

Perception Of Students About Companies Using Online Advertising Vs. Those Who Don't

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ABSTRACT

Due to the increase in the share of online advertising out of total advertising market, beliefs about online advertising, especially about the companies using it, have become important for assigning marketing strategies. The main objective of this study is to know the student's belief about companies using online advertising vs. who use traditional to seek whether what is more convenient for students to get information to, the modern or traditional way of advertising. Results indicate that beliefs of students about companies using online advertisements are more favorable as compared to companies not using it and different for consumers with different demographic profile.

I. INTRODUCTION

Advertising is a powerful tool used in a business. It is the best method in informing and reaching potential customers to buy or avail the product/services that are being offered. It can be

in any medium, such as radio commercial, brochures, television commercial, print advertisement and etc. However in this emerging technologically-advanced society, a new platform has emerged. Online/digital advertising integrates different internet platforms to deliver promotional marketing messages to consumers such as social media marketing, mobile advertising, search engine marketing and etc. This is highly evident with social media platforms that have advertisements in between videos or posts. Mobile video games also benefit from this strategy due to having a kind of commission for using their platform to echo the message. In the same way, companies benefit greatly as a certain market gets tapped in the process. Many companies preferred to use this because it is more convenient, cost-efficient, and can reach many people all around the world. On the other hand, since not everyone can see this online advertising, some consumers stick by the traditional way. This research wants to know the perspective of students, primarily those who are taking business courses about the advantage of using online advertisement vs. those who use the traditional way.

Objective of the Study:

1. To know the beliefs of business management students about companies who use online advertisement vs. those who don't.
2. To know if there are relationships between the demographics and the beliefs of students regarding online advertising.

For the first objective, it is clearly stated the question “What are the beliefs of the business management students about companies using online advertising as compared to companies not using it?”

- If companies focus on providing information in different avenues to reach out with their product or services, then comes a better chance at receiving new customers and a healthier image for the longtime customers perceive.

For the second objective, 5 hypotheses have been developed:

- There is difference in the perception of males and females about using online advertisement.
- There is a difference between students course in terms of beliefs about company's using online advertisement.
- Consumer's weekly allowance affects their beliefs about company's online advertisements.
- Consumer's internet usage affects their beliefs about company's online advertisements.
- There is difference between students who buys online vs. those who didn't in terms of beliefs about company's using online advertisement.

II. RELATED LITERATURE.

Most of the students are already engaged into a lot of social media platforms that enables them to see a lot of information about the latest trends not only in fashion but also in other aspects such as in advertising and marketing. In the modern time, there are only few who uses the traditional advertising and that is because students find the online advertisement easy to see because they can access the internet everyday and ads are everywhere. It is convenient now that there are lots of platforms in social media where people can see the advertisement and the companies are able to communicate and to reach out to their market through technology and social media platforms such as facebook, instagram, twitter and a lot more.

Traditional advertisement are still around but it is not being patronize by all of the students but there are few who still want to use the old ways or the traditional advertisement such as posters, tarpaulins, newspapers and others. The reason why students are likely to patronize online ads is because using social media accounts is part of their everyday routine.

Students cannot go on a day without scrolling their phones and using social media accounts (Lenhart, 2015, p.26), and in every social media accounts being used, there are plenty of advertisement being seen.

Based on the data given by the office of business administration, it shows that female students is dominant than male and according to reaserch, females are more attracted to using SM than males (Misra et al., 2015). In using social media platforms in advertising, there are things to consider. There is evidence supporting the usage of major social media platforms, which varies by factors such as gender, age, educational attainment, etc. Specifically, some studies showed that the reasons and frequencies of social media usage vary according to gender (Barker, 2009;Mazman and Ushuel, 2011). It is important to know and study the market first before creating online advertisements because there are restrictions when using social media and the companies should provide the right ads for the right market online. The behavior of the market using the internet varies also in gender. Females are also more attracted to ads than male because females are more likely to react to everything when browsing the net. The demographic factor plays a significant role in the adoption of social networking sites, as the younger generation uses them more frequently (Chan-Olmsted et al., 2013). This is one of the reasons why traditional advertising is almost out in the market because today, even the younger generation tend to like using smartphones rather than turning pages of magazines or newspapers or taking a closer look on what is posted on walls.

Social networking is the most popular online activity worldwide accounting for nearly 1 in every 5 minutes spent online in October 2011, and reaches 82 percent of the world's Internet population, representing 1.2 billion users around the globe (ComScore, 2011). It is why companies are into online advertisements. It is fast and hassle-free.

Social media advertising is an effective way to reach out to people (GZ Karimova, 2011) rather than using traditional, it is easier for the company to provide information through the net. There are also negative impact to the consumer in online advertisement because of the negative judgement on how the companies creates the ads and how unexpectedly shows when watching or sharing something on the internet. It displays the negative behavior of the people seeing the advertisement. Overuse of intrusive components leads to content avoidance behaviours and increased interest in applications that block advertising content (McCoy et al., 2007). Companies should study the perception or buying motives of each person using the web

(Edelman, 2010;Barwise and Meehan, 2010). Despite the marketing issues, the marketer's still using social media to promote business (Divol et al., 2012). Literature reveals that the order in which results are displayed on the SE greatly impacts the brand equity of the company and helps shape brand perceptions among consumers (Drèze & Zufryden, 2004;McCoy, Everard, Polak, & Galletta, 2007;Rangaswamy et al., 2009). The current literature surrounding SEM emphasizes the importance of web visibility in this era of digitization (Drèze & Zufryden, 2004;Gori& Witten,2005). Organizations now understand that SE positively impact the visibility of their offerings and subsequent revenue models (Dou et al., 2010;Keane et al., 2008;Skiera et al., 2010). Aside from the pop-ups in the net , they also have banners that contains their informations and ads as well (Chatterjee, 2005). Pop-up display ads: Pop-up ads have been considered as a representative for the intrusive advertisements since they interrupt the web surfers during the web browsing tasks and are difficult to avoid (Chatterjee, 2008;McCoy et al., 2007). Pop-up ads are defined as 'a form of rich media ads that automatically launch in a new browser window when a webpage is loaded' (Edwards et al., 2002, p. 84). These are the most annoying ads that an online user might encounter and the thing is , they cannot do something about that and some just stop browsing due to anger in continuously tapping the exit button on these pop-up ads. Because of its annoyance, the new version of browsers has the pop-up blocker, but the advertisers can also develop the technology to defeat the pop-up blockers being employed (McCoy et al., 2007).

Excessive usage of video, audio and animations within online content causes overload problem of commercial content and is leading to side effects affecting negatively user experience (Rosenkrans, 2009).

Finally customer responsiveness is categorized based on four elements which are online advertising effectiveness, Top-Of-Mind (Percy and Elliot, 2005), brand image (McCoy et al., 2007) and customer preference (Hwang et al., 2003). Consumers are exposed to online ads constantly during active use of online media, whether they are engaged in information search, entertainment, shopping, or exploration. A high number of ads in various formats on a single web page creates advertising clutter; it increases ad avoidance and reduces consumers' memory

of online ads (Cho and Cheon 2004;Ha and McCann 2008;McCoy et al. 2007). Online users' attitudes towards different ad formats vary and this affects ad viewing (Burns and Lutz 2006).

III. METHODS AND MATERIALS

a. Sample and Data Collection

The researchers use simple random sampling in collecting data to the respondents. Simple random sampling is one of the most used sampling method because it is much easy to used and gives accurate representation of the larger population. In line with this, to pick respondents in simple way, the researchers also use Cochran's sampling method. The mentioned method allows the respondents to calculate an ideal size given a desired level of precision, desired confidence level, and the estimated proportion of the attribute present in the population. The target populations of the research are the students from Polytechnic University of the Philippines under the college of Business Administration. It has four main programs which are BSBA major in Marketing Management, BSBA major in Human Resource Management, Entrepreneurship and Office Administration. From the total population of 2702, using the sampling methods mentioned, the large population was cut to 337 respondents, equally divided in 4 programs. The sample that we get is presented in table 1 and their demographics in table 2 and 3.

Table 1: Respondents

PROGRAM	SAMPLE SIZE
Marketing Management	102
Human Resource Management	101
Office Administration	78
Entrepreneurship	56

Age of Respondents	
18 Below	148
19-20	176
21-22	12
23 Above	1

Size

Table 1: Sample

Gender	
Male	96
Female	241

Table 2 : Respondents age

Table 3: Respondents Gender

C. Variables and Measurements

To gather data and insights about the research topic, the researchers uses questionnaires. The questionnaire is composed of 24 questions that is related to the research topic. It is divided into three categories; (1) six questions about the demographic profile of the respondents this includes the name, age, gender, course year and section, weekly allowance and internet usage per day. (2) Two of the questions were for consumers' behavioral responses toward online advertising which were conceptualized as online ad clicking frequencies and online shopping frequencies.(3) The remaining 16 questions is about the respondents beliefs about company's using online advertising vs. those who don't. The third category is in a table style using the Likert scale where they have to choose from 1-5. (5 – Strongly Agree, 4 - Agree, 3 – Neutral, 2 – Disagree, and 1 – Strongly Disagree.

c. Procedure

The data for the research is gathered through room to room survey to the students by the means of 1 page questionnaire. Revolving around PUP main campus and at the end, the researchers gathered 337 responds. The data collected is analyzed using the ANOVA tests.

IV: RESULTS

The population has a total of 337 respondents from 4 different courses under the College of Business Administration. Based on the results, 28% of the respondents are male while 72% are female respondents. The gender profile is given in table 4. For the course profile of the respondents, it is clearly shown in table 5 that both marketing management and human resource management covered 30% of the respondents while 23% are office administration and the remaining 17% for Entrepreneurship. In terms of the students weekly allowance, 7% of the total respondents has 250 pesos and below, 21% has 250-500 pesos per week, 40% has 500-1000 pesos per week, 24% has 1000-1500 per week and lastly, 8% of the respondents has weekly allowance of 1500 pesos and above shown in table 6. Table 7 shows the internet usage profile of the respondents firstly those who use internet in less than an hour with 3%, 1-2 hours with 9%, 3-4 hours with 31%, 5-7 hours with 38%, and more than 8 hours with 19%. Table 8 shows the online purchasing of respondents for the last 12 months.

Table 4: Gender Profile

Gender		
Male	96	28%
Female	241	72%
Table 5: Course Profile		

Number of Respondents:		
Marketing	102	30%
HRDM	101	30%
Office Administration	78	23%
Entrepreneurship	56	17%
Total	337	100%

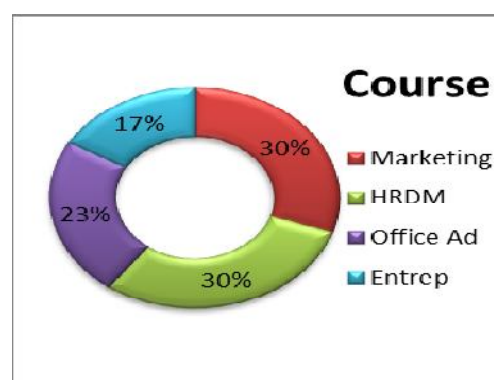
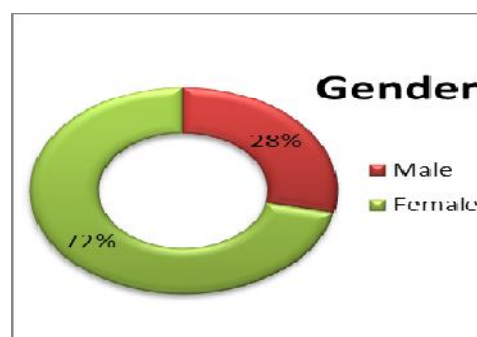


Table 6: Weekly Allowance Profile

Weekly Allowance		
Below 250 pesos	22	7%
250- 500 pesos	71	21%
500-1000 pesos	135	40%
1000-1500 pesos	81	24%
1500 pesos and Above	28	8%
Total	337	1005

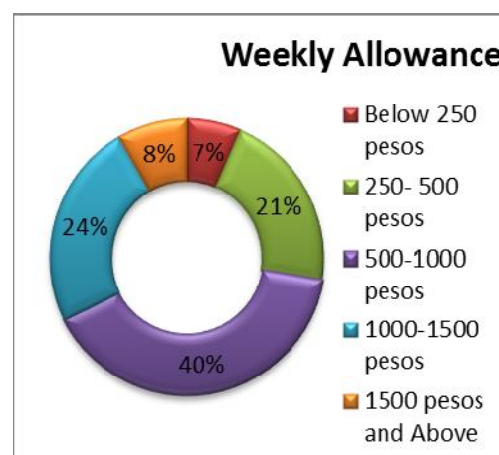


Table 7: Internet Usage Profile

Internet Usage Daily		
Less than 1 hours	10	3%
1-2 Hours	29	9%
3-4 Hours	106	31%
5-7 Hours	129	38%
More than 8 Hours	63	19%
Total	337	100%

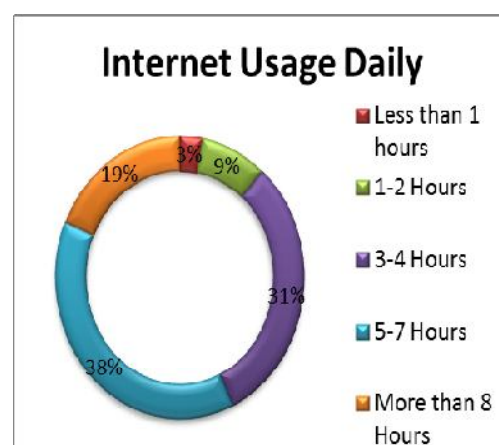


Table 8: Purchasing for the last 12 months

Online Purchasing		
YES	204	61%
NO	133	39%

Table 8: Purchasing Profile

Table 9 is composed of 16 questions and responds from the students. It can be seen in the table the beliefs of the students about companies using online advertising vs. those who do the traditional way. It can be easily seen that the business management students is more favorable to those who use online advertisement because of the following reasons. (1) It is more trendy and up-to-date that gathers 78% of positive response, (2) It is more competitive garnering 72% of students that answers agree and strongly disagree (3) It is more innovative, more focus on high tech sectors, and more creative garnering 69%, 65%, and 68% respectively of those who agree and strongly agree. Moreover, the other determinants also got high favor in companies using online advertisement. The mean of all the determinants are 3 and above. This just mean that companies who use online advertisement are also more geared, more responsive, more customer oriented, more personalized, more likely to start-up, more superior, more likely to stay, more quality oriented and more reliable than company's who don't use online advertisement.

Overall, the data gathered shows that student from College of Business Administration is more in favor about the companies who use online advertisement.

Table 9: Student's Belief About Companies Using Online Advertising Vs. Who Don't

Are they:	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree -5	Mean (out of 5)
More geared toward a young market	16	11	103	145	62	3.670623
More innovative	16	13	74	164	70	3.768546
More responsive	14	26	107	144	46	3.540059
More high tech	17	13	44	155	108	3.961424
More competitive	16	15	63	142	101	3.881306

More trendy and up-to-date	17	8	48	138	126	4.032641
More focused on high tech sectors	14	20	83	141	79	3.744807
More customer oriented	12	35	139	116	35	3.376855
More personalized	13	34	124	126	49	3.433234
More creative	13	16	78	155	75	3.780415
More likely to be startup / newly established company	12	24	130	127	44	3.495549
Superior than the companies that don't use online ads	16	50	141	95	35	3.246291
More informative	11	28	121	135	42	3.501484
More likely to stay in business longer	15	45	165	89	23	3.178042
More high quality oriented	13	44	159	97	24	3.222552
More reliable.	21	64	150	76	26	3.065282

Table 10 is composed of the results of the ANOVA Test for hypothesis 1,2, 3, 4 and 5. It can be seen that students perception about online advertising are quiet similar. Hypothesis 1,3,4 and 5 are rejected maybe because students nowadays are inclined in mass media so they are more in favor to the companies using online advertisement. The result showsthat there are no differences between females andmales, among consumers allowance, number of hours online and online buying behavior. On the other hand, hypothesis 2 indicates a difference of different courses about their beliefs in company's using online advertising.

HYPOTHESIS TESTING:

		Mean of Beliefs of Students about Companies using Online Advertising	F.	Sig.
Hypothesis 1 (Rejected)	Male	3.63	0.144015244	0.292102975
	Female	3.53		
Hypothesis 2 (Accepted)	Marketing	3.74	5.741184165	0.001604199
	Human Resource	3.54		
	Office Administration	3.53		
	Entrepreneurship	3.3		
Hypothesis 3 (Rejected)	Below 250 pesos	3.50	0.817519394	0.518007488
	250- 500 pesos	3.59		
	500-1000 pesos	3.56		
	1000-1500 pesos	3.59		
	1500 pesos and Above	3.52		
Hypothesis 4 (Rejected)	Less than 1 hours	3.46	0.448675173	0.773029429
	1-2 Hours	3.54		
	3-4 Hours	3.59		
	5-7 Hours	3.56		
	8 hours and more	3.52		
Hypothesis 5 (Rejected)	Yes	3.57	0.144015244	0.706994616
	No	3.53		

CONCLUSION

The main purpose of knowing consumer behavior is to understand how the market engages with a certain product through the different means being employed especially in today's time. One major method is online advertising, which has been used since the early 90s. Only recently has this strategy been fully noticed by the population as mass marketing was introduced in social media and its platforms. With the results the researchers garnered, it can be seen that the respondents agree and

favor the initiative of companies to use online advertising. With the comparison to companies that use traditional advertising, the respondents see online advertising as not just another medium of advertising, but the better alternative as more reliable, more innovative, and geared towards the younger market. With the population of social media having a younger audience, it is necessary for advertising to be customer-centered which in this case is the younger generation. Moreover, the consumer's usage of the platform of internet is highly dependent to his or her perception on company's efforts of online advertising. The more time given to web surfing and social media, the more inclined to exposure to the new strategy. Weekly allowance is also a factor since this equates to the consumer's spending capacity and how inclined they are to avail of products presented in online. The less capability a person has, more often that not this person won't pay attention to the strategy. Dependent on the company's products and/or services, online advertising goes a long way to provide a more penetrable strategy to reach already loyal customers to the new and potential consumers.

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Web results

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