealed during the year 2015 was $161.77BN. In the year 2016, the share of digital advertising spending was 194.6BNUSD. While in the subsequent year of 2017 expenditure of digital advertising was 229.25 BN USD. The Internet Advertising expenditure projection for year 2018 is going to reach 269.85BNUSD. Whereas for the 2019 it will reach 304 BN USD. The share of Digital Advertising spending for the year 2020 would be 335.48 BNUSD. The figure for the Internet Advertising spending worldwide shows increasing trend for the period understudy.

Internet Advertising spending in India from 2006 to 2016(in million U.S. dollars)

Source: http://acodez.in/digital-advertising-in-india/
The above chart shows the Internet Advertising spending in India for the period of 2006 to 2016. In the year 2006, the budget spent for Internet Advertising was 39 million USD. Whereas the spent on Internet Ad in the year 2007 and 2008 was 46 and 58 million USD. The year 2009 and 2010 witnessed the increase in the revenue spent of Internet Ad to 74 and 97 million USD. Showing an upward trend in year 2011 and 2012, the budget spent on Internet Ad reached the figure of 126 and 165 million USD. The year 2013 and 2014 records the growth of Internet Advertising spending to 364 and 455 million USD. Whereas the expenditure on Internet Ad in year 2015 and 2016 touched 569 and 711 million USD. The internet Ad spend shows an upward trend for the period understudy.

### Distribution of Advertising spending medium wise for the period 2016 and 2017 in India

![Distribution chart](http://acodez.in/digital-advertising-in-india/)

The distribution of advertising spend medium wise reveals that the Television is dominating by constituting 37.8% and 37.2% of the Advertising spend for the year 2016 and 2017. The Newspaper has share of 37.8% and 37.9% equal to that of Television. While the Internet constitutes 12.5% and 14.3% for the year 2016 and 2017. The outdoor media receives 5.6% and 5.5% of the total advertising spending. Whereas the ad expend for magazine comprise 1.9% and 1.7% for year 2016 and 2017. The advertising expenditure for the radio and cinema recorded for the year 2017 was 3.6 and 0.8%.

### Comparison of Internet Advertising and Traditional Advertising:

TheAdvertisements through traditional media do not provide detailed information about the products and services whereas Internet ads are very informative. The Internet Advertisements is a blend of Audio-Visual and Text messages. These ads play a very important role and are effective in persuading the customer to make the purchase decisions. Advertisement through traditional media is basically a one way communication while Internet ad has a feature of interactivity allowing customer to interact with marketers thereby giving answer to the questions raised by the customers.

The Internet Ads can be viewed from anywhere in the world and at any point of time (24/7). The Internet ads help customer in seeking information about International Products and Services. Moreover, the Advertising in traditional media is inherently a one way communication. Whereas Internet ads have the advantage of two way communication and allows the prospective customer to interact with the marketers before making the buying decisions.

An important feature of Internet ad is that it promotes the concept of selective selling by exhibiting the different categories of products by matching their expectations of price range, features, design, genders based models etc. Internet Marketing helps marketers to be better informed about the minutest details of customer’s needs, wants, preferences, values, interests, likes, dislikes, personalities, lifestyles and other demographic details. Thus, enables the customers to make very informed and rational decisions.

In the present business scenario customers are becoming concerned about their privacy issues. People are bombarded with sales calls, Ad clutter, client emails and personal email. Usually the customers ignore such types of unsolicited marketing communications. They also have the apprehensions regarding the misuse of their personal information. So the prevailing trend is to obtain the permission from the recipient before sending marketing communications to them. It is widely done by way of E-mail Marketing. “The modern day consumer
The fiercely competitive business atmosphere force organizations to keep a check on the marketing activities. Marketers have to be sensitive about the performance related to market share, advertising expenditure, and the response elicited by advertising and direct marketing. All these issues fall in to the domain of an Accountable Marketing. These issues are taken into consideration through utilities like tracking records of visits to websites, website conversion, data analytics; social media metric etc. The traditional advertising focuses on one way communication. Marketing communications are communicated in the form of direct mail, brochures, and advertisements. With no or little scope for customer feedback or interaction. The effectiveness of the traditional ads is difficult to measure. The traditional media lacks the ways and means of knowing exactly the effect of Ad on the customer. The Internet and its associative technologies allow marketers to effectively measure the responses of customers towards an advertisement in a very short span of time. The internet ads are cost-effective and highly flexible compared to traditional advertising methods. It can reach to a wider audience and can be accessed for a longer period of time. It helps marketers to modify the Ad content and change the marketing strategy in relation to the need, wants and preferences of customers. As an advertising medium it helps marketers to place different versions of Ads on it and enable them to measure the reactions of customers in a very accurate manner. It is indeed a very remarkable feature of Internet ads which allows marketers to choose the most appropriate and effective Advertisement. The marketer is in a position to get the exact viewership of the ad and thereby know the effect of Internet Ad on the sales of the products or services in a very objective and precise way. Larry Cleary, president and CEO of Software company inspector says, “Welcome to the performance economy where marketers know their daily conversion rates, conversion per campaign , online revenue per conversion will thrive, while those who don’t get it will die on the vine”.

In Internet Advertising the customers are given more privileges. In most of the Internet ads the customer is given the full control over advertisements. The behavior of the online customer is goal directed wherein he does not want any distraction while browsing the Internet. The customer has the discretion whether to access the ads or avoid. While traditional ads are directed and imposed upon the customer without taking into consideration his willingness to receive the ad messages. The traditional ads are generally aimed at inappropriate and disinterested audience. The availability of Internet and its interconnectivity allow the customer to access the ads on it from any place in the world. Global visibility, round the clock availability and access has made a Internet ads unique and superior form of Advertising.

“One fundamental difference between internet and Traditional advertising is the degree to which the consumer verses the company has control over advertising”.

The traditional advertising is becoming very expensive. It is also getting affected due to the ever growing issue of Ad clutter. While Internet ads are doing well on these parameters and becoming very effective. The application of Advanced Internet Technologies like java and shock waves enable marketers to create ads at par with T.V Ads having Audio visual contents, high resolution effects with three dimensional views. These ads are more entertaining, informative, enticing and compelling as compared to traditional ads. Advertisements through internet combine all the features of traditional advertising along with some inherent and extra benefits. According to Bill Gates, “Net ads will evolve into hybrid combinations of today’s TV commercials and infomercials, magazines ads and detailed sales brochure”.

Internet advertising helps in tracking the customer interaction in a very precise way. The facility of online payment through credits makes it more worthy. It gives the customer freedom of ordering and buying the products or services immediately on the spot from the place of his convenience. The Ad in traditional media lacks this utility; it takes a longer lead time to motivate the customer to purchase the products and services. Internet ads can be highly effective in increasing the sales of products and services in short period of time. Moreover it involves the chain of functions having different set of physical Infrastructure. In a conventional business setting, the marketer is required to build the close linkages and coordination between different agencies including advertising involved in the marketing process to ensure the smooth selling of the products or services. A small mistake occurred at any point of the marketing process can stop the customer from making the purchase. Even the best Ad in traditional media cannot guarantee the sales of the products. The Internet ads act as an interface of the online Marketing having a link to the shopping portal with a utility to pay online through credit cards. The ads on the internet are very effective in building strong purchasing intentions. “With a few clicks, a piece of online ads transforms into the market place of online business transactions.”

The business trend in the contemporary scenario is towards targeting the customers individually. An individual customer differs in his needs wants, desires, preferences, perceptions, likes, dislikes etc. It is not possible to
reach the customer in a personalized way through advertising in traditional media. The reach and scheduling of the traditional advertising often do not match with the timing when the customer wish and intends to do the shopping. The advertisements in the traditional media have to depend on the media with regards to timing. So it is quite difficult to reach the audience when they are in buying mood.

The Advertisers can apply techniques like data warehousing, analytical tools, and server technologies to obtain customers’ information. The Advertisers get deep insights about the customers’ needs, wants and preferences. This will help them to make appropriate and necessary changes in the Advertisements matching the requirement and expectations of an online customer in a real-time environment. Thus, it equips the advertisers to expose the right message to the customers who are intentioned to buy the products or services. To put in the words ePrize CEO Josh Linkner “Consumers want to be served on their terms, not the advertisers”. The winners will be the companies that not only serve the customers’ needs today, but who can anticipate and suggest solutions to the customers’ future knowledge.”

The unique features of Internet advertising is its ability to hold a huge customer base through one of its form Search Engine Marketing. SEM and SIO has become a the most extensively used method of information retrieval by online customer. With its marketing application it can drive a huge section of potential customers to make the purchasing decisions. As compared to other techniques of Internet advertising it considered to the most effective and popular. It provides higher return on Investment and lowest cost per Acquisition (CPA) than any other form of Advertising and Promotions. An International survey (OCLC 2005) reveals that 89 percent of people who search on Search engine and Google are college students. Among these two they consider Google as their favorite. Similar trend is indicated by faculty and researcher (Schonfeld and Guthrie, 2006). According to many research studies is found that 80 to 85 % web users use search engines as a tool of first resort. To put in words of Elliot Anderson from Alcatel at the university of Toronto, “The real value of this marketing (Internet Marketing) is the captive public factor. Remember there is no communication channel in this Industry that could manage millions of people looking for something”.

Advertising through traditional media includes sequence of activities to make purchase intention among the intended customers. The process of traditional ads begins with eliciting attention, then creating interest and desire. In the final stage it takes to the stage of action wherein he intends and makes the purchase. This process generally requires longer time and there is a possibility that customer can switch on to some other products and services. On the other hand, the keyword Search Advertising holds an intentioned audience having a genuine interest. In this form of an Internet advertising prospective customer is dealt differently. The process of search engine begins with the customer having an intentions regarding purchasing a product. On inserting the key word related to the products or services the customer looking for, he gets the list of brands in the said product category. The techniques of search engine optimization helps in raising the rank of the product at the top in the given product category. Through search engine advertising the advertisers can reinforce the customer and assure him that the advertised products are much preferred in comparison to other alternatives. The internet marketers are looking for top ranking and displays of brand visibility in the search engines. Hence, Internet advertisements are audience specific, and viewed by the intentioned audience only. “When a consumer intends to buy a product, he may use a keyword search to acquire information on that product, therefore, the intention to purchase exist before the intention search.”

The concept of viral marketing or viral advertising is growing as an innovative trend in Internet advertising. It is a novel activity of marketing where in the customer shares the responsibility of sales agents and promotes the products or services. It is also referred as network-enhanced word of the mouth. In essence, viral marketing describes any marketing strategy or tactic that encourages individuals to pass on the Marketing message to others. The effective execution of Viral Marketing results in the percolation of messages like virus. In line with many online activities it is based on well researched offline business concepts. In traditional Marketing, Viral marketing is referred as ‘Word of mouth’, ‘referral marketing’, and ‘network marketing’. It is based on the natural human behavior of propagating messages by referrals, recommendations, or simply propagation by attachments. The concept of Viral Marketing essentially depends on the Social Networking Sites like Twitter, Facebook, LinkedIn, Instagram, Orkut etc. Online Social networking has become a regular habit among the people across the world. The emergence of YouTube has brought an incredible change in the world of advertising. In advertising through traditional media, it is the advertisers’ or the ad agency’s responsibility to create the advertisements. The flow of ads begins from the advertiser to the audience, viewers and readers. But, YouTube has brought a paradigm shift in the concept of advertising by allowing customers to create ads on their own and upload. These types of ads are called as consumer generated ads. The application and importance of ads created from YouTube can be understood through its bandwidth requirement. It is observed that you tube
uses the same bandwidth that was required for using the whole internet in 2000. Recommendations from personal acquaintances or opinions posted by consumers online are the most trusted forms of advertising. (Source: www.nielsen.com) “Like tiny waves spreading even farther from a single pebble dropped into a pond, a careful marketing strategy on social network site ripples outward extremely rapidly.”

The concept of blog marketing has become very common feature of online marketing often people check the blogs read products reviews and then make the purchase decisions. Independent reviews by bloggers have a very deep influence on the buying decisions of customers. It is very effective in developing a positive perception for products and services. Bloggers have the following of millions of customers. It plays a significant role in informing the customers of about the recent trends and concept of latest products in the market. It gives a detailed description of new and innovative products and also keeps the marketer informed about consumers’ perception. It is a kind of online opinion leadership that decides the response of the customer towards products and services. “Many companies are connecting the customers through bloggers, who are increasingly swaying your buying decision”.

An individual will remain fully involved while borrowing the internet. He gets into a cognitive state of mind and develops a flow experience. The level of concentration of online users is higher and does not get irrelevant perceptions. The customer while browsing is free from distractions and gets into state of mind which is perfectly open, uncultured and receptive.

The consumers can quickly receive any communication. Internet advertising can easily occupy the space in the mind of customer. The flow experience during online browsing holds captive audience who are highly receptive of the Internet ads. “The fun in one’s flow experience significantly affects the person’s attitude and intention regarding making online purchases.”

The present day customers are more conscious about the natural environment and like to prefer business organizations which follow environmentally and ecological friendly practices. A socially responsible and progressive organization will never indulge in activities that are harmful to the natural surroundings. The disappointing feature of traditional advertising with special reference to print advertising wood is used by cutting down the trees. The outdoor advertisements spoil the natural look and serenity. It is very common to see posters and hoardings in the city and its outskirts on the highways. Eco friendly ways and mean of is becoming the part of business culture. Whereas the Internet advertising does not have any ill effect on the environment.

CONCLUSIONS:

The internet advertising channel is growing at a very rapid pace. In recent time various forms of Internet emerged are Banner ads, Rich Media Banners, Popup ads,Interstitials paid text links, Sponsorship, Target Sites, Webisodes, Viral Marketing, Search Engine Marketing etc. These ads are more goal oriented, task oriented, inter connectivity oriented, informative, entertaining and effective in comparison to advertisements in other media. The distinctive features of an Internet that make it a superior media of advertisements are interactivity, Global visibility, 24/7 access, low set up cost, entry. Thus, Internet ads provide the combined features of traditional advertisements along with extra benefits by overcoming the shortcoming and weakness of advertising in traditional media.

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