A Study of The Role of Online Advertisements In The Growth of Modern Business In Tamil Nadu State

Mr. Niyas Ahamed M[1], Dr. Chilar Mohamed P[2]
[1]Assistant Professor, Dept of Commerce
[2]Associate Professor
[1,2] Khadir Mohideen college, Adirampattinam

Abstract- *The positive role played by online advertisements in the market process has been largely ignored by academic economists. It is only recently, since the modern economic revolution, that economists have realized the benefits of online advertising and have joined the research agenda developed by researchers in marketing and other business fields. The present survey details the literature that examines the role played by online advertising in lowering the 'full price' to consumers which allows consumers to maximize utility and allows the producers/retailers to maximize profits. An online advertisement carries several responsibilities, Advertising informs the public so that they can be aware of products and make informed choices among different products or brands. Advertising also benefits businesses in assisting them to sell their products. The studies measure the effectiveness of on an online advertisement and also analyze the socio-economic development at Tamilnadu, India.*

Keywords- Advertisements, URL, Display Ads, Web traffic and Post roll.

I. 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.

II. 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. The bulk of online advertising research views online advertising as an alternative to offline media advertising. Synergies of online advertising with other new media and traditional media determine the success of an integrated marketing communication campaign (Schumann, Artis and Rivera, 2001). Only four empirical studies published in advertising journals directly examine the synergies between online and offline media. Two of the four studies examine the synergies between TV and Online. Ha (2003) compares the online advertising strategies of web portal sites (online media) and web sites of TV networks using content analysis and finds that web portal sites are much more aggressive in developing online advertising as a source of revenue than TV networks.

The observational study described by Novak et al. (2003) found that flow state occurs in both goal-directed and undirected browsing, even though when people are goal directed they are more likely to recall actual situations where flow occurred to them (i.e., their perception of flow state improves). The observational experiment carried out by Sicilia and Ruiz (2007) confirms that flow is associated to better attitudes toward the website, that it enhances the ability to process information that is relevant to the task, but that it does not affect positive beliefs about brands/products included in web pages. Intense flow states are more likely to enhance favorable information processing, suggesting that sparse

information and straightforward descriptions are not optimal. In fact, heterogeneous or irrelevant information could lead to interruptions and distractions, preventing the establishment of a flow state. This is the danger of online advertising: It might distract the user from the task, lowering the likelihood of establishing the flow state, and hence reducing the user ability to process the information; another reason why user performance may degrade.

III. OBJECTIVES OF THE STUDY

- To study of the role of online advertisements in the growth of modern business in Tamilnadu state.
- To measure the effectiveness online advertisements in the growth of modern business
- To analyze the impact of economic and social role online advertisements in modern business environment

IV. RESEARCH DESIGN

The study is based on secondary data. The data is collected from various sources newspapers, magazines and websites. Data was collected from its inception till 31.08.2018. For presentation, the table is used and for analysis percentage method used.

V. THE EFFECTIVENESS OF ONLINE ADVERTISEMENTS IN MODERN BUSINESS

When people talk about advertising, 9 out of 10 they're probably referring to online advertising. Online advertising has proven to be extremely profitable both for small and large businesses. Reports indicate that around 95% of Google's revenue comes from online advertising. That's saying something! The average person is served over 1,700 banner ads per month but only half of them are ever viewed. However, businesses have sharpened their tools and are filtering the Ads that are not being viewed. Responses generated from non-viewable ads were filtered out and only the good stuff was retained. By doing so, businesses have managed to improve brand lift by 31%. To know more, check out the following info graphic on "Effectiveness of Online Advertising– Statistics and Trends at Tamilnadu".

- Only 8% of internet users account for 85% of clicks on display Ads.
- Click rates for display Ad campaigns average only 0.1%, which means that only one in a thousand Ads in a campaign is clicked.
- Overall average in-target rate is 44%, with significant variance seen across product categories

Category	% in-Target
Computer /Technology	64%
Telecom	60%
Travel	53%
Media/Entertainment	52%
Auto	50%
Finance	46%
Health/Wellness	42%
Retail	42%

Percentage In-target by Age and Gender

Male		Female	
Age Group	%	Age Group	%
18-34	42%	18-34	35%
18-49	45%	18-49	43%
21-34	33%	25-49	37%
25-34	33%	25-54	36%
25-49	32%	35-64	31%
25-54	42%		

Overall Average In-view Rate Is 46%

Category	Average In-view Rate
Travel	49%
Health/Wellness	48%
Computer/Technology	47%
CPG	47%
Media/Entertainment	46%
Retail	45%
Auto	40%
Finance	40%
Telecom	36%

- On average, 4% of Ad impressions were delivered outside the intended geography.
- 72% of campaigns had at least some impressions that were delivered adjacent to inappropriate content.
- Non-human traffic, including fraud, ranged from 4 to 11%.

How People Respond To Online Ads

Response Type	%
By clicking on the Ad	31%
By searching for product, company or brand	27%
By typing company web address in their browser	21%
Researching more information about a product	9%

- Over 70% of marketers fail to target consumers with behavioral data.
- Nearly 60% of digital video advertisers lack tools and timely data to measure digital video campaigns.
- Nearly 75% of respondents listed view ability and brand lift as the metrics that would most influence digital video advertising tactics
- More than 80% still currently rely on impressions and clicks to measure digital video Ads
- "Mid-roll" video ads placed in the middle of a video had the highest completion rate of 97%
- "Pre-roll" Ads placed in the beginning and "post-roll" ads placed in the end yielded drastically smaller completion rates (74% and 45% respectively).

20-second Ads had the least completion rate of 60% in our data set, with 15-second and 30-second Ads completing at higher rates of 84% and 90% respectively.

VI. ROLE AND IMPACT OF ONLINE ADVERTISING IN ECONOMIC AND SOCIAL DEVELOPMENT

In Indian scenario Online advertising has a very large influence in the mass media market place as it pays most of the bills and thus plays a major role in shaping the content and operation of the mass media in India.

Online Advertising also plays an important role in the popular Indian culture because it shapes and reflects our life styles. It is usually the first to reflect social trends. Example: The online advertisement of **Amul.**

Online Advertising promotes a higher quality of goods through the ability of the consumer to identify a particular manufacturer and thus creating a need for that manufacturer to maintain quality. Advertising also gives

business the ability to roll-out new products fast enough to offset the costs of creating such products.

Online Advertising protects industry from government and special control as it democratizes information to consumers as to what products are available.

Online Advertising plays two following broad roles in the socio-economic landscape of a country:

1. Economic roles
2. Social roles

Economic Role of Online Advertising

Online Advertising performs an economic function for an advertiser, affects economic decision of the audience and is an integral part of the whole economic system.

Online Advertising stimulates demand, educate consumer about new product, policies, programmers services and organizations, increase competition and improve standard of life-style by helping to bring new product to the consumer.

Online Advertising boosts the economy by helping to introduce new products faster and more effectively to consumer by supporting to achieve the economies of scale faster and by helping to remove the monopoly of the product.

Social Role of Online Advertising

Online Advertising reflects society and society reflects advertising. At social level advertising plays upon, derives from and contributes to the social texture of a country. Various social changes are brought about or helped by advertising. Adult education, family planning and pulse polio campaign are the examples of few successful social advertising campaigns. It makes role models who can create societal change.

Online Advertising is efficient source of information for product quality, new material or merchandise, new technology and cost. It reduces distribution costs, encourage competition and increases product quality through brand identity. *f*

It supports mass media to maintain independence from government, political parties and other special interest groups.

Negative Role of Online Advertising in the Society

Objectionable and in bad taste – Some critics feel that advertising is objectionable because the creative effort behind it is not in good taste. Intrusive, repetitive, unreal, offensive and depressing are some of its unpleasant features.

Excessive fear appeal – The fear appeal in advertising creates anxiety that is supposed to be subsidized by an available product. Such appeals may create emotional disturbances in some audience members. Products like fairness cream, insurance or a germ killing toothpaste all tries to play with the fear factor.

Intrusiveness – An Online advertisement campaign moves with repetition from a period of effectiveness to acceptance, to a period of irritation.

Manipulation – An Online Advertisements have the raw power to manipulate consumers. Many companies have the capacity to obtain large numbers of advertisement exposures, which is not good for healthy competition.

Effects on Values and Life-Style

Online Advertising receives wide exposure as it is disseminated through mass media. It has an effects on what people buy and thus on their activities. It is a persuasive vehicle which has an impact on the values and life-style of society. The impact of advertising has its negative as well as positive side.

The relationship of advertising to materialism – Online Advertising creates or foster materialism. Materialism is defined as the tendency to give undue importance to material interests. People buy high-end luxury products for social status. It reflects changing values and attitudes that are created by more significant sociological forces.

Online Advertising plays role in creating harmful stereotypes of women and ethnic minorities. Contribution of advertising in promoting harmful products – The harmful products like tobacco, alcohol are promoted through surrogate advertising.

VII. CONCLUSION

In today's challenging market economy, online advertising has become an important element of the modern business. Moreover, online advertisements play a powerful constructive role in the economic growth of a country. On the contrary, they can often play a negative role in hurting the sentiments of an individual or the society. Hence, it is important that online advertising professionals observe high

ethical standards in regard to truthfulness, human dignity and social responsibilities of modern business.

REFERENCES

[1] Schumann, David W., Andy Artis and Rachel Rivera (2001), "The Future of Interactive Advertising Viewed Through an IMC Lens," Journal of Interactive Advertising, spring. https://www.researchgate.net/publication/241729514_Online_Advertising_Research_in_Advertising_Journals_A_Review

[2] Bayles, M. J. (2000). Just how blind are we to advertising banners on the web. Usability News, 2(2), 520–541. http://www.surl.org/usabilitynews/22/banners.asp Bayles, M. J. (2002). Designing online banner advertisements: Should we animate? In CHI '02: Proceedings of the SIGCHI Conference on Human Factors in Computing Systems (pp. 363–366). New York: ACM.

[3] Hartmann, J., Sutcliffe, A., & De Angeli, A. (2008). Towards a theory of user judgment of aesthetics and user interface quality. ACM Transactions on Computer-Human Interaction, 15(4), 1–30.

[4] http://www.indianmediastudies.com/role-of-advertising-in-economic-and-social-development/

[5] https://studypoints.blogspot.com/2011/06/what-is-role-of-advertising-in-present_9703.html

[6] https://www.invespcro.com/blog/effectiveness-online-advertising/

[7] http://www.ijarcsms.com/docs/paper/volume3/issue10/V3I10-0047.pdF