



## PERCEPTION OF CONSUMERS ON ONLINE ADVERTISING

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**Abstract:** *Internet usage, nowadays, is rapidly growing. It is an important medium in reaching out consumers. The population of internet users is increasing, thus, the importance of understanding consumers' perception to know and understand the effectiveness of online advertisements. The purpose of this research was to determine and understand consumers' perception towards online advertising. Today's businesses and consumers are not only limited to face-to-face transactions but are empowered without limit by modern technology, or the so-called online businesses. The research was conducted at Tuguegarao City. Two hundred respondents were involved. They are composed of online consumers and advertisers. Questionnaires were distributed as a tool to survey and gauge their perceptions towards online advertising and how it helps them. Using the descriptive-correlational method to gather data, the researchers found out that most of the respondents had neutral responses. The results demonstrate that, nowadays, people do not focus on the brand of the products or the benefits they get from them. Instead, they focus more on how these products satisfy them or make them happy. The result of the study also revealed that there was a significant relationship between the respondents' profile and their perception to online advertisements.*

**Keywords:** *advertising, online advertising, consumers perception, online business*

### INTRODUCTION

Nowadays, the internet is widely used in daily life. The existence of the internet brought many advantages to the humanity. With this medium, people can buy, introduce, and sell products and services.

Online advertising refers to the type of marketing strategy that involves the use of the internet to promote products by displaying information through websites, e-mail, and many more. Online advertising involves advertisements published in the internet. This is useful in making people aware about the existence of an organization and its products and services (Abd Aziz, Mohd Yasin and Syed A Kadir, 2008).



Because online activities have increased over the past years, netizens find e-shopping more convenient and time-saving. However, there is still a space for the improvement of delivery services and of advertising web products and services for long term success. In contrast to this, another school of thought believes that web advertising creates negative and positive perceptions among the consumers. They perceived web advertising as exaggeratedly portraying products (Ahmad Azmji, 2010).

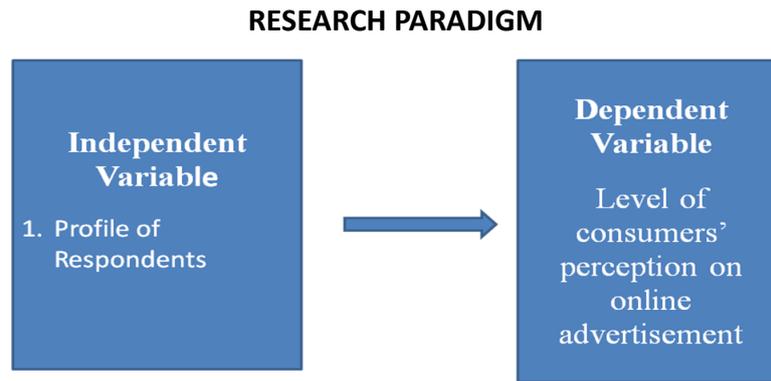
Consumers' perception implies the study of the processes involved when individual or groups select, purchase, use, or dispose of the product, service ideas, or experiences to satisfy the needs and wants of a consumer.

According to Rai (2013), there are several national and international brands that people recognize and have strong conception in their minds. These perceptions are pitched in their minds by their culture, lifestyle, and surroundings. Advertisements have a very important role in shaping the consumer behavior. They are also sources of motivation for consumers to buy a particular product. Advertisements are also a mechanism of building trust. The consumer is significantly induced if he or she is looking for the quality and price rates of the product. Purchase attitude can also be built up by product evaluation and brand recognition. We study consumers' perception to learn how consumers choose their goods and services as they meet their needs and wants. Because of this, some businesses provide and offer online advertising. Online advertising has grown rapidly as consumers become generally engaged in using gadgets and the internet. This is one of the main reasons why almost all of the companies introduce products through online advertising.

With the enhancements of modern technologies, people have all the reasons to make their lives at ease. People's living standard have drastically changed. For instance, in the world of business, computer literacy becomes a bridge to succeed in life. Online businesses have become relevant, in demand, and useful.

Through this study, researchers have found out that online advertising is increasing in usage, which explains that the internet or technology is now a part of people's lives.

This framework was constructed to illustrate the factors that would affect the consumers' perception towards online advertisement. The consumers' perception may influence or affect the two variables given on the illustration.



**Figure 1. Research Model**

In this study, the determinant, namely the Level of consumers' perception, had a significant relationship between consumer's perception and online advertising.

### **STATEMENT OF THE PROBLEM**

Generally, this study aimed to determine consumers' perception on online advertising. It sought to answer the following:

1. What is the profile of the respondents in terms of:
  - 1.1 Sex
  - 1.2 Age
2. What is the level of consumers' perception on online advertising?
  - 2.1 Credibility
  - 2.2 Informativeness
  - 2.3 Perceived Social Reward
3. Is there a significant relationship between the level of consumers' perception and their perception of online advertising?

### **HYPOTHESIS OF THE STUDY**

There is a significant relationship between the respondents' profile and their perception of online advertisements.

### **RESEARCH METHODOLOGY**

This chapter presents the research design, locale of the study, subjects and sampling procedure, research instrument, data gathering procedure, and statistical treatment of data used in analyzing and interpreting the data gathered for the study.

The study employed the descriptive-correlational method design. The objective of the study



was to find out the perception of consumers to online advertising.

Descriptive research enabled the researchers to understand the consumer perception towards the online advertising, such as the profile of the respondents and level of consumers' perception through the past studies.

### **LOCALE OF THE STUDY**

The study was conducted in Tuguegarao City.

### **RESPONDENTS OF THE STUDY**

To get the relevant data and information, the researchers gathered 200 respondents who were buying online and were advertising using the internet.

### **RESEARCH INSTRUMENT**

A questionnaire was used to ask the respondents. It provides an efficient way of collecting data responses from a large sample prior to quantitative analysis (Saunders, et. al., 2012).

The study utilized the structured questionnaires patterned after the past study, but with slight modifications to suit our research design. The questionnaire was patterned after the study of Chan Mei Lee, et. al. titled, "Consumer's attitude towards online advertising" published April 2014.

The questionnaire is composed of only one part. It discussed the general option for the respondents.

### **STATISTICAL ANALYSIS**

Frequency counts and percentages were used to determine consumers profile according to sex and age. Weighted mean was used to assess the level of consumers' perception on online advertising in terms of credibility, informativeness and perceived social reward.

A 5-point scale was used to interpret the consumers' perception of online advertising.

<b>Numerical Rating</b>	<b>Descriptive Value</b>
4.20 - 5.0	Strongly Agree
2.40 - 4.19	Agree
2.60 - 3.39	Neutral
1.80 - 2.59	Disagree
1.0 - 1.79	Strongly Disagree



Simple regression was used to test the significant relationship between consumers' perception and profile.

## RESULTS AND DISCUSSION

This chapter primarily deals with the presentation, analysis, and interpretation of the treated data, consisting the results of the assessments using the aforementioned instruments.

**Table 1 The Level of Perception of Consumer on Online Advertising According to Sex**

Sex	Frequency	Percentage
Male	82	41.00%
Female	118	59.00%
<b>Total</b>	<b>200</b>	<b>100%</b>

According to Table 1, the number of female respondents is more than the male respondents. The number of female respondents is 118 (59.00%), whereas, the male respondents total to 82 (41.00%), summing up to 200 people. Apparently, female respondents are more numerous than the males. This shows that females are more engaged with the online advertisement, aside from the fact that there are more female students within the university and per college relative to male.

**Table 2 The Level of Perception of Consumers on Online Advertising According to Age**

Age	Frequency	Percentage
17 – 18	40	20%
19 – 20	97	48.50%
21 & above	63	31.50
<b>Total</b>	<b>200</b>	<b>100%</b>

Based on Table 2, the majority of the respondents is from the age group 19 – 20 years old, which represents 48.50% of the whole respondents. This is followed by the groups that fall under the age groups 17 – 18 (20.00%), and 21 and above (31.50%). Furthermore, the age bracket 19-20 has the highest percentage since most of the respondents are college students.

**Table 3 The Level of Perception of Consumers on Online Advertising According to Credibility**

Credibility	Item Mean	Description Scale
The online advertisement is credible.	3.32	Neutral
The online advertisement is trustworthy.	3.07	Neutral
The online advertisement is believable.	3.16	Neutral
The online advertisement is convincible.	3.2	Neutral
<b>Category mean</b>	<b>3.19</b>	<b>Neutral</b>



According to the study, the researchers found out that most of the respondents have a neutral response. The mean for credibility is 3.32 neutral, 3.07 neutral for trustworthy, neutral 3.16 item mean for believing online advertisements, and 3.2 neutral for convincing. Therefore, the total category mean is 3.19 neutral. Based on Table 3, credibility shows that it is significantly related to the perception of consumers on online advertisement. It has a total category mean of 3.19, which indicated Neutral. The result of this credibility study shown in this research is consistent with the total result of the consumers' description scale. This indicates that the perception of consumers on online advertising is, generally, Neutral. Consumers do not seriously consider the credibility of the online advertisement. The advertisers' main concern is the ability of online advertising message to influence consumers' perception.

**Table 4 The Level of Perception of Consumers on Online Advertising According to Informativeness**

<b>Informativeness</b>	<b>Item Mean</b>	<b>Description Scale</b>
Online advertisement is a valuable source of information about product and services.	3.54	Agree
Online advertisement tells me which brands display the features I am looking for.	3.43	Agree
Online advertisement keeps me up-to-date about products and services available in the market.	3.48	Agree
Online advertisement provides the complete information that assists me in decision-making.	3.37	Neutral
<b>Category Mean</b>	<b>3.46</b>	<b>Agree</b>

According to the result, with a mean of 3.54, consumers agreed that online advertisement gives information about the advertised products and services. It revealed that online advertisement can help consumers choose the brand they want, with a category mean of 3.43. Online ad also updates the consumers, with a total mean of 3.48. With the total category mean of 3.46, consumers find online advertisement informative. Whereas, the result of providing the complete information that assists the consumers in making a decision has a total mean of 3.37. The Table 4 has a total category mean of 3.46, which means consumers agreed that online advertising is informative. The result of this study indicates that the informativeness of online ads has the most important role on the online advertising. Therefore, consumers perceived that online advertising is very informative and more likely



favorable. According to the previous research on Internet use motives, researchers have found out that the key function of online advertising is to provide information (Rubin, 2002).

**Table 5 The Level of Perception of Consumers on Online Advertising According to Perceived Social Reward**

Perceived Social Reward	Item Mean	Description Scale
Online advertisement is making us a materialistic society – overly interested in buying and owning tangible things.	3.56	Agree
Online advertisement makes people buy unaffordable products just to show off.	3.50	Agree
Through online advertising, I learn fashion to impress others.	3.56	Agree
Online advertising promotes awareness on branded goods.	3.73	Agree
<b>Category Mean</b>	<b>3.59</b>	<b>Agree</b>

Based on the results, consumers found online advertising as promoting the awareness of the branded goods and services with the highest mean of 3.73. Also, respondents said that online advertisement makes them more materialistic, encourages them to learn fashion to impress, and makes them buy unaffordable products just to show. Respectively, these factors garnered the following means: 3.56, 3.56, and 3.50. Based on Table 5, perceived social reward has a total category mean of 3.59, indicating, in general, that the consumers agreed on it. This shows that perceived social reward has a significant relationship on consumers perception on online advertising. This also demonstrates consumers' positive belief on online advertising as it promotes perceived social reward. They believe that social reward can enhance self-image and thus, make their lives more pleasurable (Christopher, et al., 2007).

## SUMMARY OF FINDINGS

This chapter summarizes the study findings in line with the objective, making conclusions and recommendation for possible improvement and further research.

Online advertising was able to provide the needs and desires of the consumers, which generates more favorable perception on the advertisement (Abd Azeem, 2012).

## CONCLUSION

Through this research, we found out that online advertisement can be helpful in reaching out prospective customers. Online consumerism through online ads varies depending on the age and sex of the population, with the level of consumers' perception including credibility, informativeness, and perceived social reward. The result of the study shows that perceived



social reward gets the highest percentage among all other reasons why consumers buy products. Secondly, the informativeness of online advertisement helps the consumers see information about what they really wanted on the products and services. Lastly, the results in studying the perception of consumers according to credibility revealed that consumers do not really bother about the trustworthiness of online advertising.

These are useful trends for them to determine the importance of and better understand the perception of consumers on the online advertisements to

## **RECOMMENDATION**

1. Future researchers may better conduct the same study by broadening the scope and population of the respondents to represent a larger consumer population patronizing online ads.
2. Future researchers are strongly encouraged to survey online as the target respondents of this research are consumers using the internet.
3. Future researchers may conduct related research but not one that focuses on respondents with the same business field and interest.

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