



# Impact Of Internet Advertising On Online Buying Behavior Of Consumers With Special Reference To Irinjalakuda Town

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**Abstract:** Marketing encompasses all efforts a company makes to drive sales of its products and services. Advertising, a paid form of non-personal communication, is a key component of most marketing strategies. Technological advancements have significantly reshaped marketing approaches. With the internet deeply integrated into daily life and online shopping a common activity, companies increasingly advertise online to rapidly reach consumers. This surge in internet usage has created substantial opportunities for online retailers and, consequently, online advertising. This study examines the influence of internet advertising on online buying behavior, focusing specifically on 150 respondents in Irinjalakuda town.

**Index Terms -** Internet advertising, Online buying, online retailers, marketing approaches.

## I. INTRODUCTION

Rapid technological advancements, particularly the internet, have significantly simplified modern life. This global network offers diverse information and communication tools applicable to nearly every aspect of human activity. Everyday tasks like booking tickets, attending meetings and classes, shopping, and paying bills are now easily managed online.

The COVID-19 pandemic further accelerated reliance on internet services, leading to a surge in smartphone sales, driven primarily by the shift to online learning. Parents acquired smartphones for their children's education and, in the process, became more familiar with the technology themselves. This period also normalized electronic payments across various sectors, pushing many towards a cashless economy. Even those previously hesitant due to security concerns, including older generations, began embracing online transactions. Lockdowns further contributed to increased internet usage across all demographics—students, employees, and seniors alike.

Consumer behavior also shifted; individuals who once insisted on physically inspecting products began embracing online shopping not just as a precaution but for its inherent convenience. This growth in internet usage and online purchasing created a fertile market for online retailers and companies selling through their websites. Regardless of the sales channel, marketing remains crucial, and digital or online marketing has emerged as the leading strategy. Internet advertising plays a vital role in boosting both online and offline sales, often prompting immediate purchases with a single click and offering valuable interactive features. As smartphones increasingly replace traditional media like newspapers, television, and radio, businesses have recognized the importance of establishing a virtual presence through online advertising.

## Statement of the problem

Online shopping offers consumers significant convenience, eliminating the need to visit physical stores and saving valuable time. With a few clicks, orders can be placed for products from anywhere, delivered directly to the specified location. Numerous online offers further incentivize online purchases. Digitalization and the COVID-19 pandemic have accelerated internet usage, expanding opportunities for online retailers. Consumers can now purchase a wide range of products, including branded items, from online retail sites and official company websites.

However, consumer buying behavior, whether online or offline, is complex and influenced by various factors. Consumer tastes and preferences are multifaceted, and marketing activities are inherently costly. Therefore, businesses must understand their target audience's interests and the social, cultural, and demographic factors shaping their purchasing decisions to maximize profits. Resources should be allocated to promotional strategies that drive sales.

It's important to recognize that online marketing may not be universally effective, particularly in areas with limited technological infrastructure or among populations with low digital literacy. In such cases, traditional advertising methods remain relevant. Factors like age, gender, and income also influence purchasing behavior, regardless of the sales channel. This study specifically examines the impact of internet advertising on online buying behavior in relation to consumer demographic factors.

## Objectives of the Study

- To analyze the impact of internet advertising on the online buying behavior of consumers.

## Research Hypothesis

- There is a significant difference in the online buying behavior of consumers influenced by internet advertising depending on their age
- There is a significant difference in the online buying behavior of consumers influenced by internet advertising depending on their income.
- There is a significant difference in the online buying behavior of consumers influenced by internet advertising depending on their gender.

## Research Methodology

Source of data – the study is based on both primary and secondary data. The primary data has been collected using questionnaire and the secondary data has been collected from magazines, journals and websites.

Sample Design – the population is infinite in nature therefore the responses were collected from the respondents using the convenience sampling method. 150 respondents making online purchases were selected for the purpose of the study.

Data Analysis – percentage and chi-square analysis have been used.

## Limitations of the study

1. Sample size is limited to 150 respondents.
2. As the data has been collected on a convenient basis and the study is limited to a particular town, the results of the study cannot be generalized.

## II. Review of Literature

**Monuwe, Delleart, and Ruyter (2004)** identified five external factors influencing consumers' online purchase intentions: consumer personality, situational factors, product characteristics, prior online shopping experiences, and trust in online shopping. Consumer traits, including demographics like age, income, gender, and education, contribute to this intention. Specifically, younger consumers (under 25) are more inclined to shop online due to their affinity for new technologies, which they use to research products and compare options.

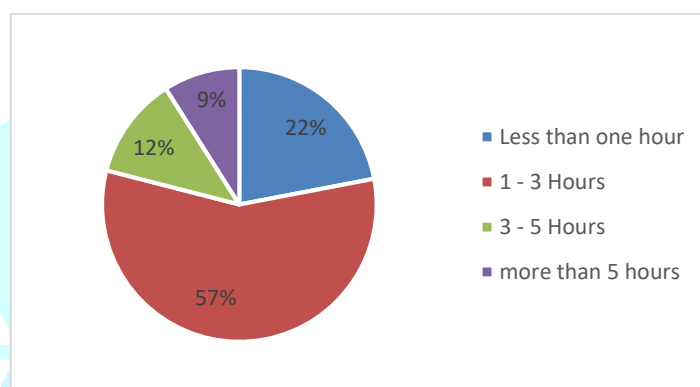
**Jiang and Rosenbloom (2005)** suggested that price promotions offer monetary savings for consumers. In the online environment, where physical inspection is impossible, consumers rely heavily on price cues displayed on websites to assess product quality.

**Wong and Sculli (2005)** found that promotional offers increase online purchase intentions, simplifying purchasing decisions and alternative evaluations.

**Xia and Monroe (2009)** discovered that consumers with a specific shopping goal respond better to promotional messages emphasizing "pay less" and "discount," while those without a pre-defined goal are more receptive to messages highlighting "save more" and "free gift." Price promotions offer several advantages, including increased demand, adjustment of supply and demand fluctuations, and increased consumer purchasing over time.

### III. Findings and Analysis

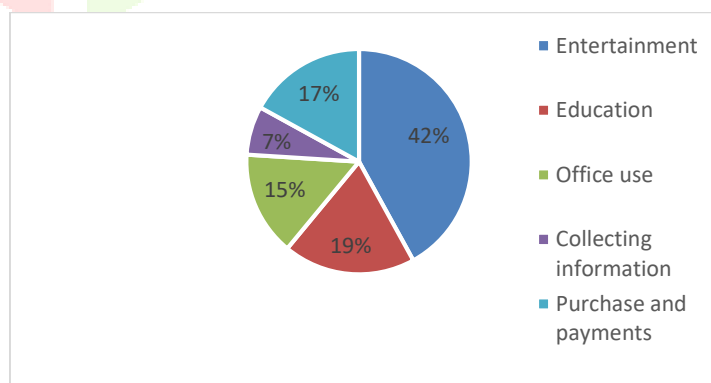
#### 1. Time spent using internet



(Source : Primary data)

The majority of the respondents, 57% spend one to three hours using internet a day. 22% of respondents make use of internet for less than an hour. 12% of respondents make use of internet between three to five hours while only 9% of respondents use it more than five hours a day.

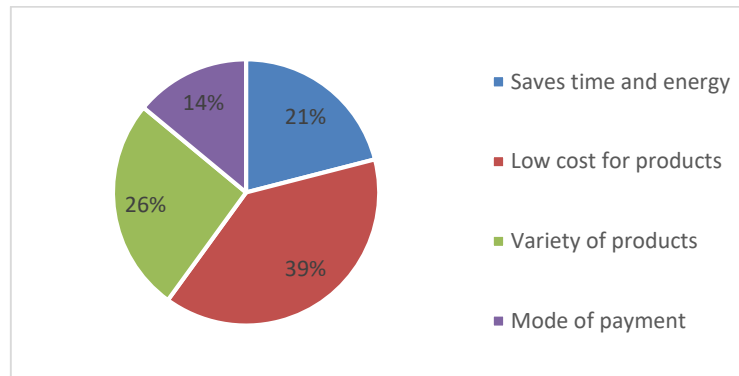
#### 2. Main purpose of using the internet



(Source : Primary data)

42% of respondents make use of internet for their entertainment purposes. 19% of respondents use internet for the study purpose and 15% for their office use. 17% of respondents make use of internet facilities for their purchases and payments. Only 7% use it for gathering information and knowledge.

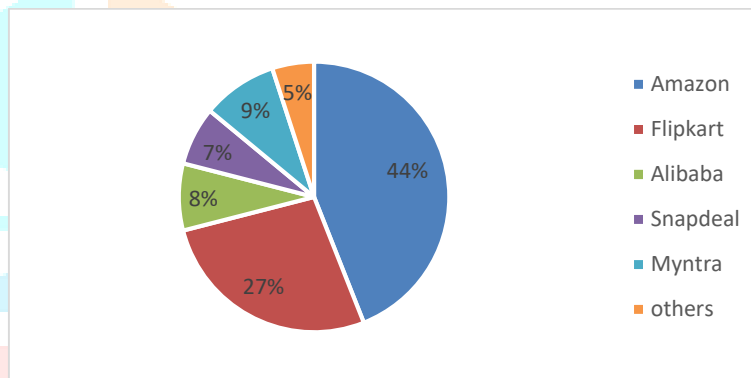
### 3. Main reason for preferring online purchases



(Source : Primary data)

Low cost of the products is the main reason for 39% of the respondents to prefer online purchases. 21% of respondents feel it is time and energy saving. 26% prefer online purchases due to the availability of a variety of products and 14% prefer it due to the cashless mode of payment.

### 4. Most used retailing site



(Source : Primary data)

44% of the respondents make online purchases through Amazon. 27% use Flipkart and 9% Myntra. Alibaba is preferred by 8%, Snapdeal by 7% and 5% of respondents prefer other retailing sites.

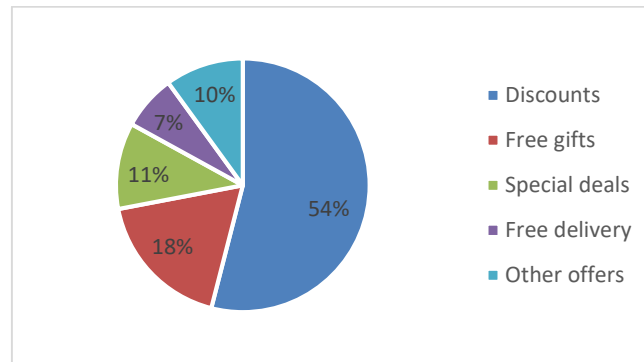
### 5. Most of the online purchasing decisions of the respondents are influenced by internet advertising

	Number of Respondents	Percentage of Respondents
Strongly Agree	57	38
Agree	36	24
Neutral	21	14
Disagree	24	16
Strongly Disagree	12	08
	150	100

(Source : Primary data)

38% of the respondents strongly agree that most of their online purchases are influenced by internet advertising while 8% strongly disagree with the statement. 14% of the respondents are not able to say whether they are influenced or not by internet advertising.

## 6. Most influencing feature of internet advertisements



(Source : Primary data)

54% of the respondents feel that discounts are the most influencing features of internet advertisements that lead them to make online purchases. 18% of respondents are influenced by free gifts and 11% by the special deals offered through these ads. 7% by free delivery while 10% of respondents are influenced by other offers given to them through these ads.

### Findings on hypotheses:

- $H_0$  : There is no significant difference in the online buying behavior of the customers influenced by internet advertising depending on their age.
- $H_1$  : There is a significant difference in the online buying behavior of the customers influenced by internet advertising depending on their age.

### Age wise classification of the opinion of the respondents that internet advertising influences their online buying behavior

Age	Opinion		
	Yes	No	Total
20 – 30	47	13	60
30 – 40	36	14	50
40 and above	22	18	40
Total	105	45	150

(Source : Primary data)

Chi-square (Observed value)	6.3648
Chi-square (critical value)	5.991
DF	2
alpha	0.05

Here, the calculated value is greater than the table value. So, we reject the null hypothesis and accept the alternative one. It means there is a significant difference in the online buying behavior of the respondents influenced by internet advertising depending on their age. Respondents belonging to different age categories are differently influenced by internet advertising.

- $H_0$  : There is no significant difference in the online buying behavior of the consumers influenced by internet advertising depending on their income.
- $H_1$  : There is a significant difference in the online buying behavior of the consumers influenced by internet advertising depending on their income.

### Income wise classification of the frequency of online buying of the consumers influenced by internet advertising

Income	Frequency			
	Never	Sometimes	Most of the time	Total
Below 10000	11	7	5	23
10000– 20000	13	15	6	34
20000 – 30000	9	21	16	46
30000 – 40000	7	8	14	29
Above 40000	5	6	7	18
Total	45	57	48	150

(Source : Primary data)

Chi-square (observed value)	13.2748
Chi-square (Critical value)	15.507
DF	8
alpha	0.05

As the observed value is less than the critical value, we accept the null hypothesis. So we can say that there is no significant difference in the online buying behavior of the consumers influenced by internet advertising depending on the income. Thus, the result shows that consumers belonging to all income categories show similar online buying behavior.

- $H_0$  : There is no significant difference in the online buying behavior of the consumers influenced by internet advertising depending on their gender.
- $H_1$  : There is a significant difference in the online buying behavior of the consumers influenced by internet advertising depending on their gender.

### Gender wise classification of the opinion of the consumers that internet advertising influences their online buying behavior

Gender	Opinion		
	Yes	No	Total
Male	54	16	70
Female	51	29	80
Total	105	45	150

(Source : Primary data)

Chi-square (Observed value)	3.841
Chi-square (Critical value)	3.1886
DF	1
alpha	0.05

The calculated or observed value is less than the critical value (table value). So, we accept the null hypothesis. Hence, we can state that there is no significant difference in the online buying behavior of the consumers influenced by internet advertising depending on their gender. Both male and female consumers show similar online buying preferences influenced by internet advertising.

#### IV. Conclusion

This study examined the impact of internet advertising on the online buying behavior of 150 consumers in Irinjalakuda town. Analysis revealed a preference for Amazon as the primary online shopping platform, with price discounts being the most influential factor in driving online purchases. The study also explored the influence of demographics (age, income, and gender) on this behavior. Results indicated that while income and gender did not significantly affect online buying behavior in relation to internet advertising, age did. Therefore, the study concludes that age is a significant factor in how internet advertising influences consumers' online purchasing decisions.

#### References

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