Determinants of Online Advertising Effectiveness in Service Industry: A Research Gap Analysis

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Abstract: **The growth of internet is seen in a very fast rate in terms of its users as well as its application, reason is its unique characteristic of interactivity, personalization and flexibility. Internet has change the style of doing business it provides the facilities to offer the products and services to the consumers with no range of limit and that to at any time and any place. This was not possible with the traditional form of advertising, internet has provided the new medium to the advertising industry in this way we can say that it has brought an important change in the daily lives of consumers. Organizations are spending a huge amount of money into the online advertising to get better return on investment. If we look from the consumers perspective web medium has provided them ample amount of information regarding various products and services. It attracts the consumers because they have more control over it regarding viewing of advertisements according to their choice and convenience. Various companies are adopting digital technologies or online medium for their advertisement purpose reason being advancement in the computer technology. Online medium provides greater control and flexibility over advertising material that is why internet has become the popular platform for advertising. The present paper is an attempt to find the research gap analysis on determinants of online advertising effectiveness in service industry.**

Keywords: **Online Advertising**

1. Introduction

Advertising is defined as "the paid and media intermediated attempt to convince" (O'Guinn et al, 2003) or, according to other authors as "a form of structured and impersonal communication, composed from information, usually persuasive in nature, regarding the products, in the broad sense, paid by an identifiable sponsor and transmitted through various media" (Arens, 2002). Latest development of the electronic mass medium of the 20th century is internet. Advertising has got a new platform called World Wide Web for it. It is a network of computers sharing a communication protocol for the exchange of information, which is operating in a decentralize form internationally.

"According to Crystal (2003) www is collection of computers linked which each other through the internet which provide the mutually access to the hold data. The content and number of websites are increasing in a vast number".

"Kuhlen(1991) websites can be accessed in the following ways.

- Through the hyperlinks like text links web ads, pictures etc.
- Users can type the address in URL of websites, this type of search is a concrete search in which users need to know the precise URL.
- Users can make use of search engines. It enables the users to search for keywords on the web. Matching results are shown in the form of hyperlinks (Example: Google)"

Regarding online advertisements and information consumers generally search for the information by having certain goals in their mind and this goal become the influential factor for their individual behaviour and responses. (Smith, 2002).

"Various companies are adopting digital technologies or online medium for their advertisement purpose reason being advancement in the computer technology. (Calisir, 2003)". "Online medium provides greater control and flexibility over advertising material that is why internet has become the popular platform for advertising (Ducoffe, 1996)".

"Scholars and practitioners are taking full use of internet to maximize the value of this new medium for communication. Internet is also used as an effective and efficient marketing communication tool (Rodgers and Thorson, 2000)". "Research is required to identify the role of advertising as a medium or a tool also is needed to determine the true value of commerce on the internet (Berthon et al., 1996; Bezjian-Avery et al., 1998)".

"Online advertising has become the popular medium for the organization, a research in the field of internet would help to determine the effectiveness of online advertising (Joines, et al., 2003; Yoon, 2003)".

"Advertising on the internet can be delivered through any channel in any format and an information can be obtained at any degree at any point of time, so effectiveness of online advertising to make online shopping or purchase needs to be examined (Schlosser et al., 1999)".

"Online advertisement contains various features and formats

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and it is delivered through video, print and audio. It includes the websites, e-mails banners advertisement, pop-ups, hyperlinks and floating advertisement (Ducoffe, 1996; Goldsmith and Lafferty, 2002; Korgaonkar and Wolin, 2002; Wolin and Korganokar, 2003)".

"Online medium of advertisement is totally and different as compare to the traditional form of media and advertisement. The models and concept of old form advertisement is not applicable here (e.g., Hoffman and Novak, 1996). The important feature of online advertisement is that in this many-to-many form of communication is possible as against to traditional form, in which most of the form are one-to-many. Consumers can also interact or communicate with the product, service providers and with advertisers because of many-to-many form of communication, earlier it was not possible".

Table 1
Forms of online advertisements

Types	Description
Floating ad	floating advertisement appears in a layer over the content, but is not in a separate window
Expanding ads	These are ads that expand when users click on them.
Wallpaper ads	Ad which changes the background of the page being viewed.
Trick Banner	Banner advertisements a graphic image or animation displayed on a Web site for advertising purposes.
Pop-up	New window which opens in front of the current one, displaying an advertisement, or entire webpage.
Pop-under	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.

A. Online advertisement and Service industry

Table 2
GDP Distribution of three sectors for 5 years

Financial Year	Agriculture & Allied services to Total GDP (%)	Industry share to Total GDP (%)	Services Share to Total GDP (%)
2011-2012	18.53%	22.92%	58.55%
2012-2013	17.845	22.71%	59.415
2013-2014	17.78%	22.32%	59.92%
2014-2015	16.53%	22.51%	60.96%
2015-2016	15.38%	23.33%	61.29%
2016-2017	15.26%	23.69%	61.05%
2017-2018	14.82%	23.46%	61.72%

Source: Handbook of statistics of Indian Economy (RBI Reports2017-2018)

Among the three main sectors of Indian economy service sector is the fastest growing sector. This sector took a boom after the 1990s, the new economic reform give boost to this sector. It is estimated that one in two Indians are earning their living from services only. It plays a dominant role in our lives. This sector is more diversified ranging from household to hospital services. India's services sector is still growing at much higher rate as compare to primary and secondary sectors of Indian Economy. In 2011, service sectors contribute was 58.5 percent and it rose up to 61.72% in the year 2017-18. The above figures reflect how service sector is empowering our economy over the other two sectors of economy. In recent times Indian service is a major contributor to national income as well in generating and providing employment.

We can interpret from the above data (Table), that post liberalization has flourished the entrant of multinational companies in India with certain liberal policies and thus it rise the service share to total GDP with lots of employment opportunities as well. As we can observe (Table) that the rate of contribution of GDP for Agriculture and as well as Industry is slowing down gradually, but certainly the Service Sector is on continuous fastest growing stage.

Table 3
Advertisement Shift- From Traditional Media to Digital Media

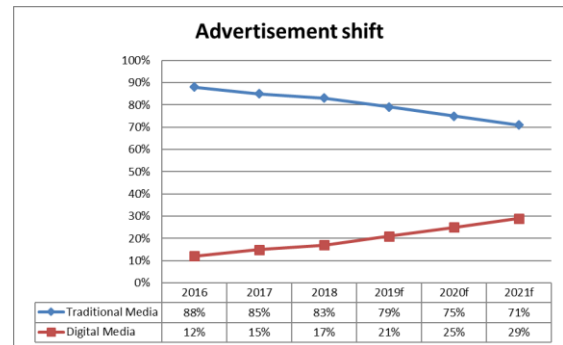| Years	2016	2017	2018	2019f	2020f	2021f
Traditional Media	88%	85%	83%	79%	75%	71%
Digital Media	12%	15%	17%	21%	25%	29%

Fig. 1. Advertisement shift (Source: dan-e4m-digital ad 2018 report)

"The above figure illustrates the changing trends in traditional and digital media. A shift in the line can be seen in both the forms of media, Traditional media line is going downward year by year whereas the line of digital is moving upward year by year. This shows how the advertising industry contribution is shifting from traditional to digital media".

2. Review of literature

Zeithmal (1981) This study was done to found out the determinant of brand loyalty for the products and services. The major determinant found were past experience or satisfaction with the brand, cost of switching or exchanging the brand, risk associated with the purchase and access of substitutes.

Brown and Stayam (1992) and Heath and Gaeth (1993), Study was focus towards the liking of online advertisement. It was found that if the consumers like the online advertisement it creates a more interest for the products and brands advertised digitally and also when the consumers have interest for a particular product and service then will automatically indulge in analysing, evaluating and comparing that particular product and service.

Novak and Hoffman (1996) Study reveals that consumers response towards online advertising or advertising on the internet in a similar way as they respond towards the traditional media advertising. Effectiveness of the advertising is also at the same par. Interactive media like television and internet have been responsive and more powerful than other traditional media (port 1999).

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Ducoffe(1996) has studied about the perception of internet users towards the online advertising. People responded that online advertising is informative, useful entertaining, important and valuable.

Briggs and Stipp (2000) This study was based on the effectiveness of various types of advertisement formats. Findings were internet advertising is a form of communication which is intended to give a response over time. Understanding of Internet advertising will help in the effective integration of internet advertising and traditional advertising in doing the campaign of marketing it will also help in the development and use of different formats of advertising.

Zeithmal and Gilly, (2001) They have investigated on technology and its growing influence in consumer's interaction in the marketplace and also have witnessed the same. They have done their investigation on elder people and found that they are less resistant to change. They have shows their concern towards elder people that the technological changes are required in marketing so that they will accept and resist change. Superior efficient and effective technologies must be offer to them in such a way that can speed the adoption process with in the elder people.

Menon and Soman (2002) Study was focused on the curiosity and its power with reference to internet advertising effectiveness. Findings were curiosity among customers compel him to search and spent time on the internet ad if more attention will be given to for specific product information it will result in a more focused memory and recall of the advertisement. They have suggested that if we have to increase the customer's interest then such a strategy should be made which will generate more curiosity towards the internet advertisement.

Newman et al., (2004) This study was made to found compatible between the websites and a banner advertisement. Attitude of customer towards the website will be enhanced when websites and banner ad are congruent with each other, means advertisement must be fit with the websites. For example if some luggage ad is placed on educational website it will be a misfit because the customer will not be interested to see this on such type of website if this ad should be placed on some tour and travel website it will make some significance. I may affect the attitude of customer towards the website because it predicts the post purchase behaviour.

Singh (2012) Study was conducted to know the advertisement impact of aerated drinks on their brand preference. To conduct the one hundred fifty respondents were considered. Findings were yes advertisement do impact the behaviour of consumers and the choice of their brand. Buying behaviour of consumers influenced by the product brand regardless of the price. The advertisement which influence the consumers buying behaviour have higher recall rate.

Onyeka and Asemah (2012) This study was based on mew media types. In this study use, prospects and challenges of new media were evaluated with reference to election campaign and

political advertising. Here the new consider was the internet and mobile phones. A survey was conducted and two hundred students, politicians, P R practitioners were involved. The result found was now a day's political parties are using internet especially among all the media types for political advertising and campaign. Reason found was internet and mobile phones are having wider and effective reach and can easily and efficiently approach to the prospects.

Brahim Salem Ben (2016) Study conducted on internet users to assess the advertising value on attitude of customers, to understand its impact and to determine its effect on purchase intent. In online advertising information plays an important role and it positively affects the customer. Also credibility acts positively to make attitude towards it. On purchase intent any direct significant effect was not found on perceived value of customer. Perceived value only affects indirect purchase intention of customer and which is because of attitude of customer towards the online advertising.

3. Gap analysis and future reference

Online advertisements have emerged has new medium for advertising, where consumers can see the advertisement according to their choice because of its easy customization and any time according to their convenience. This form of advertisement is cheaper as compare to the traditional advertisements. A large text of research is available on online advertisements. Theoretical framework of previous study showed there is a gap regarding online advertising effectiveness for service industry. Previous studies reveal customer perception, attitude, branding, prospects and challenges of online advertisements and comparison of traditional and online advertisements. In the following area there is substantial chance of research and analysis.

- How effective online advertising is and what are their determinants still needs a closer analysis.
- Most of the research is done in a product segment (Manufacturing industry) while the service industry is untouched as in comparison to its growth and contribution in country GDP.
- Various demographics factors like age, gender, education, occupation and marital status and its impact on online advertising effectiveness with respect to service industry
- Further study can be done on the usage of internet by the Indian consumers because it will decide the scope of online advertising.
- Role of consumer's perception and attitude towards the online advertising of services and its effectiveness.
- Recall of online advertisement by consumer will decide its effectiveness, if consumer remember or call an advertisement easily than it proves to be an effective advertisement.
- Consumer response on credibility aspect is still untouched in online advertising. It is a matter of major

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concern as we are looking the number of cyber frauds are increasing day by day.

- Barriers in the effectiveness of online advertising, its identification and removal will increase the effectiveness of online advertisement especially in intangible form of products i.e. services.
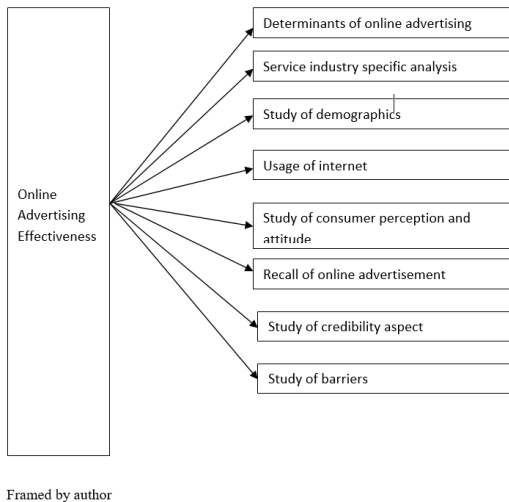

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Fig. 2. Pictorial representation of gap analysis

4. Conclusion

The paper presented a research gap analysis on the determinants of online advertising effectiveness in service industry.

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