

Effectiveness of Online Advertisement with a Mediating Role of Consumer Perception

K. Murugan^{1,2}, Dr. Avinash³, Dr. K. Maran⁴

¹Ph.D. - (Part-Time) Research Scholar, Department of Business Administration, Annamalai University, India

²Associate Professor, Department of Management studies, Sri Sairam Engineering College, India

³Research Supervisor, Assistant Professor, Deputed, Department of Business Administration, Annamalai University, India.

⁴Professor, Department of Management studies, Sri Sairam Engineering College, India

The objective of this research is to study customer perception is the opinions, feelings, and beliefs customers have about your brand. It plays an important role in building customer loyalty and retention as well as brand reputation and awareness This Consumer perception refers to the way individuals view and interpret a brand or product based on their experiences, interactions, and information gathered. It significantly impacts their buying decisions and loyalty towards the brand. Perception in consumer behaviour is how individuals interpret and make sense of information about products and services, influencing their attitudes, preferences, and purchasing decisions based on sensory input and prior experiences.

Keywords: Online Advertisement, Perceived usefulness, Perceived ease of use, Consumer perception attitude towards online advertisement, Consumer Satisfaction level of towards online advertisement and Problem faced by online advertisement.

1. Introduction

The landscape of advertising has undergone a significant transformation with the advent of the internet, particularly the rise of online advertisement. This shift has been particularly prominent in the realm of personal care products, where consumers increasingly rely on digital platforms for product information, reviews, and purchasing decisions. In this context, understanding the effectiveness of online advertisement is crucial for marketers aiming to navigate this dynamic landscape successfully.

This thesis aims to explore the effectiveness of online advertisement for personal care products, with a specific focus on the mediating role of consumer perception. Consumer

perception encompasses various factors, including attitudes, beliefs, and preferences, which influence how individuals interpret and respond to advertisements. By examining how consumer perception mediates the relationship between online advertisement and consumer behavior, this study seeks to provide valuable insights into the mechanisms driving advertising effectiveness in the digital era. One of the most significant developments to affect advertising worldwide in 21st century has been the development of internet as a medium of mass communication. As a communication tool the internet is emerging as a new challenge to mass media advertising. As a result of this many advertising companies are modifying their traditional the techniques to cater to a wider range of public. Internet has enormous potential as an advertising medium because the internet offers many advantages over traditional. The potential of Online advertising is vast as the audience of it is genuinely global. Previous Studies have shown certain types of Online advertising are very effective, (Schatz, 1998).

Online advertising is a very fast moving area. The techniques and formats used to advertise are changing constantly as advertisers try to adapt to this medium. Projections for the financial growth of Online advertising are going up year by year. The title of this thesis is about Online Advertising which is any paid form of non personal presentation and promotion of ideas, goods or services by an identified sponsor. Advertisements can be cost effective way to disseminate messages whether

to build a brand preference or educate people. Organizations handle advertising in different ways. In small organizations advertising is handled by someone in the sales or marketing department, who works with an advertising agency. Big organizations set up their own departments, whose managers report to someone senior in an organization like vice president of marketing.

The research will adopt a mixed-methods approach, combining quantitative analysis of survey data with qualitative exploration through interviews or focus groups. The quantitative component will involve collecting data on consumers' exposure to online advertisements for personal care products, their perceptions of these advertisements, and their subsequent purchasing behavior. Statistical techniques such as regression analysis will be employed to assess the direct and mediated effects of online advertisement on consumer behavior.

1.1 Statement of the research problem

The era of globalization has long demanded a paradigm shift in all areas one of which is the field of marketing. In contrast to this web advertisement creates negative and positive perceptions among the consumers. The perception of consumers is important when an organization wants to gain access to the market, grow their market, increase sales and also add shareholder's value. Even though online advertisement is developing and expanding, it does not guarantee that consumers will have a positive perception when it comes to the feasibility of online advertisement. Consumer behavior regarding online advertisement gives an indication as to perception is received from consumers and also gives businesses an overall consensus on consumer perception with regards to online advertisement. With the increase in fraudulent activities consumers have valid concerns around security when required to make financial transactions online, this makes it challenging for organizations to encourage consumers to make online advertisement. It is interesting to the study research that where so much of present research has been conducted a regarding the future of online advertisement

and the consumer perception of personal care products towards it less focused have been given to internet advertisement and their layouts that are influence to carried on the different websites.

Despite the growing prominence of online advertising in the personal care industry, there remains a gap in understanding the nuanced relationship between online advertisement effectiveness and consumer perception. While previous research has explored the direct effects of online advertisements on consumer behavior, there is limited insight into the mediating role of consumer perception in shaping the impact of online advertisements on purchase decisions, brand loyalty, and product preferences. Understanding how consumers perceive and interpret online advertisements for personal care products is crucial for marketers to design more targeted and persuasive advertising strategies that resonate with their target audience.

1.2 Need of the study

Advertisement on the internet is almost necessity for modern business especially those who do business outside of their local community. The study may benefit marketers, businesses, government and academicians. This study may be able to theorem marketers on the consumer preference of the advertisement media and whether using internet advertisement would be effective in reaching and increasing awareness of the target audience. The present study is conducted to determine what factor will effect of online advertisement on consumer perception buying personal care products. This study is to identify the socio economic variable which influence consumer perception and ascertain which type of online advertisement is preferred top consumers. Before adapting marketing practices to the internet, it is imperative to understand the characteristics of the online customer's towards online advertisement as would be revealed by the present researcher.

This study contributes to the existing body of knowledge on online advertising effectiveness and consumer behavior in the personal care industry in several ways. Firstly, by examining the mediating role of consumer perception, the study offers a deeper understanding of the psychological mechanisms underlying the impact of online advertisements on consumer behavior. Secondly, the findings of this study will provide valuable insights and practical recommendations for marketers to develop more effective and targeted online advertising campaigns for personal care products. Finally, the study contributes to bridging the gap between theoretical frameworks and empirical research in the context of online advertising and consumer perception, paving the way for future research in this area.

1.3 Objectives of the study

The present study is designed to attain the following objectives.

- ❖ To measure the effectiveness of online advertisement to generating the mediating role of consumer perception towards personal care products.
- ❖ To examine the effectiveness of online advertisement in socio-economic variables in medicating role of consumer perception.
- ❖ To determine the consumer perception about the cost effectiveness of online advertisement.

- ❖ To study the effectiveness of the online advertisement for personal care products and services as well.
- ❖ To understand the decision-making process of the consumer perception of online advertisement.
- ❖ To assess the satisfaction level of consumer perception towards online advertisement.

1.4 Hypothesis

The proposed study has following objectives:

- ❖ There is no significant difference between online advertisement in socio-economic variables in mediating role of consumer perception.
- ❖ There is no significant difference between consumer perception about the cost effectiveness of online advertisement.
- ❖ There is no significant difference between effectiveness of the online advertisement for personal care products and services as well.
- ❖ There is no significant association between decision-making process of the consumer perception of online advertisement.
- ❖ There is no significant difference between satisfaction levels of consumer perception towards online advertisement.

1.5 Scope of the study

The scope of this study encompasses a comprehensive examination of the effectiveness of online advertisement with a mediating role of consumer perception towards personal care products. The study will include a diverse range of personal care products, such as skincare, haircare, cosmetics, hygiene products, and fragrances. This breadth ensures that the findings are applicable across various segments of the personal care industry. The study will analyze online advertisements across multiple platforms, including social media (e.g., Facebook, Instagram, Twitter), search engines (e.g., Google), e-commerce websites (e.g., Amazon), and personal care brand websites. By considering different platforms, the study aims to capture the nuances of advertisement effectiveness in various digital contexts. Consumer perception constructs to be examined include but are not limited to attitudes, beliefs, preferences, trust, credibility, and emotional responses towards personal care products featured in online advertisements. The study will explore how these constructs mediate the relationship between exposure to online advertisements and subsequent consumer behavior.

The study will focus on a specific geographical region or regions to ensure a manageable scope for data collection and analysis. However, findings may offer insights that are broadly applicable across diverse cultural contexts. It will focus on recent trends and developments in online advertisement effectiveness and consumer perception towards personal care products. While historical context may be considered, the primary emphasis will be on contemporary dynamics. Further it was target audience includes consumers of personal care products, advertisers, marketers, brand managers, researchers, and industry stakeholders interested in understanding the interplay between online advertisement effectiveness and consumer

perception.

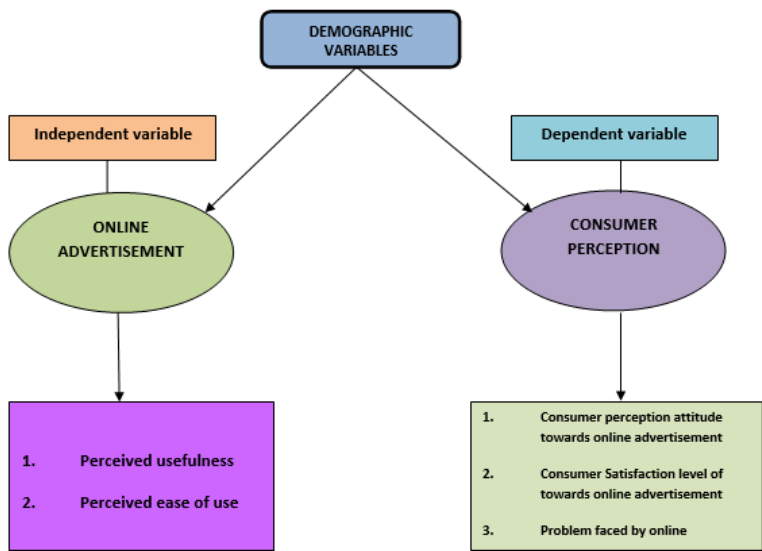
1.6 Research Gap

The in depth review of related literature revealed that majority of the studies was conducted keeping the effectiveness of online advertisement as the locus of research and focused on specific aspects and outcomes of online advertisement. Detailed research works in the chosen sector are comparatively less as far as the Indian context is concerned. The attitudes and preferences of consumers play a pivotal role in transforming the viewers into consumers. Studies focusing on the relation between attitude and preferences are limited to the chosen research domain. Therefore, it is felt that a study on online advertisement preferences and towards, consumers’ perspective will be appropriate. The consumers preferences and attitude towards online advertisement conglomerate to form the consumers’ perception. Hence, the researcher decided to study the consumers’ perceptions on the various facets of advertisement preferences and attitude towards online advertisement.

1.7 Conceptual framework of the study

This conceptual framework serves as a guide for structuring the study, developing research hypotheses, selecting variables and measures, and interpreting research findings. It helps researchers understand the complex dynamics underlying the effectiveness of online advertisements and their impact on consumer behavior in the context of personal care products.

The study illustrates the interrelationships between key variables and constructs involved in investigating the effectiveness of online advertisement with the mediating role of consumer perception towards personal care products. Effective online advertisements positively impact consumer attitudes, beliefs, trust, emotional responses, and purchase intentions towards personal care products. The features, benefits, and usage contexts of personal care products influence how consumers perceive and respond to online advertisements. Individual differences such as demographics, psychographics, and past experiences shape consumer responses to online advertisements for personal care products.



1.8 Limitations of the study

This study has one potential limitation.

- ✓ There is an absence of previous research studies on consumer perception of online advertisement, especially from personal care products.
- ✓ To address this limitation, the researcher adopted studies and literature that have been done in the advertisement sphere.
- ✓ Some of the respondents were not at all co-operative.
- ✓ The noticeable limitation of the study is time and cost and even the inability of the respondents to understand the soul of study and answer accordingly. Data redundancy and the repetition of tentative responses have prevented the data to give precise results
- ✓ The time allotted for the study was limited so detailed study was not conducted.

2. Review of Literature

Statista, (2021) made a study on personal care industry encompasses a wide range of products aimed at enhancing personal hygiene, grooming, and well-being. With the proliferation of e-commerce platforms and social media networks, personal care brands have increasingly turned to online advertising to connect with consumers and drive sales. According to a report by Statista, global spending on digital advertising in the personal care sector surpassed \$20 billion in 2020, reflecting the industry's growing reliance on digital channels for marketing purposes.

Zhang, L., & Li, J. (2021) this studies content Marketing Strategies in Online Advertisement for Personal Care Products: A Case Study Analysis. This case study analysis evaluates the effectiveness of content marketing strategies in online advertising for personal care products. By examining successful campaigns and content formats, the researchers identify key elements of compelling storytelling, branded content, and influencer collaborations that drive consumer engagement and brand loyalty.

Gill, P., & Tutt, D (2019) this research examines the impact of online advertising on consumer perception of personal care products. Using survey data from a sample of online consumers, the study explores how factors such as ad content, format, and platform influence consumer attitudes and purchase intentions. Results indicate that engaging and informative online ads positively impact consumer perception, leading to favorable brand attitudes and increased purchase likelihood.

Research suggests that consumer perception serves as a crucial mediator in the relationship between online advertisement exposure and consumer behavior. By influencing how consumers interpret and evaluate advertising messages, online advertisements shape perceptions of brand credibility, product quality, and value proposition. For instance, a study by Smith et al. (2018) found that online advertisements featuring user-generated content and testimonials were perceived as more trustworthy and persuasive by consumers, leading to increased purchase intent for personal care products.

Vigneshwaran, D and Dr.S.Mohankumar(2019).This article seeks to analyze the growing influence of social media on the daily lives of students and explore the distinctive advantages that this platform brings to the realm of education. The research delves into the advantages of Facebook and Twitter as the primary technologically-driven platforms and their integration into the learning environment of students in public education. It also discusses the potential of social media in breaking the self-imposed intellectual barriers by enabling educators to exchange and question ideas and concepts in what is referred to as the unconventional "great spare time revolution".

3. Research Design

In the present study, exploratory and descriptive study were used as a purpose of the study to obtain and analyse the data. Exploratory study is vital for gaining a good hold over the area of interest and for advancing knowledge through good theory building and hypotheses testing. In this study, the exploratory research includes literature reviews to gain more detailed information about the research problems and issues related to Consumer perception and level of satisfaction towards online buying behaviour. Descriptive research is typically more formal and structured than Exploratory research (Malhotra, 2005). It is based on large, representative samples and the data obtained are subjected to quantitative analysis. The findings from this research will be used as input into managerial decision making. In this study, descriptive study was undertaken to ascertain and describe the characteristics of the variables of the consumers' perceptions about online buying. Thus, the present study is Exploratory-cum-Descriptive in nature as it endeavors' to assess the relationship between specific factors.

3.1 Area of the study

The Survey was conducted among the consumers located in Chennai city. The major rational consumers making the study realistic and meaningful. The city consists of consumers of all strata and purchasing power. The perception of Chennai has changed and remains the destination of choice as an apt place for launching new personal care products.

3.2 Source of Data

The study is based on both primary and secondary data.

3.2.1 Primary data

The data is collected through online structured questionnaire for selected respondents in the district.

3.2.2 Secondary data

The secondary data required for the study are collected from published journals, articles, websites etc

3.3 Sample size determination

Since the Chennai city, it is important to classify them on the basis of wards which are the indicators of consumer density. The above table clearly mentioned the number of wards in each. The sample collection and distribution is proportionately done on the basis of number of

wards in each.

3.4 Sampling Technique

The sampling method used for this study was Non-Probability Sampling. Snowball and Purposive sampling method were used to draw the sample from population. Snowball sampling is used when it is difficult to identify members of the desired population (Saunders et al, 2009). This kind of sampling starts with small group of people who are appropriate with the research topic and these small group identify further members and then they identify further members and so the sample snowballs. However, the problem with snowball sample is that it is very unlikely that the sample represent the whole population. It is because respondents are most likely to reach respondents who are like themselves (Saunders et al, 2009). Therefore, purposive sampling method was also used in this survey. Purposive sampling helps us to use our judgement to select cases that enables to meet the objectives. (Saunders et al, 2009).

3.5 Sample Size determination

This sample size can be justified by following two arguments.

First, following formula can be used to determine sample size (Nargundakar, 2003).

$$N = (z)^2 p (1 - p) / d^2$$

Where,

n = Sample Size

Z = Z value from the standard normal distribution for the confidence level desired by the researcher. (for a level of confidence of 95%, $z = 1.96$, for a level of confidence of 99%, $z = 2.575$)

For this study, we assumed 95 percent confidence level.

Then, from the standard distribution table, the Z value is 1.96.

p = estimated proportion of the population that presents the characteristic (when unknown we use $p = 0.5$).

e = Tolerable error. (This can be decided by the researcher. For this study we assumed tolerable error 0.05.

Using above formula, whatever be the value of p. This implies that the sample size of 501 was more than enough to estimate the population proportions with 95 percent confidence level and allowing tolerable limit of 0.05.

Second, as this research used multivariate techniques to test the proposed hypotheses, a sample size of 501 respondents was deemed to be most appropriate for this study that measured independent variables.

3.6 Sample Design

The primary data has been collected through survey method. The Survey was conducted using well formulated Questionnaire. Purposive Sampling method is applied for generating data. It is important to decide the fitting sample size before information assortment could start. The

sample size is the number of samples to be collected to perform reliable research. (Nargundakar, 2003) Samples for the purpose of the study are selected systematically. Totally 900 Questionnaires were distributed and 615 were collected. Out of this 114 were rejected due to flaws and 501 were accepted for the study.

3.7 Instrument Development

The function of a research instrument is to satisfy research objectives through the measurement of independent and dependent variables of interest. Based on the objectives of the study stated in and hypotheses developed, structured questionnaire was developed as an instrument of measurement. As the first step in questionnaire development, a bank of items suitable for measuring the constructs understudy was gathered from the relevant literature. A detailed description of scales and types of measurement used to measure personal and study factors in this thesis is described.

Variables

Description measuring	Standardized Questionnaires	Items
Online Advertisement	Pollay and Mittal (1993)	34
Perceived usefulness	Davis (1989)	9
Perceived ease of use	Chen & Barnes (2007)	6
Consumer perception attitude towards online advertisement	Bhosle, A., & Chaudhary, B. (2012)	12
Consumer Satisfaction level of towards online advertisement	Teo, T., Huang, F., (2018)	10
Problem faced by online advertisement	Long & Johnson (2000)	10

3.8 Pilot study

A preliminary investigation was done by the researcher to check the reliability and validity of the research instrument. At the initial level the researcher collected the responses from 50 consumers in a random sampling method. At the initial level the demographic details of consumers and their awareness level on advertisement through radio, TV and internet form the normal distribution with less than 5% error. Therefore the researcher was advised to consider all these optional type questions for the main study without any modification. In the second stage the researcher verified the reliability of the statements in Likert’s 5 point scale. Both the reliability and validity coefficient were subjected to 't'-test separately. Its level of significance was fixed by employing the formula:

$$t = r \sqrt{\frac{n - 2}{1 - r^2}}$$
 as suggested by Edwards (1969).

3.9 Reliability co-efficient and test of significance for the interview schedule used in the study

Sl.No	Test	N	Reliability Co-efficient	Test of Significance	Level of Significance
1.	Online Advertisement	50	0.55	8.68	0.01
2.	Perceived usefulness	50	0.29	2.44	0.01
3.	Perceived Ease of use	50	0.655	8.58	0.01
4.	Consumer perception attitude towards online advertisement	50	0.294	3.04	0.01
5.	Consumer Satisfaction level of towards online advertisement	50	0.350	3.69	0.01

6.	Problem faced by online advertisement	50	0.343	3.61	0.01
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The above table shows the reliability co-efficient test of significance and level of significance for different test used in this study. It is found that all the obtained r-values and t-values for all research tools are highly significant at 0.01 level. Therefore all the tools are reliable for the present study.

3.10 Showing the validity co-efficient and test of significance for the interview schedule used in the study

Sl.No	Test	N	Validity correlation Co-efficient	Test Significance of	Level Significance of
1.	Online Advertisement	50	0.74	18.13	0.01
2.	Perceived usefulness	50	0.54	5.94	0.01
3.	Perceived Ease of use	50	0.809	13.6	0.01
4.	Consumer perception attitude towards online advertisement	50	0.542	6.39	0.01
5	Consumer Satisfaction level of towards online advertisement	50	0.591	7.27	0.01
6.	Problem faced by online advertisement	50	0.585	7.15	0.01

The above table exhibits the validity test of significance and level of significance of different tests used in the study (N=50). Based on the obtained result it is inferred that the validity and t-values for all the tools are highly significant at 0.01 level. Therefore it is concluded that all the selected tools are valid.

4. Suggestions

Here are some suggestions for enhancing the effectiveness of online advertisements, particularly in the personal care industry:

1. Use consumer data to create personalized ads that speak directly to the preferences, needs, and behaviors of your target audience. Personalized content increases engagement and conversion rates.
2. Implement dynamic ad content that adapts based on user interaction, location, or browsing history, making the ad more relevant to individual users.

5. Conclusion

The study determined that there is a positive relationship between internet advertising and consumer purchase decision and further recommends that companies should conduct a market research on the different markets in various countries to ensure that the internet advertising initiatives being implemented to achieve the objective, exploratory factor analysis was used and multiple regressions were applied. Furthermore, the findings suggest that economic value, customization, post-purchase experience and customer services are the major factors on which customers evaluate their overall online experience and satisfaction.

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