

Impact of Online Advertising and Promotion on Sales

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Abstract- *The new era of Internet and online media has somehow indistinct the impact of promotion and advertising as the intention is to reach out to audience and to increase sales. Advertising is basically used to increase sales and reputation of the institution. The relationship between advertising and audience is developing through an online media. The entire content of advertising is combined of photos, text, video and audio which attract the customers and brings impact on sales. This paper shows how sales can be affected by promotion and how online advertising is effective for sales.*

Keywords- Online Advertising, promotion, sales

I. INTRODUCTION

What is advertising?

Advertising is communication tool which is used to create awareness or promote or sell the product in the market. Advertising is done through various media like internet, television, mailers, radio etc. According to Kotler's definition, advertising is "any paid form of non-personal presentation and promotion of ideas, goods and services through mass media such as newspapers, magazines, television or radio by an identified sponsor"(kotler, Keller, Koshy, & Jha)

What is promotion?

Promotion is the one of the basic element of marketing mix, which is basically used to promote the product through various methods like sales promotion, direct marketing etc. According to Philip Kotler, "Promotion compasses all the tools in the marketing mix whose major role is persuasive communications." (kotler, Keller, Koshy, & Jha)

Advertising deals with building brand recognition and taking measures to build long-term profitability, whereas promotion deals with short term strategies to increase the sales. The objective of this study is to understand how sales is effected by online social media.

II. EFFECTIVENESS OF ONLINE ADVERTISEMENTS

Due to the changing role of online media, which has been commercialized, advertising has also followed its transformation moving into a new bandwagon of online advertising. According to (Saleh, 2014)online advertising has been claimed effective where only 8% of internet users account for 85% of clicks on display advertisements. The average click rate for display advertisement campaign is 0.1% that only one in a thousand advertisements gets clicked. Saleh has also revealed that even though so the average clicks rate is, there are still, 95% of Google's sales coming from online advertising. Looking at such an attractive sales, there are many actions and strategies compiled to enhance the effectiveness of an online advertisement. At the same time, there are also many methods created to measure the effectiveness of advertisements in order to attract more advertisers. The most common long standing method of measuring advertising effect is through AIDA, which are Attention, Interest, Desire and Action. According to (karlsson, 2007), AIDA explains that an advertisement is first to raise awareness. It is then to stimuli the interest, to lead the consumers to their desires and it is eventually followed by the action of purchasing which ultimately leads to sales. (Danaher & Mullarkey, 2003)Further developed the elements of measuring the effectiveness of an advertisement by its advertisement recall, advertisement recognition, brand awareness, click through rate, attitude towards the advertisement and the brand, and lastly purchase consideration.

III. IMPACT OF SALES PROMOTION

Promotion is a part of marketing mix and advertising is a part of promotion. Promotion is done at various levels to encourage customers to purchase a particular product which leads to sale of a product. There are various Impacts of promotion on sales.

Positive:-

Some research's shows that advertising can have a positive impact on sales if advertisements and promotions are targeted to a specific group or segment. However, the influence of advertising on a product innovation is still inadequate. However, advertising promotions in magazines, billboards,

television, and radio have more impact than other sources of advertising. It is found that in long run there is positive effect of sales promotion on sales.

Negative:-

(Anderson & Simester , 2004) Found that there is negative long run impact of promotion, as due to promotion the cost of the product increase which directly affect the price and have negative influence for customers who have lot of experience with the particular brand. (Kihlstrom, riordan, Roberts, & Stigler, 1984, 1986, 1961) According to all of them advertising does not perform a role in changing consumers wants but it only helps in increasing information of available products to consumer.

Mix:-

While explaining the reason for the drop in advertising effectiveness due to competitive interference, it is important to differentiate between the role of time and the role of interference by different learning. Time effects, such as advertising decay or wear out are often combined in advertising response models. However, the passing of time is not the only reason for a decrease in advertising response. Promotions are generally targeted to specific group or segment but there results cannot be always adequate. the “forgetting” is due to additional learning, rather than time passing

IV. CONCLUSION

From the above study it can be concluded that the role of online advertising is to create awareness about particular product while the role of promotion is to promote the particular product for sales. Though advertising is a part of promotion, but promotion takes place after advertising is completed. AIDA model explain how advertising leads to purchase decision which ultimately leads to sales.

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