

# A STUDY OF THE ROLE OF ONLINE ADVERTISEMENTS IN THE GROWTH OF MODERN BUSINESS IN TAMIL NADU STATE

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**ABSTRACT:** Online Advertisement and promotion are an integral part of any business organization. Over a period of time advertising has evolved as a vital communication system for both consumer and business markets. The ability of advertiser depends upon how carefully prepared messages are delivered to target audience. From large multinationals to small retailers, all increasingly rely on advertising and on various forms of promotion to help them market product and services in the most efficient manner. Creativity is required not only in designing an Advertising campaign but also in media planning. A number of Media types and Media vehicles are increasingly being used in complement to each other so as to reap the maximum benefit. Internet as a medium of advertising is increasingly being used to target the Net subscribers i.e. youth segment of the market. In the study presented here, the author has thrown light on the evolving topic of Internet as a medium to assist in Promotion and Marketing through its various types and advantages.

**Keywords:** Internet Advertising, E-mail Ads, Search Engine, Pop-up

## 1. INTRODUCTION

Online advertising, also called online marketing or Internet advertising or web advertising is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. Consumers view online advertising as an unwanted distraction with few benefits and have increasingly turned to ad blocking for a variety of reasons. When software is used to do the purchasing, it is known as programmatic advertising.

It includes email marketing, search engine marketing (SEM), social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. Like other advertising media, online advertising frequently involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher's content. Other potential participants include advertising agencies who help generate and place the ad copy, an ad server which technologically delivers the ad and tracks statistics, and advertising affiliates who do independent promotional work for the advertiser.

Many common online advertising practices are controversial and increasingly subject to regulation. Online ad revenues may not adequately replace other publishers' revenue streams. In the rapidly expanding and ever-shifting digital age in which we live, the role of Internet marketing in modern marketing is no longer a minor one. Internet marketing is a vital part of the success of any organization. From IT support to lead generation to sales, Internet marketing is beneficial to nearly every aspect of the business.

Internet marketing, which also goes by the names of online marketing, digital marketing, web marketing, e-marketing, etc., is defined as the process of promoting brands, products, or services, over the Internet. It includes any promotional actions that are done via the Web or wireless media, including email marketing, blogging, SEO, and social media. The worldwide reach of the Internet has made it possible for businesses to easily reach hundreds of new customers and has redefined relationships between businesses to businesses (B2B) and businesses to consumers (B2C). Through the Internet, marketers from organizations of all sizes are now able to share brands, products, and services on a global scale and can do so all the time. Through websites, blogs, and social media platforms, consumers are able to find and access information about and from an organization twenty-four seven, from wherever they are. Due to the major role of Internet marketing in modern marketing, organizations cannot afford to ignore marketing online. Because the vast majority of people spend a significant amount of time online, whether they are at work or home on a desktop computer, at school on a laptop, or waiting at the airport on a Smartphone or digital device, marketing through the Internet provides organizations a more effective way to promote themselves. It also provides a more efficient way because it does not involve the costs that often come with traditional marketing. Costs that often include printing brochures, shipping out promotional mailers, and paying for billboard advertising. By cutting down on expenditures, Internet marketing allows organizations to experience higher revenue.

Internet marketing also helps organizations in achieving better global branding and in building greater awareness of the products or services that they offer. Through marketing online, organizations can more strategically reach their target audience; and if Internet marketing is done right, campaigns can easily be tracked, measured, and tested to ensure proper results are being received.

## 1. REVIEW OF LITERATURE

Kanso and Nelson (2004) examine the synergies of online and magazine advertising. Their content analysis reveals that there is a lack of integration between print ads and web sites and that print ads only listed the URLs in small letters and without any specific reference to the specialized features of the website. Ilfeld and Winter (2002) examines the performance of the persuasive hierarchy model, the low-involvement hierarchy, and the no-involvement model in explaining web site traffic. They find that the low involvement hierarchy best models the process through which advertising affects awareness, site visitation, and brand equity on the internet. Specifically, offline advertising appears to increase site visitation through its significant influence on consumer awareness, while online advertising directly leads to increased website traffic. The most significant factor in building awareness is the word-of-mouth generated from lagged visits.

While traditional marketing communication strategies focus mostly on conveying information to and persuading consumers, recent theories argue for a much more active role of consumers in marketing (Stewart & Pavlou, 2002; Vargo & Lusch, 2004). Consumers are no longer just receivers at one end of the communication continuum but, instead, actively participate in the marketing process, including the development and distribution of advertisements. As a result, consumers co-construct the meaning of marketing messages and develop a more effective personal relationship with companies. Reflecting this line of thinking, Duncan and Moriarty (1998) argue that the key to communicating effectively with consumers is a two-way exchange built on balance, symmetry, and reciprocity. This calls for attention to consumers' needs and preferences in marketing communication. Evidence of the need to attend to consumers' needs and preferences can be gleaned from research on attitude toward advertising and advertising avoidance.

Studies in these areas show that advertising forms that are forced onto consumers without regard to their choice are generally received negatively (Shavitt, Vargas, & Lowrey, 2004). Ads in such forms are more likely to be avoided (Speck & Elliott, 1997) and tend to have adverse effects on brand recall and subsequent attitudes (Mehta, 2000). Supporting these academic findings, the advertising industry has witnessed in recent years the steady decline of dependence on TV commercials, an advertising form consistently rated as the most negative by consumers due to its intrusive and pushy nature (Mittal, 1994; Shavitt, Vargas, & Lowrey, 2004). Advertisers are now resorting to softer approaches such as product placement and are shifting their focus to less intrusive media such as the Internet. Taken together, academic and industry evidences point to a need to incorporate consumers' communication preferences into advertising.

## 2. OBJECTIVES OF THE STUDY

- To study of the role of online advertisements in the growth of modern business in Tamilnadu state.
- To measure the reason of online advertisements in the growth of modern business
- To analyze the impact of online advertisements in modern business environment
- To investigate the Attribution of online advertisements in modern business
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## 3. RESEARCH DESIGN

The study is based on secondary data. The data is collected from various sources newspapers, magazines and websites. For presentation, the table is used and for analysis percentage method used.

## 4. THE ROLE OF ATTRIBUTION IN ONLINE ADVERTISING

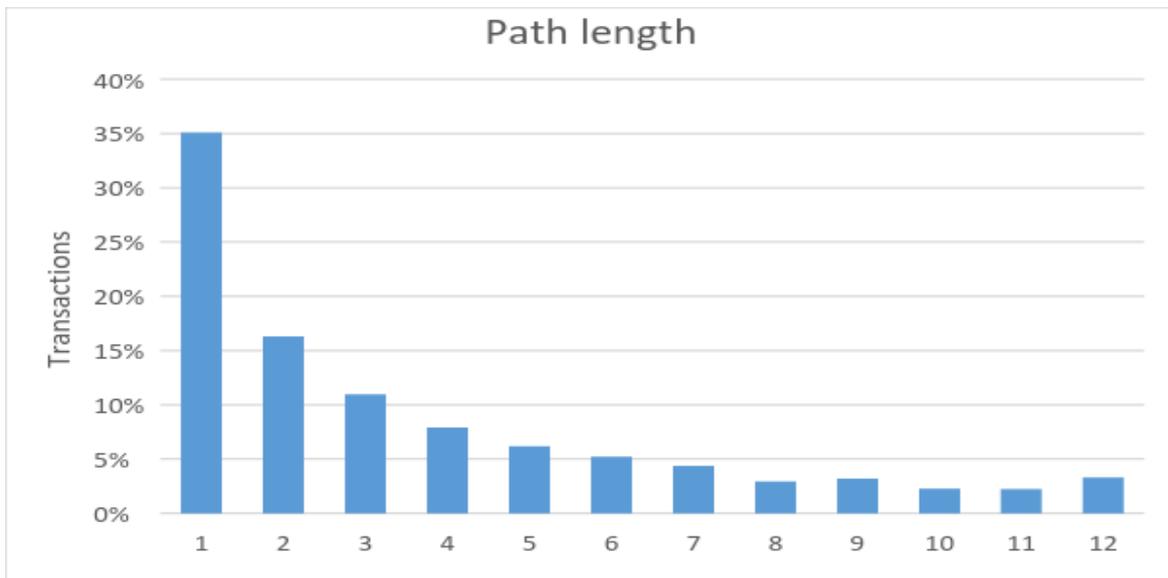
Before a customer purchases, he/she is exposed to multiple marketing messages. These messages might be in the real world (TV, Print, Radio, Media, Direct Mail), or via the various devices (PC, Mobile, Tablet) which are being used by the customer. Marketing attribution forms the basis for further allocation of the marketing budget. This is because it is almost impossible to estimate the relative importance of each touch-point in the final purchase decision accurately. It is important, therefore, to understand Attribution Window, Path Length, Media-Mix and Cross-Device Behavior.

### Attribution Window & Path Length

The duration required to make a purchase decision at the customer touch-point varies from a fraction of a second to a few months, if not longer. There are many factors which influence this duration (ticket size, complexity of purchase path, type of product), and quite a few of these factors might vary over time. The purchase decision evaluation process is kicked off because of a need. The duration of time for which a marketing touch-point is considered to be potentially attributable is called the Attribution Window. While there cannot be a theoretical upper-bound to this duration (for example, a consumer might have seen an ad many months ago), it is important for this number to represent almost all purchase decisions without being too long. It varies for different brands from 7 days to 60 days; longer durations may be used, but a duration of 30 days remains the most common. The Attribution Window ignores the longer term benefit of branding, which accrues for a brand, for the marketing touch-points and the spends incurred for them. Each brand needs to find its own Attribution Window. In reality, the Attribution Window of a brand is the default setting in its web analytics package (30 days for Google analytics and 30 or 60 days for Monitored).

During any purchase process, the consumer interacts with multiple touch-points. Each such interaction is a point on the customer’s journey with the brand. The length of the path is the number of such interactions. The path length is influenced by the complexity of the purchase decision, but also by the intensity of online advertising services.

Here is typical path – transaction breakdown:

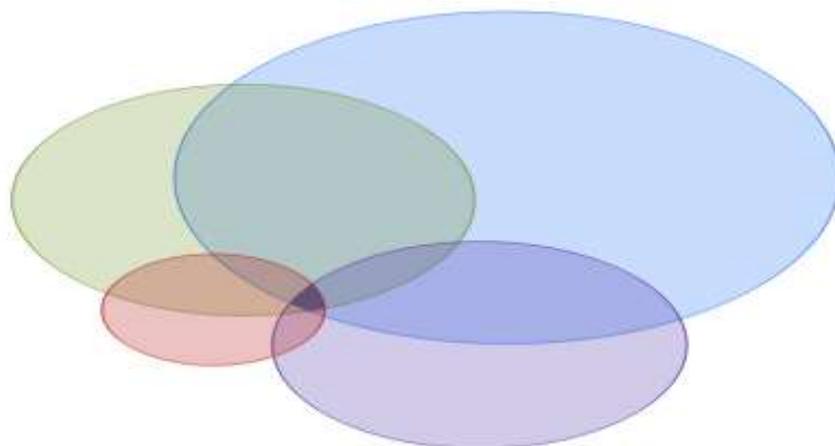


35% transactions have one interaction with the brand. At the same time, 30% transactions are done after 5 or more interactions.

### Marketing Attribution & Media Mix

If there was only one marketing channel, the attribution problem would be simplified to an aggregate of one. The return from the channel would be easy to calculate as all revenue could then be attributed to the single spend. However, because of multiple channels in the media mix, the influence of each channel on a sale is complex to isolate.

A simplified revenue attribution pie looks something like this:



The overlap areas of the circles above are approximations.

<span style="color: blue;">●</span> Paid Search	44.43%
<span style="color: green;">●</span> Organic Search	21.50%
<span style="color: purple;">●</span> Social Network	17.27%
<span style="color: red;">●</span> Email	4.99%

Please see the overlaps.

Attribution models are used to extract comparable performance parameters for such situations where there are multiple touch-points in play.

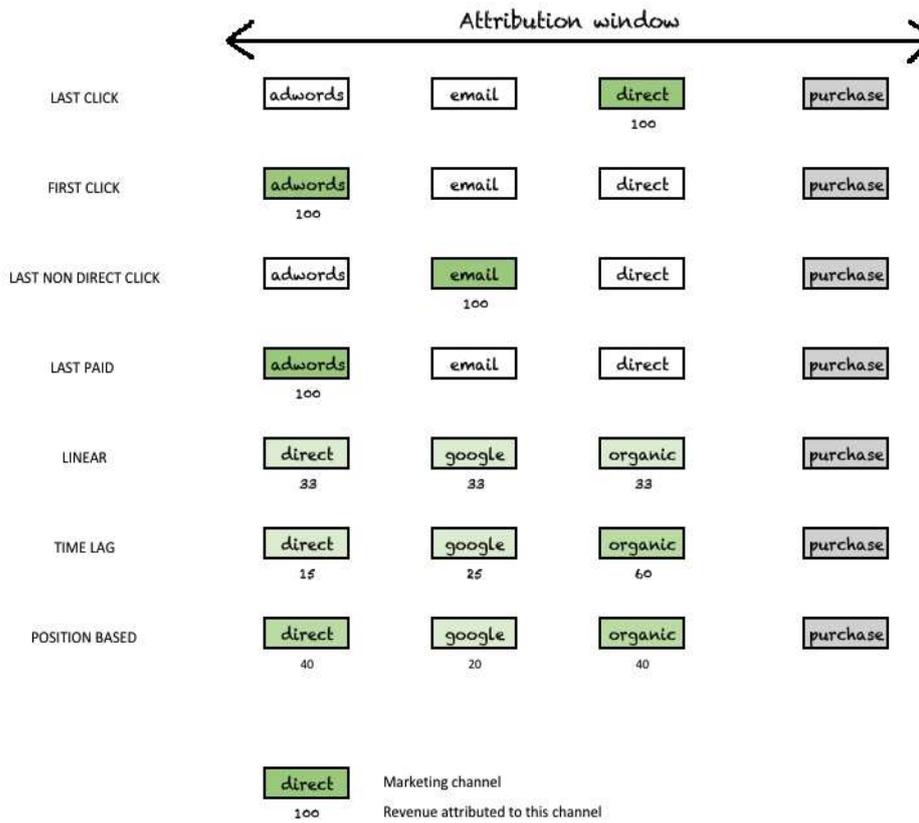
### Attribution Models

Some of the attribution models made popular by Google Analytics are listed below:

Model	Description	Comments
Last Interaction	Touch-point with the last interaction before purchase gets entire revenue attributed to itself.	Benefits lower funnel channels like Direct and Brand ads.
First interaction	Touch-point with the first interaction before purchase gets entire revenue attributed to itself.	Benefits higher funnel channels like display.
Last Non-Direct Click	Touch-point with the last interaction (except any direct visit to website) before purchase gets entire revenue attributed to itself.	Useful in looking channels, other than Direct, which are leading to sales.
Last Paid Click	Touch-point with the last interaction (except any direct visit to website) before purchase gets entire revenue attributed to itself.	Useful in looking at contribution of paid touch-points only.
Linear	Revenue is distributed equally with all touchpoints.	Useful in high growth situations where multiple may be used
Time decay	Revenue is distributed with a bias towards most recent touchpoint.	Attempts to reward each partner with a bias towards lower funnel. Useful in intensely competitive price sensitive markets like Travel, Electronics
Position Based	Revenue is distributed with a bias towards the first and last touch-point.	

Here is an attempt to explain the various models using a typical customer path.

**ATTRIBUTION MODELS**



**THE REASONS OF GROWTH ONLINE ADVERTISEMENT IN CURRENT SCENARIO**

**1. Insight**

Know exactly which ads brought in the highest number of qualifying leads. Know how many impressions were served, where they were served, and when. Identify your optimal channels, ad copy, and ad locations. The metrics and analytics available with online advertising allow you to see the exact cost of acquiring and converting a customer. Advertising online provides you with endless insight allowing you to become a more effective marketer. Marketers went from having no data to more data than we know what to do with. This is a great problem to have.

**2. Targeting**

Do you know the profile of your perfect customer? Online advertising gives you the ability to target and retarget the ideal prospects. Retargeting will serve ads based on prior engagement, enabling you to identify your ideal customer profile. Once you know what your customers look like, you will know just who to target and where to find all similar users online, making sure they too are being served your ads. When advertising online, you have the ability to target a population as specific as? Men, age 18-35, who searched for Giants tickets between the hours of 7-10 pm? Or as broad as? Men, age 18-35? Ensuring your message is in front of the right people at the right time.

**3. Creative**

Your ability to target goes beyond reaching the right customers. You can take this one step further and serve the creative that will best resonate with each target. There is a common misconception that online ads are of poor quality, when in fact digital advertising provides the opportunity to be highly engaging with video and other rich media. Using animation and in-banner video ads can increase brand recognition and highlight your competitive edge. Is one of your ads under-performing? A/B tests your copy, your image, your headline and serve ads that are as dynamic as the online space in which they are living. A well-designed banner ad can turn your digital campaign from good to great.

**4. Brand Awareness**

Online advertising can be used to drive traffic to your site and build brand awareness. Effectively targeted campaigns can create brand influencers and reach complementary audiences. Key to online advertising is SEO, which is imperative to the success of your site. Companies that offer good SEO such as SEO South Florida can help your website reach its deserved audience. Use the endless online display space to be creative with rich media, establish your online presence, make an emotional connection, and get online

consumers excited about who you are and what you have to offer. Online display enables brands to focus on their ideal audience and tailor messages that improve both recall and engagement.

## 5. Flexibility

Online advertising campaigns can be adjusted with a few clicks or keystrokes. You have the flexibility to respond to incoming data and make changes instantly. Similarly, you have the ability to pause campaigns or adjust your strategy in minutes. This flexibility allows you to stay in front of your customers, anticipate customer needs and adjust your ads before anyone even notices.

## 6. Scale

Demand-side platforms, more commonly referred to as DSPs, have centralized the buying of auction-based display media across multiple inventories and data suppliers online. Offline, you have to coordinate with multiple providers. As a marketer, DSPs allow you to scale your digital campaigns quickly and strategically, and you don't even need an agency! Many digital marketers are turning to self-service providers to manage their campaigns— create your own ads, choose your spend, scale and optimize across your networks as you see fit. You can also use a full-service provider who will optimize, scale, and spend accordingly, but this often comes with a monthly minimum. Whichever service you choose, scaling your campaign has never been easier.

## 7. Cost

Digital channels are highly cost-effective for marketers. Rates are typically set through a combination of ad size, ad location, performance, and demand. Considering the reach allotted via digital channels, moving your campaigns online is often much cheaper than more traditional offline channels like radio, television, or print. Furthermore, digital campaigns have greater transparency, allowing you to adjust your cost easily based on performance. In the offline world, once you've paid for the space in a print publication or a spot on the radio, there's no adjusting your investment after the fact.

## 8. Reach

We've heard a lot of this lately — people are watching less live TV and turning to their computers for their favorite shows, music, and to access their news. As marketers, being effective requires staying in front of your customers; as it turns out, your customers are online, so you should be too, and sooner rather than later! Moving online gives you access to a global audience, if you so desire and it means your ads can be working for you 24 hours a day. The options are practically limitless when it comes to your reach capabilities when you take your campaign online.

## 9. Engagement

Online advertising lets you know a customers' exact level of engagement. You might have circulation and readership data for a print publication, but you can't know how much time customers spent interacting with your ad, how much time they spent on your website, if they researched more of your products, and whether that ad led to conversions. An online presence gives you all of this valuable data and places you in a position to learn where your most engaged prospects live.

## 5. CONCLUSION

They find that the low involvement hierarchy best models the process through which advertising affects awareness, site visitation, and brand equity on the internet. Specifically, offline advertising appears to increase site visitation through its significant influence on consumer awareness, while online advertising directly leads to increased website traffic. The most significant factor in building awareness is the word-of-mouth generated from lagged visits.

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