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AN EMPIRICAL STUDY ON YOUNG EXECUTIVES' RESPONSE TOWARDS POP-UP AND BANNER ADVERTISEMENTS

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Abstract

The new era marketing activities require blending of conventional and modern methods. Today's scenario of marketing convergence has been largely due to Internet and related technologies. The Internet revolution has led to overall integration of electronic-marketing and conventional marketing endeavours to create the best methods. This integration is a significant base for E-marketing. The service companies in India have adopted various E-marketing techniques like- pop-up and banner advertisements. Pop-up advertisements are seen with high-traffic websites. When the user clicks on pop-up, separate webpage is opened. Banner advertisements are seen in the form of a rectangular banner placed on such websites. When the user clicks on such banner, he is navigated to a separate window. Banner and pop-up advertisements contain attractive audio-visual graphics and animations. This research paper is an attempt to study the effectiveness of pop-up and banner advertisements among young executives in India. The findings give critical insights for service companies in India. The study has wide implications in particular.

Keywords: E-marketing, pop-up advertisements, banner advertisements, young executives, response, effectiveness

1. INTRODUCTION

Companies across the world are brainstorming into innovative methods to add value and to attract and retain customers. The key to competitive advantage lies in the

ability to create compelling differences. Firms have adopted various E-marketing strategies like- pop-up advertisements, banner advertisements etc. These techniques have their focus on targeting multiple customer segments at once. Depending on

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cost of technique, reach to the audience and returns, companies adopt such techniques.

Pop-up advertisements are designed to link with most frequently visited websites. When the surfer opens it, the pop-up advertisements appear automatically as a separate web-page. When we click on these pop-up advertisements, we are navigated to a different website. The aim of pop-up advertisements is to divert the traffic to the desired websites. There may be as many pop-up advertisements in the form of pop-ups. These pop-up advertisements remain on screen until the user closes the screen. These advertisements contain attractive audio-visual animations. Companies adopting pop-up and banner advertisements have to pay for placing their banners and pop-ups. In India, service organizations like: banks, insurance companies, job portals, matrimonial agencies, educational institutes etc. place their advertisements on banner and pop-ups. This paper is an attempt to find the effectiveness of pop-up and banner advertisements among young executives.

2. REVIEW OF LITERATURE

Some research has been conducted on pop-up, banner advertisements and E-marketing issues. Major contributions are as follows:

Hofacker and Murphy (1998) highlighted that click-through rate and the percentage of visitors to a Web page clicking on a banner advertisement can vary according to the advertisement copy. They found that "Click here" has a positive effect on customer interest. Their findings, using a new research method with a new medium, open the door to further advertising and communication research on Web advertisement banners.

Stone and Han (1999) revealed the behaviour segmentation patterns in online advertising of few service sector companies. According to them, the customer wants convenience of transactions. The respondents were asked to show the impact of online advertising on their purchase decisions. It was concluded that most of the respondents agreed that online advertisements are more convenient medium of gaining information about the company. However, many of them do not prepone their purchase decision due to online advertising. It is a means of quenching their thirst for information about the services offered by the organizations.

Upadhyay (2000) discussed about the consumer behaviour and online marketing with reference to metropolitan cities in India. He recorded the response of technology-savvy customers those who spend more time on Internet to explore the online marketing options. In India, the Internet has contributed much towards the profit of service companies, but the speed of adoption is slow. The acceptability of online marketing is gradually increasing among the customers. It was concluded that young executives would prefer to shop through online medium rather than going to traditional brick-and-mortar shops.

Shaik (2002) accomplished a study to get an insight into application of information technology into the marketing of services. According to the researcher, the service providers are now moving towards the Internet as an important medium of communication. In India, many service sector organizations have switched over to Internet to market their services, banks being the first adopter. These electronic marketing strategies are by and large successful towards achieving their goals in big cities.

The research conducted on office-goers in a metro city in India revealed that customers are willing to adopt modern marketing techniques since they don't have time to visit the shops. They want all information on a click of a button.

Cho (2003) disclosed in his studies that the number of people who never look at banner ads increased from 38 % to 48 % from 1997 to 1998 and the number of people who look at banner ads often or very often has decreased from 16 % to 9 %. More recently, there has been evidence that heavy Internet users tend to ignore Internet ads altogether. As the web access increases and new technologies emerge to allow for more sophisticated ads, it is important to continually analyze the effectiveness of ad campaigns. The effectiveness of banner advertisements has been traditionally measured by click-through rates- the rate at which viewers click on a banner ad to visit the target site, and there has been an increasing trend to base pricing on click-through rates.

Newman et al. (2004) have conducted research on banner advertisements. Their objective was to study the impact of banner advertisement and Web site congruity on consumer attitudes toward a brand's Web site. They concluded that banner advertisements should be consistent with the Web site brand and certain consumer characteristics should be considered. The authors have provided valuable inputs for brand management and advertising on the Internet.

Lagrosen (2005) conducted a research to get an understanding of how traditional service companies use Internet in their marketing communication and the impact of Internet on the use of other marketing communication channels. Multiple case

studies were carried out at 19 service companies for the purpose of research. The findings had shown that there were different communication strategies adopted by the service companies depending on the scope. While small companies used the personalized relationship communication strategy, large companies had the option of using either the mass relationship communication strategy or the mass transaction communication strategy. The characteristics of the strategies and their respective effects on other marketing communications tools were described.

Lohtia et al. (2007) have presented an approach for measuring the efficiency of banner advertisements. Their approach, using data envelopment analysis (DEA), accommodates multiple inputs and multiple outputs and estimates a relative measure of efficiency. With the help of illustrative example, the authors have evaluated the efficiency of banner advertisements using click-through data and respondent recall and attitude data.

3. OBJECTIVES OF RESEARCH

The major objective of research was to determine the effectiveness of pop-up and banner advertisements among working executives. The study was conducted in Indore and Bhopal cities to find the response of pop-up and banner advertisements amongst young executives in the age group of 22-32 years. Another objective was to determine the impact of banner and pop-up advertisements on purchase decision. Some respondents provided suggestions towards improving the effectiveness of pop-up and banner advertisements.

4. RESEARCH METHODOLOGY

Sampling: It was an empirical research conducted in 2008 to find the effectiveness of pop-up and banner advertisements. There were 450 respondents that included young executives working in banking, insurance, retail, telecom and hospitality sectors in Indore and Bhopal. There was unequal proportion of respondents from each sector with maximum respondents from banking and insurance industry. Rest were from retail, telecom, hospitality and other sectors. Out of the total respondents, 90 percent have already completed MBA or were pursuing it. There were 76 percent male respondents. However, it had no significant impact on findings. It was a simple, non-probability sampling that included people who are acquainted with pop-up and banner advertisements. More than half of them have used pop-up and banner advertisements for getting more information about product or service.

Indore is situated in the western part of Madhya Pradesh. It is considered as the most progressive town of Madhya Pradesh. With a population of more than 18 lakhs, the city has become an educational and business hub due to Indian Institute of Management and other reputed institutions. Similarly, Bhopal with approximately same population holds much relevance along with Indore. Being the capital of Madhya Pradesh, the city is equipped with all the necessary infrastructural facilities. The respondents were selected in equal proportion from both cities.

5. DATA COLLECTION AND ANALYSIS

The secondary data are the historical data

already gathered and recorded by others. This data often prove to be of great importance in exploratory research. In this research, the sources of secondary data were- Internet, books, newspapers, brochures, journals, business magazines etc. A self-administered and non-disguised five-point scale questionnaire containing 14 statements was used for primary data collection.

The questionnaires were handed over to 469 respondents, out of which 458 were received. Due to incomplete response, eight questionnaires were not included. Finally, a sample of 450 respondents was chosen for study. After collection of data, it was tabulated in rows and columns in Excel sheet and z-test was applied for analysis of data.

6. HYPOTHESES

For this study, some null hypotheses were formulated which were tested for significance to prove the objectives. The null hypotheses were as follows:

H01: There is no favourable response of executives towards pop-up advertisements shown on Internet.

H02: There is no favourable response of executives towards banner advertisements shown on Internet.

H03: Pop-up advertisements do not have significant influence on purchase decisions of young executives.

H04: Banner advertisements do not have significant influence on purchase decisions of young executives.

The above four null hypotheses were tested and results were drawn.

7. RESULTS AND DISCUSSIONS

Frequency of usage of Internet: With reference to usage of Internet among young executives, varying frequencies were seen. More than half of the executives surf Internet at least once in a week. It was also observed that the most suitable place for surfing was cyber café, where they can use Internet without any limitations. All the questionnaires were filled by respondents in cyber café.

In most of the cases, either the executives do not get time for surfing or they were not allowed to do so. In some organizations, chatting and social networking sites were blocked. So they preferred to go to cyber café for surfing. It is an reasonable proposition because of reduced Internet tariff. Some of them have Internet connections at their home. The Table 1, indicates frequency pattern of Internet usage among executives. Though frequency of Internet does not have a significant relation with the results, it is worthwhile to note the pattern.

Table 1. Frequency pattern of Internet usage by executives

| S. No. | Frequency of Internet usage | Percentage of Executives |
|--------|-----------------------------|--------------------------|
| 1 | Once in a day | 26 |
| 2 | Once in 2-3 days | 37 |
| 3 | Once in a week | 20 |
| 4 | Once in two weeks | 10 |
| 5 | Once in a month | 7 |
| Total | | 100 |

Source: Data collected from study

Results of z-test: On applying z-test for testing the null hypotheses, the calculated values of z were found to be smaller than the table value in all the cases. Therefore all the

null hypotheses were found to be accepted at 0.05 level of significance. The Table 2 shows the results of z-test:

In the Table 2, derived from data analysis, the results do not paint a rosy picture in terms of response of young executives towards pop-up and banner advertisements. The result is similar in case of influence of these ads in contributing towards purchase decisions. It can be inferred that there is no significant response of young executives towards pop-up and banner advertisements and role of such advertisements in bringing purchase decision. The results are further elaborated.

8. RESULTS

8.1. Response of pop-up and banner advertisements

When it comes to pop-up and banner advertisements, the response of executives towards such advertisements was not very favourable. Though they see pop-up and banner advertisements regularly while surfing, but their response has been largely indifferent. The mouse click frequency on these ads is poor. They call it ineffective targeting of these advertisements. A major chunk of the respondents (65 percent) consider these advertisements as a wasteful affair. In many cases, the respondents used to block the pop-up windows. Similarly, more than half of them are not able to recall these advertisements. In terms of recall value, only 26 percent respondents were able to recall pop-up and banner advertisements seen on a single day. This recall factor has much significance for decision making. There should be customized positioning to suit the target audience with respect to their profiles.

Table 2. Results of Z-test at 0.05 level of significance

| Null Hypothesis | Statement | Calculated value | Table value | Results of Z-test |
|-----------------|---|------------------|-------------|--------------------------|
| H ₀₁ | There is no favourable response of executives towards pop-up ads. | 1.577 | 1.960 | H ₀₁ Accepted |
| H ₀₂ | There is no favourable response of executives towards banner ads. | 1.225 | 1.960 | H ₀₂ Accepted |
| H ₀₃ | Pop-up ads do not have significant influence on purchase decisions. | 1.375 | 1.960 | H ₀₃ Accepted |
| H ₀₄ | Banner ads do not have significant influence on purchase decisions. | 1.443 | 1.960 | H ₀₄ Accepted |

Source: Data collected from study

8.2. Influence of pop-up and banner advertisements on purchase decisions

No significant influence of pop-up and banner advertisements on purchase decisions has been found in case of young executives. Nearly one-third of the respondents have shown their willingness to purchase the products or services shown in pop-up and banner advertisements. Out of this one-third, only 40 percent respondents have actually made the purchase due to the influence of pop-up and banner advertisements. This gloomy picture can be attributed to many facts. Many people in the state possess credit cards, but they consider online shopping risky. This is because of reports of fraudulent transactions shown by the media. Similarly, few respondents complained of outdated information shown in some pop-up and banner advertisements. This has much implications for companies. Ineffective targeting leads to low purchase results. The

companies design such advertisements so that every hit on pop-up and banner advertisements would contribute towards sales in one form or the other. The data analysis has indicated same trend for pop-up as well as banner advertisements. Moreover, there has been no difference in terms of response from both cities.

9. CONCLUSIONS AND DIRECTIONS FOR FURTHER RESEARCH

When big amount of money is spent on pop-up and banner advertisements, high returns are expected. Among young executives, the results indicate that pop-up and banner advertisements are not successful in generating much sales for the company. These working executives get good pay package and generally they visit brick-and-mortar shops for their purchasing. They also spend more time on Internet. If properly

planned, this segment can be targeted properly through pop-up and banner advertisements. Often, these people try to block the pop-up advertisements because they find no relevance of such advertisements for them. For example, a marriage proposal from a matrimonial agency may not be suitable for a working executive who is more concerned towards career or for an executive who is already married. Effective targeting based on customer profile should be done for fruitful results. Similarly, proper usage of credit card should be promoted among the target customers.

Working executives in the age group of 22-32 years have a major share in purchase decisions. However, there is no single factor that can influence their decisions. There is a need to restructure the E-marketing plans to cater to the demands of working youth in a personalized way. The profile of customers should be kept in mind while designing E-marketing plans. With ever-changing profile of the customers in terms of demographic variables, the marketing plans must be properly formulated and reviewed.

The study was limited to selected young executives in two cities of the state. The findings of this study should not be generalized for other cities of India and other customer groups. The study leaves much scope for companies adopting pop-up and banner advertisements in India. The study can be further expanded by adding more dimensions to the subject. Moreover, further respondents may be added. Gender-based and city-based studies can also be performed and other demographic variables can be covered in further research. By doing so, the derived results can have a higher external soundness and opinions of a wider gamut.

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ЕМПИРИЈСКО ПРОУЧАВАЊЕ РЕАКЦИЈЕ МЛАДИХ РУКОВОДИОЦА НА РЕКЛАМУ ПРИМЕНОМ ПОП-АП И БАНЕРА

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Извод

Маркетиншке активности новог доба захтевају мешавину конвенционалних и модерних метода. Данашњи сценарио маркетиншког приступа се у великој мери заснива на Интернету и пратећим технологијама. Интернет револуција довела је до свеукупне интеграције електронског маркетинга и конвенционалног маркетинга, што је резултовало креирањем најбољих метода. Ова интеграција представља значајну базу за е-маркетинг. Услугне компаније у Индији су прихватиле различите технике е-маркетинга као што су поп-ап и банер рекламе. Поп-ап рекламе се могу уочити на многим високо-прометним веб странама. То важи и за банере. Банери и поп-ап рекламе садрже привлачну аудио визуалну графику и анимације. Овај истраживачки рад је покушај проучавања става младих руководиоца према поп-ап и банер рекламама у Индији. Резултати истраживања дају критички увид за услужне компаније у Индији. Студија има широку област примењивости.

Кључне речи: Е-маркетинг, поп-ап рекламирање, банер рекламирање, млади руководиоци, одговор, ефективност