

# PATTAMUNDAI COLLEGE, PATTAMUNDAI



DEPARTMENT OF COMMERCE

**A PROJECT REPORT ON**

**(EFFECTIVENESS OF ONLINE ADVERTISEMENT  
IN ONLINE SHOPPING )**

*A Project submitted to Pattamundai College Pattamundai in Partial fulfillment of  
the requirement for the +3 Final year Commerce in 6<sup>th</sup> Semester 2021*

**Under the Guidance of:-**

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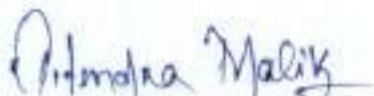
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**PATTAMUNDAI COLLEGE, PATTAMUNDAI**  
**SESSION- 2020-2021**

## REPORT

A project on “ *Effectiveness of Online Advertisement in Online Shopping* ” was undertaken by student of department of Commerce during the month of March in 2021. 32 nos. of students participated in the project work. They collected materials from secondary sources i.e Internet , Central library and departmental library of the college. The project work was supervised by Mr. Jitendra Malik . After completion of the project students presented their report before the external and internal examiner.

  
SUPERVISED BY

  
HOD, COMMERCE

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CHAPTER – I  
INTRODUCTION

## 1.1 INTRODUCTION

Promotion represents all of the communication that a marketer may use in the market place. Promotion is needed in order to maintain the level of sales and profit required for a firm's survival. Promotional activities include advertising, personal selling and publicity.

Advertising is a mass communication process of persuading the prospects by convincing them to buy product or service with increased satisfaction to the consumers and profit to the sponsors. Marketing is more than just distributing goods from the manufacturer to the final consumer. It comprises all the stages between creation of the product and the aftermarket which follows the eventual sale. Advertising is a component or subset of the marketing process. There is a popular saying about advertising "The Company that saves money but not advertising is like the man who stops the clock to save time." This shows the role of advertising in business.

Most of the advertisement contains false claims and the consumers do not enjoy the benefit of advertisement. It gives misleading information to customers about the benefits of a product. Critics of advertising point out that it encourages unnecessary proliferation of product resulting in wastage of resources. In order to protect the interest of both consumers and the advertisers certain norms of quality and standards are laid down by the competent authority.

The modern business world depends on advertising. Advertising popularizes a product among the targeted customers. It is an integral part of our social and economic system. Advertising as a powerful technique for sale promotion and has been doing wonders in the domain of distribution because, it is quite capable of influencing the course of consumption, affecting the process of production, enlarging the exchange and diversifies the distribution. Online advertising is similar to sales promotions in the way of instantaneous feedback. With technology that allows companies to track every click of the mouse through a website, online advertisers know if an ad is effective or not within seconds of a consumer seeing it. If an ad is ineffective, companies can make instant changes to the ad to make it more enticing to the consumer. Online advertising, also called online marketing or Internet advertising, is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers.

## **1.2 STATEMENT OF THE PROBLEM**

In recent times advertising plays an important role in marketing a product. The need for advertising arises from the intensity of competition, with the market glutted with endless brands of products, with huge discounts and offers, the customers is influenced largely by advertising in the decision making process, in the case of online shopping. So this study includes the impact of the advertisement in the online shopping. In this study, an attempt is made to find out the influence of advertisement on the purchase decision, the brand preference of the people and the media that influences the buying decisions etc.

## **1.3 SIGNIFICANCE AND IMPORTANCE OF THE STUDY**

The purchasing decision of the customers may be related with an advertisement of a product. The present study is conducted to know the impact of advertisement, whether it influence the buying decision of the consumers. The buying habit of consumers may be influenced by many factors like quality, price, and advertisement etc. Therefore it is considered that a study about the impact of advertisement of online shopping is significant in the changing environment. When users are online they are usually preparing themselves for seeking the information that the Internet is offering to them. This is the core factor which differentiates Internet advertising from other means of advertising vehicles. It gives low cost advertisement budget to the company with compare to offline ads.

## **1.4 OBJECTIVES OF THE STUDY**

1. To examine the dominant factors influencing customers in the buying decision with regard to online shopping.
2. To investigate the possibility to create a unique social shopping environment for shoppers.
3. To examine the online buying behavior of consumers.
4. To know whether the effectiveness of advertisement is influenced by demographic variables.

## **1.5 DATA COLLECTION AND METHODOLOGY**

Data required for the study are collected from primary and secondary sources. Secondary data is collected from books, journals, internet and other published sources. The primary data is collected from selected 50 respondents by using a schedule. Nirmala College, Muvattupuzha in Ernakulam district has been selected as sample data for the purpose of the study. Stratified random sampling method is used while collecting data from the respondents.

## **1.6 TECHNIQUES OF ANALYSIS**

The data collected from various sources have been suitably classified and tabulated to suit the purpose of study

The dominant factors influencing the buying decision in online shopping are analyzed with the help of weighted average method. The factor with the highest weighted average score is considered as the most decisive factor in the purchase decision of the consumer. The opinion of online shoppers regarding the effectiveness of advertisement in their buying decision is analyzed with the help of percentages. Charts are also used to illustrate and compare the collected data.

## **1.7 CHAPTER SCHEME**

1. Chapter 1 contains the introductory part for the project report of "Effect of Online Advertisement in Online Shopping". It contains the introduction, Statement of the problem, Significance and Importance of the study, Objectives of the study, Data Collection and Methodology, Techniques of Analysis and Limitations of the Study.
2. Chapter 2 contains the theoretical framework of the project report titled "Effect of Online Advertisement in Online Shopping".
3. Chapter 3 is the data analysis of the project report titled "Effect of Online Advertisement in Online Shopping". The primary data collected through questionnaire is analyzed and made into information in this chapter.

4. Chapter 4 of the project report titled "Effect of Online Advertisement in Online Shopping" contains the summary, findings, suggestions and conclusion.

### **1.8 LIMITATION OF THE STUDY**

The major limitation of the study was the minimum time available for the study. Due to lack of money, time and other personal limitations the number of samples is restricted to 50 respondents and the sampling methods have its own limitations also. The study is conducted only in Nirmala College, Muvattupuzha in Ernakulam district.

**CHAPTER – II**  
**ONLINE ADVERTISEMENT AND ONLINE**  
**SHOPPING**  
**A THEORETICAL FRAMEWORK**

## 2.1 ONLINE ADVERTISEMENT

### 2.1.1 Introduction

Online advertising, also called online marketing or Internet advertising is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. 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 that 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.

Online advertising is a marketing strategy that involves the use of the Internet as a medium to obtain website traffic and target and deliver marketing messages to the right customers. Online advertising is the use of internet as an advertising medium where promotional messages appear on a computer screen. Since the communication software or the browser reveals sufficient information about the site's visitors, online advertising can be custom-tailored to match user preference. Many common online advertising practices are controversial and increasingly subject to regulation.

### 2.1.2 History

In early days of the Internet, online advertising was mostly prohibited. For example, two of the predecessor networks to the Internet, ARPANET and NSF Net, had "acceptable use policies" that banned network "use for commercial activities by for-profit institutions". The NSF Net began phasing out its commercial use ban in 1991. Email The first widely publicized example of online advertising was conducted via electronic mail. On 3 May 1978, a marketer from DEC(Digital Equipment Corporation), Gary Thuerk, sent an email to most of the ARPANET's American west coast users, advertising an open house for a new model of a DEC computer. Despite the prevailing acceptable use policies, electronic mail marketing rapidly expanded and eventually became known as "spam".

The first known large-scale non-commercial spam message was sent on 18 January 1994 by an Andrews University system administrator, by cross-posting a religious message to all USENET newsgroups. Four months later, Laurence Canter and Martha Siegel, partners in a law firm, broadly promoted their legal services in a USENET posting titled "Green Card Lottery – Final One?" Canter and Siegel's Green Card USENET spam raised the profile of online advertising, stimulating widespread interest in advertising via both Usenet and traditional email. More recently, spam has evolved into a more industrial operation, where spammers use armies of virus-infected computers (botnets) to send spam remotely.

### **2.1.3 Benefits of online advertising**

#### **2.1.3.1 Cost**

The low costs of electronic communication reduce the cost of displaying online advertisements compared to offline ads. Online advertising, and in particular social media, provides a low-cost means for advertisers to engage with large established communities. Advertising online offers better returns than in other media. Online advertising rates are set through a combination of ad size, ad location, ad performance and market demand.

#### **2.1.3.2 Measurability**

Online advertisers can collect data on their ads' effectiveness, such as the size of the potential audience or actual audience response, how a visitor reached their advertisement, whether the advertisement resulted in a sale, and whether an ad actually loaded within a visitor's view. This helps online advertisers improve their ad campaigns over time.

#### **2.1.3.3 Formatting**

Advertisers have a wide variety of ways of presenting their promotional messages, including the ability to convey images, video, audio, and links. Unlike many offline ads, online ads also can be interactive. For example, some ads let users input queries or let users follow the advertiser on social media. Online ads can even incorporate games.

#### **2.1.3.4 Targeting**

Publishers can offer advertisers the ability to reach customizable and narrow market segments for targeted advertising. Online advertising may use geo-targeting to display relevant advertisements to the user's geography. Advertisers can customize each individual ad to a particular user based on the user's previous preferences. Advertisers can also track whether a visitor has already seen a particular ad in order to reduce unwanted repetitious exposures and provide adequate time gaps between exposures.

#### **2.1.3.5 Speed**

Once ad design is complete, online ads can be deployed immediately. The delivery of online ads does not need to be linked to the publisher's publication schedule. Furthermore, online advertisers can modify or replace ad copy more rapidly than their offline counterparts.

#### **2.1.3.6 Coverage**

Online advertising can reach nearly every global market, and online advertising influences offline sales.

#### **2.1.3.7 Deliverability and flexibility**

Internet ad is delivered in relative 24 hours a day, 7 days a week and 31 days a month.

#### **2.1.3.8 Tracking**

Marketers can track how users interact with their brand and earn what is of interest to their current customs and prospective.

### **2.1.4 Types of Online Advertisement Methods**

#### **2.1.4.1 Web banner advertising**

Web banners or banner ads typically are graphical ads displayed within a web page. Many banner ads are delivered by a central ad server. Banner ads can use rich media to incorporate video, audio, animations, buttons, forms, or other interactive elements using Java applets,

HTML5, Adobe Flash, and other programs. Web banners are one of the most common types of online advertisement.

#### **2.1.4.2 Frame ad (traditional banner)**

Frame ads were the first form of web banners. The colloquial usage of "banner ads" often refers to traditional frame ads. Website publishers incorporate frame ads by setting aside a particular space on the web page. The Interactive Advertising Bureau's Ad Unit Guidelines proposes standardized pixel dimensions for ad units.

#### **2.1.4.3 Pop-ups/pop-unders**

A pop-up ad is displayed in a new web browser window that opens above a website visitor's initial browser window. A pop-under ad opens a new browser window under a website visitor's initial browser window.

#### **2.1.4.4 Floating ad**

A floating ad, or overlay ad, is a type of rich media advertisement that appears superimposed over the requested website's content. Floating ads may disappear or become less obtrusive after a preset time period.

#### **2.1.4.5 Expanding ad**

An expanding ad is a rich media frame ad that changes dimensions upon a predefined condition, such as a preset amount of time a visitor spends on a webpage, the user's click on the ad, or the user's mouse movement over the ads. Expanding ads allow advertisers to fit more information into a restricted ad space.

#### **2.1.4.5 Trick banners**

A trick banner is a banner ad where the ad copy imitates some screen element users commonly encounter, such as an operating system message or popular application message, to induce ad clicks. Trick banners typically do not mention the advertiser in the initial ad, and thus they are a form of bait-and-switch. Trick banners commonly attract a higher-than-average click-through rate, but tricked users may resent the advertiser for deceiving them. Trick banners are one of the most common online advertisement types widely used by many

companies to give information about their products. Although it is a type of advertisement most of the users found it irritating and fraudulent.

#### **2.1.4.6 Interstitial**

An interstitial ad displays before a user can access requested content, sometimes while the user is waiting for the content to load. Interstitial ads are a form of interruption marketing.

#### **2.1.4.7 Text ads**

A text ad displays text-based hyperlinks. Text-based ads may display separately from a web page's primary content, or they can be embedded by hyper linking individual words or phrases to advertiser's websites. Text ads may also be delivered through email marketing or text message marketing. Text-based ads often render faster than graphical ads and can be harder for ad-blocking software to block.

#### **2.1.4.8 Search engine marketing (SEM)**

Search engine marketing, or SEM, is designed to increase a website's visibility in search engine results pages (SERPs). Search engines provide sponsored results and organic (non-sponsored) results based on a web searcher's query. Search engines often employ visual cues to differentiate sponsored results from organic results. Search engine marketing includes all of an advertiser's actions to make a website's listing more prominent for topical keywords. Search engine optimization (SEO) Search engine optimization, or SEO, attempts to improve a website's organic search rankings in SERPs by increasing the website content's relevance to search terms. Search engines regularly update their algorithms to penalize poor quality sites that try to game their rankings, making optimization a moving target for advertisers. Many vendors offer SEO services. Google, Yahoo, Bing etc. are some of the main sites which offer search engine marketing

#### **2.1.4.9 Sponsored search**

Sponsored search (also called sponsored links, search ads, or paid search) allows advertisers to be included in the sponsored results of a search for selected keywords. Search ads are often sold via real-time auctions, where advertisers bid on keywords. In addition to setting a maximum price per keyword, bids may include time, language, geographical, and other constraints. Search engines originally sold listings in order of highest bids. Modern search

engines rank sponsored listings based on a combination of bid price, expected click-through rate, keyword relevancy and site quality.

#### **2.1.4.10 Social media marketing**

Social media marketing is commercial promotion conducted through social media websites. Many companies promote their products by posting frequent updates and providing special offers through their social media profiles.

#### **2.1.4.11 Mobile advertising**

Mobile advertising is ad copy delivered through wireless mobile devices such as smartphones, feature phones, or tablet computers. Mobile advertising may take the form of static or rich media display ads, SMS (Short Message Service) or MMS (Multimedia Messaging Service) ads, mobile search ads, advertising within mobile websites, or ads within mobile applications or games (such as interstitial ads, "adver-gaming," or application sponsorship). Industry groups such as the Mobile Marketing Association have attempted to standardize mobile ad unit specifications, similar to the IAB's efforts for general online advertising. Mobile advertising is growing rapidly for several reasons. There are more mobile devices in the field, connectivity speeds have improved (which, among other things, allows for richer media ads to be served quickly), screen resolutions have advanced, mobile publishers are becoming more sophisticated about incorporating ads, and consumers are using mobile devices more extensively. The Interactive Advertising Bureau predicts continued growth in mobile advertising with the adoption of location-based targeting and other technological features not available or relevant on personal computers.

#### **2.1.4.12 Email advertising**

Email advertising is ad copy comprising an entire email or a portion of an email message. Email marketing may be unsolicited, in which case the sender may give the recipient an option to opt out of future emails, or it may be sent with the recipient's prior consent (opt-in). Here an e-mail containing details about a new product or particular product is received by the user from the company. Most of the users are considering such mails as spams because, many of the hackers use email as weapon to stole or retrieve information from others. Opt-in email advertising, or permission marketing, is a method of advertising via email whereby the

recipient of the advertisement has consented to receive it. This method is one of several developed by marketers to eliminate the disadvantages of email marketing

#### **2.1.4.13 Chat advertising**

As opposed to static messaging, chat advertising refers to real time messages dropped to users on certain sites. This is done by the usage of live chat software or tracking applications installed within certain websites with the operating personnel behind the site often dropping adverts on the traffic surfing around the sites. In reality this is a subset of the email advertising but different because of its time window.

#### **2.1.4.14 Online classified advertising**

Online classified advertising is advertising posted online in a categorical listing of specific products or services. Examples include online job boards, online real estate listings, automotive listings, online yellow pages, and online auction-based listings. Craigslist and eBay are two prominent providers of online classified listings.

#### **2.1.4.15 Adware**

Adware is software that, once installed, automatically displays advertisements on a user's computer. The ads may appear in the software itself, integrated into web pages visited by the user, or in pop-ups/pop-unders. Adware installed without the user's permission is a type of malware.

### **2.1.5 Compensation methods for Online Ads**

Advertisers and publishers use a wide range of payment calculation methods. In 2012, advertisers calculated 32% of online advertising transactions on a cost-per-impression basis, 66% on customer performance (e.g. cost per click or cost per acquisition), and 2% on hybrids of impression and performance methods. CPM (cost per mille) Cost per mille, often abbreviated to CPM, means that advertisers pay for every thousand displays of their message to potential customers (mille is the Latin word for thousand).

In the online context, ad displays are usually called "impressions." Definitions of an "impression" vary among publishers, and some impressions may not be charged because they

don't represent a new exposure to an actual customer. Advertisers can use technologies such as web bugs to verify if an impression are actually delivered. Publishers use a variety of techniques to increase page views, such as dividing content across multiple pages, repurposing someone else's content, using sensational titles, or publishing tabloid or sexual content. CPM advertising is susceptible to "impression fraud" and advertisers who want visitors to their sites may not find per-impression payments a good proxy for the results they desire.

## **Types of Compensation Methods**

### **2.1.5.1 CPC (cost per click)**

CPC (Cost per Click) or PPC (Pay per click) means advertisers pay each time a user clicks on the ads. CPC advertising works well when advertisers want visitors to their sites, but it's a less accurate measurement for advertisers looking to build brand awareness. CPC's market share has grown each year since its introduction, eclipsing CPM to dominate two-thirds of all online advertising compensation methods. Like impressions, not all recorded clicks are valuable to advertisers. GoldSpot Media reported that up to 50% of clicks on static mobile banner ads are accidental and resulted in redirected visitors leaving the new site immediately.

### **2.1.5.2 CPE (cost per engagement)**

Cost per engagement aims to track not just that an ad unit loaded on the page (i.e., an impression was served), but also that the viewer actually saw and/or interacted with the ads.

### **2.1.5.3 CPV (cost per view)**

Cost per view video advertising. Both Google and TubeMogul endorsed this standardized CPV metric to the IAB's (Interactive Advertising Bureau) Digital Video Committee, and it's garnering a notable amount of industry support.

### **2.1.5.4 CPA (Cost per Action or Cost per Acquisition)**

Also known as PPP (Pay per Performance) advertising means the advertiser pays for the number of users who perform a desired activity, such as completing a purchase or filling out a registration form. Performance-based compensation can also incorporate revenue sharing.

where publishers earn a percentage of the advertiser's profits made as a result of the ads. Performance-based compensation shifts the risk of failed advertising onto publishers.

#### **2.1.5.5 Fixed cost compensation**

Fixed cost compensation means advertisers pay a fixed cost for delivery of ads online, usually over a specified time period, irrespective of the ad's visibility or users' response to it. One example is CPD (cost per day) where advertisers pay a fixed cost for publishing an ad for a day irrespective of impressions served or clicks.

## 2.2 ONLINE SHOPPING

### 2.2.1 Introduction

Online shopping or e-shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser.

Alternative names are: e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, online storefront and virtual store. Mobile commerce (or m-commerce) describes purchasing from an online retailer's mobile optimized online site or app.

An online shop evokes the physical analogy of buying products or services at a bricks- and-mortar retailer or shopping center; the process is called business-to-consumer (B2C) online shopping. In the case where a business buys from another business, the process is called business-to-business (B2B) online shopping. The largest of these online retailing corporations are Alibaba, Amazon.com, and eBay.

### 2.2.2 History

English entrepreneur Michael Aldrich invented online shopping in 1979. His system connected a modified domestic TV to a real-time transaction processing computer via a domestic telephone line. He believed that videotex, the modified domestic TV technology with a simple menu-driven human-computer interface, was a 'new, universally applicable, participative communication medium — the first since the invention of the telephone.' This enabled 'closed' corporate information systems to be opened to 'outside' correspondents not just for transaction processing but also for e-messaging and information retrieval and dissemination, later known as e-business. His definition of the new mass communications medium as 'participative' [interactive, many-to-many] was fundamentally different from the traditional definitions of mass communication and mass media and a precursor to the social networking on the Internet 25 years later.

In March 1980 he went on to launch Redifon's Office Revolution, which allowed consumers, customers, agents, distributors, suppliers and service companies to be connected on-line to the corporate systems and allow business transactions to be completed electronically in real-time.

During the 1980's he designed, manufactured, sold, installed, maintained and supported many online shopping systems, using videotex technology. These systems which also provided voice response and handprint processing pre-date the Internet and the World Wide Web, the IBM PC, and Microsoft MS-DOS, and were installed mainly in the UK by large corporations.

The first World Wide Web server and browser, created by Tim Berners-Lee in 1990, opened for commercial use in 1991. Thereafter, subsequent technological innovations emerged in 1994: online banking, the opening of an online pizza shop by Pizza Hut, Netscape's SSLv2 encryption standard for secure data transfer, and Intershop's first online shopping system. The first secure retail transaction over the Web was either by NetMarket or Internet Shopping Network in 1994. Immediately after, Amazon.com launched its online shopping site in 1995 and eBay was also introduced in 1995. Alibaba's sites Taobao and Tmall were launched in 2003 and 2008, respectively.

Retailers are increasingly selling goods and services prior to availability through pretail for testing, building, and managing demand.

## **2.2.3 International e-commerce**

### **2.2.3.1 Statistics**

Statistics show that in 2012, Asia-Pacific increased their international sales over 30% giving them over \$ 433 billion in revenue. That is a \$69 billion difference between the U.S. revenue of \$ 364.66 billion. It is estimated that Asia-Pacific will increase by another 30% in the year 2013 putting them ahead by more than one-third of all global ecommerce sales. The largest online shopping day in the world is Singles Day, with sales just in Alibaba's sites at US\$9.3 billion in 2014.

### **2.2.3.2 Customers**

Online customers must have access to the Internet and a valid method of payment in order to complete a transaction. Generally, higher levels of education and personal income correspond to more favorable perceptions of shopping online. Increased exposure to technology also increases the probability of developing favorable attitudes towards new shopping channels. In

a December 2011 study, Equation Research surveyed 1, 500 online shoppers and found that 87% of tablet owners made online transactions with their tablet devices during the early Christmas shopping season.

### **2.2.3.3 Logistics**

Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine. Once a particular product has been found on the website of the seller, most online retailers use shopping cart software to allow the consumer to accumulate multiple items and to adjust quantities, like filling a physical shopping cart or basket in a conventional store. A "checkout" process follows (continuing the physical-store analogy) in which payment and delivery information is collected, if necessary. Some stores allow consumers to sign up for a permanent online account so that some or all of this information only needs to be entered once. The consumer often receives an e-mail confirmation once the transaction is complete. Less sophisticated stores may rely on consumers to phone or e-mail their orders (although full credit card numbers, expiry date, and Card Security Code, or bank account and routing number should not be accepted by e-mail, for reasons of security).

### **2.2.3.4 Payment**

Online shoppers commonly use a credit card or a PayPal account in order to make payments. However, some systems enable users to create accounts and pay by alternative means, such as Billing to mobile phones and landlines, Cash on delivery, Debit card, Electronic money of various types, Wire transfer/delivery on payment etc. Some online shops will not accept international credit cards. Some require both the purchaser's billing and shipping address to be in the same country as the online shop's base of operation. Other online shops allow customers from any country to send gifts anywhere. The financial part of a transaction may be processed in real time (e.g. letting the consumer know their credit card was declined before they log off), or may be done later as part of the fulfillment process.

### **2.2.3.5 Product delivery**

Once a payment has been accepted, the goods or services can be delivered in the following ways:

\*. Downloading/ Digital distribution: The method often used for digital media products such as software, music, movies, or images.

\*. Drop shipping: The order is passed to the manufacturer or third-party distributor, who then ships the item directly to the consumer, bypassing the retailer's physical location to save time, money, and space.

\*. In-store pick-up: The customer selects a local store using locator software and picks up the delivered product at the selected location. This is the method often used in the bricks and clicks business model.

\*. Printing out, provision of a code for, or e-mailing of such items as admission tickets and scrip (e.g., gift certificates and coupons). The tickets, codes, or coupons may be redeemed at the appropriate physical or online premises and their content reviewed to verify their eligibility (e.g., assurances that the right of admission or use is redeemed at the correct time and place, for the correct dollar amount, and for the correct number of uses).

\*. Shipping: The product is shipped to a customer-designated address.

#### **Shopping cart systems**

\*. Simple systems allow the off-line administration of products and categories. The shop is then generated as HTML files and graphics that can be uploaded to a webspace. The systems do not use an online database.

\*. A high-end solution can be bought or rented as a stand-alone program or as an addition to an enterprise resource planning program. It is usually installed on the company's web server and may integrate into the existing supply chain so that ordering, payment, delivery, accounting and warehousing can be automated to a large extent.

\*. Other solutions allow the user to register and create an online shop on a portal that hosts multiple shops simultaneously from one back office.

\*. Open source shopping cart packages include advanced platforms such as Interchange, and off-the-shelf solutions such as Magento, nopCommerce, osCommerce, Shopgate, PrestaShop, Shopify, Zen Cart, and OpenCart.

\*.Commercial systems can also be tailored so the shop does not have to be created from scratch. By using an existing framework, software modules for various functionalities required by a web shop can be adapted and combined.

#### **2.2.3.6 Design**

Customers are attracted to online shopping not only because of high levels of convenience, but also because of broader selections, competitive pricing, and greater access to information. Business organizations seek to offer online shopping not only because it is of much lower cost compared to bricks and mortar stores, but also because it offers access to a worldwide market, increases customer value, and builds sustainable capabilities. Design is one of the important factors that a customer looks in an online shopping site. Every site creator should give more importance to the design of a website. It should be very attractive and eye-catching.

#### **2.2.3.7 Online gift shops**

Online gift shops are websites which have the primary objective of selling products online that will be given to others. These online retailers may or may not be associated to a physical shop. Online Shopping makes sending gifts to relatives and friends easy, no matter where ever they stay. Now there is no need of making distance an excuse for not sending a gift on occasions like Birthday, Wedding Anniversary, Marriage, Valentine's Day, Mother's Day etc.

#### **2.2.3.8 Information load**

Designers of online shops are concerned with the effects of information load. Information load is a product of the spatial and temporal arrangements of stimuli in the web store. Compared with conventional retail shopping, the information environment of virtual shopping is enhanced by providing additional product information such as comparative products and services, as well as various alternatives and attributes of each alternative, etc.

Two major dimensions of information load are complexity and novelty. Complexity refers to the number of different elements or features of a site, often the result of increased information diversity. Novelty involves the unexpected, suppressed, new, or unfamiliar aspects of the site. The novelty dimension may keep consumers exploring a shopping site, whereas the complexity dimension may induce impulse purchases.

### 2.2.3.9 Consumer needs and expectations

A successful web store is not just a good looking website with dynamic technical features, listed in many search engines. In addition to disseminating information, it is also about building a relationship with customers and making money. Businesses often attempt to adopt online shopping techniques without understanding them and/or without a sound business model; often, businesses produce web stores that support the organizations' culture and brand name without satisfying consumer expectations. User-centered design is critical. Understanding the customer's wants and needs is essential. Living up to the company's promises gives customers a reason to come back and meeting their expectations gives them a reason to stay. It is important that the website communicates how much the company values its customers.

Customer needs and expectations are not the same for all customers. Age, gender, experience and culture are all important factors. For example, Japanese cultural norms may lead users there to feel privacy is especially critical on shopping sites and emotional involvement is highly important on financial pension's sites. Users with more online experience focus more on the variables that directly influence the task, while novice users focus on understanding the information.

To increase online purchases, businesses must use significant time and money to define, design, develop, test, implement, and maintain the web store. Truly said, it is easier to lose a customer than to gain one. Even a "top-rated" website will not succeed if the organization fails to practice common etiquette such as responding to e-mails in a timely fashion, notifying customers of problems, being honest, and being good stewards of the customers' data. Because it is so important to eliminate mistakes and be more appealing to online shoppers, many web shop designers study research on consumer expectations.

### 2.2.3.10 User interface

The most important factors determining whether customers return to a website are ease of use and the presence of user-friendly features. Usability testing is important for finding problems and improvements in a web site. Methods for evaluating usability include heuristic evaluation, cognitive walkthrough, and user testing. Each technique has its own characteristics and emphasizes different aspects of the user experience.

## **2.2.4 Advantages of online shopping**

### **2.2.4.1 Easy to Find**

Finding a product online is much easier than looking for it in the local store. You can search any product easily by using the search engine feature of an online shopping website. But in store you have to look for it until you find it. Sometime it becomes very annoying when you can't find the product even after looking in the couple of shops. But in online usually we don't have to face this problem. If you don't find a product then you can switch to a new shopping website without wasting your time. For example if you don't find the suitable product in E-bay, you can look for it in the Amazon without wasting your time. On the other hand if you do not find any product in the store you have to go to other store which is more laborious and time consuming. So the online shopping sites helps in finding a product real quick without taking much effort.

### **2.2.4.2 Products can be cheaper**

Sometime a product can be much cheaper in another country than your country. In this case it would be wise to shop online to save some money

### **2.2.4.3 Save time and energy**

You don't have to waste your time in going to store and standing in front of the crowd. Shopping from the local store became more time consuming and expensive. You can solve all the above problems just by shopping online. Online stores are usually available 24 hours a day, and many consumers have Internet access both at work and at home. Other establishments such as internet cafes and schools provide internet access as well. In contrast, visiting a conventional retail store requires travel and must take place during business hours.

### **2.2.4.4 Freedom of choice**

Freedom of choice is very high in online than shopping from a nearby store. In online you can choose the product you are looking, from a vast range of products.

#### **2.2.4.5 Freedom of price flexibility**

You will enjoy the freedom of price flexibility. If you don't like the price of a product from an online shop, you can switch to other online to store to look for cheaper price. You can also follow this procedure in normal shop, but it would take more time and energy to do so.

#### **2.2.4.6 High satisfaction percentage**

Now a day's shopping online is very reliable. The percentage of satisfaction is very high. This is why you would see most of the seller has 99%+ positive feedback. All of the shopping sites offer high privacy and credibility. So the customers are really satisfied with the sites.

#### **2.2.4.7 Buyer protection**

Dependable websites like EBay provides buyer protection to motivate people to buy from their site. This highly trusted websites will give your money back if any seller do not deliver the item or deliver an item which does not match with the description.

#### **2.2.4.8 Rare product**

Shopping online is very useful in buying rare products.

#### **2.2.4.9 Privacy**

There are some products which you don't want to buy publicly. You can buy any kind of product from online web store anonymously to maintain your desired privacy.

#### **2.2.4.10 E-business**

The progress of online business is actually helping million of people. Now people can buy and sell from their home. People who cannot afford to buy or rent a shop, can easily open an online store and sell items from their home. This is playing a very important role in reducing the unemployment rate.

## **2.2.5 Disadvantages of online shopping**

### **2.2.5.1 Delay**

The main disadvantage of online shopping is, you cannot receive the product immediately. You have to wait until the product arrives. Sometime it is better to have an item instantly than keep waiting for it for many days

### **2.2.5.2 Inferior product**

You don't know about the actual quality of the product. Sometimes the description of the product might be different than the actual product. As a result you might end up with inferior quality product.

### **2.2.5.3 Shipping Charge**

Shipping charge and shipping delays are one of the main disadvantages of shopping online. Items are generally cheaper in online web store. But sometime the addition of shipping charge makes the price similar or more expensive than your nearby local store.

### **2.2.5.4 Delivery Problem**

Sometime you may face Delivery risk. Delivery risk occurs when the seller fails to deliver the original product or delivers a damaged (inferior/duplicate) product due to shipping problems. Sometimes items are shipped but delivered to the wrong address; stolen from the porch; or inadvertently left in a hidden spot (such as an alleyway or by a seldom-used side door)

### **2.2.5.5 Shopaholic**

Since its very easy to search & purchase different items very easily and quickly from online, many people ends up being an online shopaholic. That means they buy too many things they actually don't need.

### **2.2.5.6 Scam**

As online shopping is becoming very common the number of online scam and fraud is also increasing. This is why a buyer should always buy from trusted websites only because trusted websites would take care of any fraud to maintain their reputation. Given the lack of ability to inspect merchandise before purchase, consumers are at higher risk of fraud than face-to-face transactions. Merchants also risk fraudulent purchases using stolen credit cards or fraudulent repudiation of the online purchase.

### **2.2.5.7 Some items are better to buy from the real Store**

You wouldn't like to buy any clothing products because you won't be able to know whether they are going to look good on you or not. There is a chance that the product may not suit you or it shouldn't be the correct size.

### **2.2.5.8 Return problem**

Returning an item is difficult in case of online shopping. Although seller accepts sells return, they usually want the item within a short period of time and you also have to pay for the shipping charges.

### **2.2.5.9 Warranty issues**

Many electronic items are sold without international warranty. So make sure you contact with the seller to verify whether the item has international warranty or not.

### **2.2.5.10 Miscellaneous trouble**

There are some other rare disadvantages such as credit card fraud, spyware etc

**CHAPTER – III**

**ANALYSIS OF DATA AND  
INTERPRETATION**

## ANALYSIS OF DATA AND INTERPRETATION

Consumers have their own interest for preference of brand. They may be much influenced by the advertisement. When the objectives of an advertisement are not met, the amount spent on advertisement is a waste. Impact of advertisement should be measured to know whether the amount spent on an advertisement is resulting in increasing sales.

Advertising on the internet can be an important part of your marketing strategy, helping to drive traffic to your website. Research shows that advertising online works well with other forms of advertising to help give your brand name or product a significant uplift in exposure. Unlike some traditional advertising, online advertising can deliver visitors immediately through a simple click on your ad and provides measurable results.

Online shopping or e-shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. An online shop evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping center; the process is called business-to-consumer (B2C) online shopping. In the case where a business buys from another business, the process is called business-to-business (B2B) online shopping.

This chapter contains a detailed analysis of the impact of online advertisement among buying decision in online shopping based on both primary and secondary data. Secondary data were collected from books, journals and other published source. Internet is also used for secondary data collection. The primary data required for the study were collected from the selected 50 respondents by using an interview schedule method.

Nirmala College in Muvattupuzha situated in Ernakulam district has been selected as the sample area for the purpose of study. Stratified random sampling method was followed for the selection of respondents, due to personal consideration such as lack of time and money.

## 1. Gender Wise Classification of Respondents

Table 3.1

Gender Wise Classification of Respondents

Gender	No. of Respondents	Percentage
Male	28	56
Female	22	44

(Source: Primary Data)

### Interpretation

Table 3.1 shows that 56 percentages of the respondents are of male and 44 percentage of the respondents are female.

Figure 3.1

Gender Wise Classification of Respondents



## 2. Online Shopping Sites Preference

Table 3.2  
Online shopping site preference.

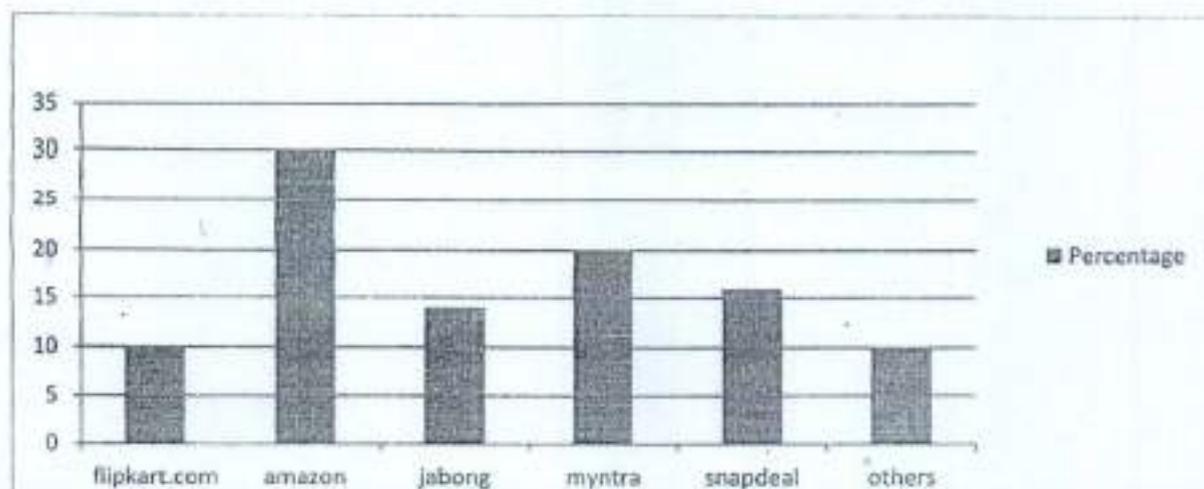
Sites	No. of respondents	Percentage
Flipkart.com	5	10
Amazon.in	15	30
Jabong.in	7	14
Myntra.com	10	20
Snapdeal.com	8	16
others	5	10

(Source: Primary Data)

### Interpretation:

Table 3.2 shows that 30 percentage of respondents use amazon.in for online shopping, 20percentage use myntra.com and 16percentage use snapdeal.com for online shopping. 14percentage of people use jabong.in and 10percentage each use flipkart.com and other sites for online shopping.

Figure 3.B  
Online shopping sites preference



### 3. Products purchased through online shopping sites

Table 3.3

Products purchased through online shopping

Products	No. of respondents	Percentage
Electronic items	12	24
Footwear's	14	28
Clothing's	11	22
Fashion accessories	6	12
Movie tickets	3	6
Others	4	8

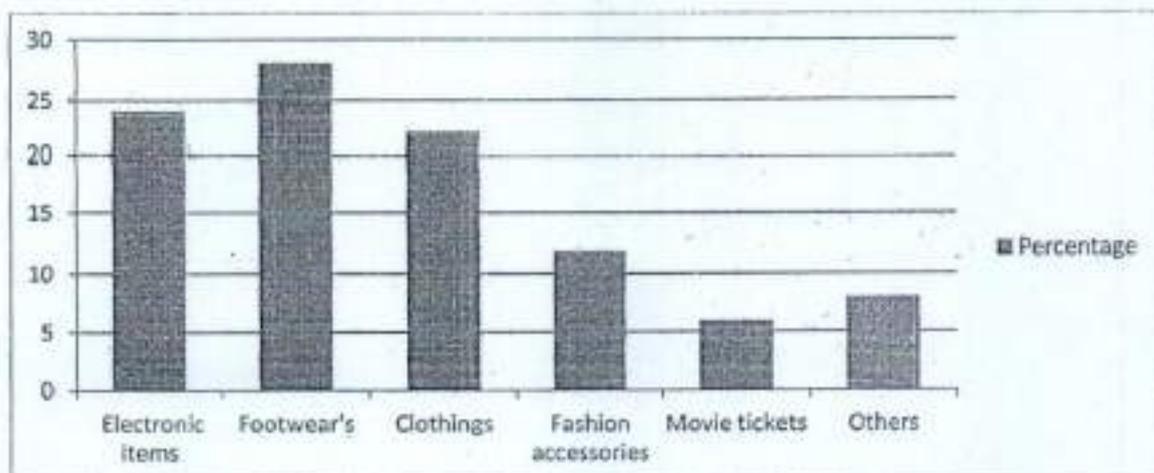
(Source: Primary Data)

#### Interpretation:

Table 3.3 reveals that the type of products purchased through online mostly by the people is footwear's followed by electronic items, clothing's, fashion accessories, other products and movie tickets. The most purchased product through online is footwear's. The least product purchased through online is movie tickets.

Figure 3.C

Products purchased through online shopping



#### 4. Effectiveness of online advertisement

Table 3.4

Effectiveness of advertisement

Criterion	No. of respondents	Percentage
Effective	35	70
Non-effective	15	30
Total	50	100

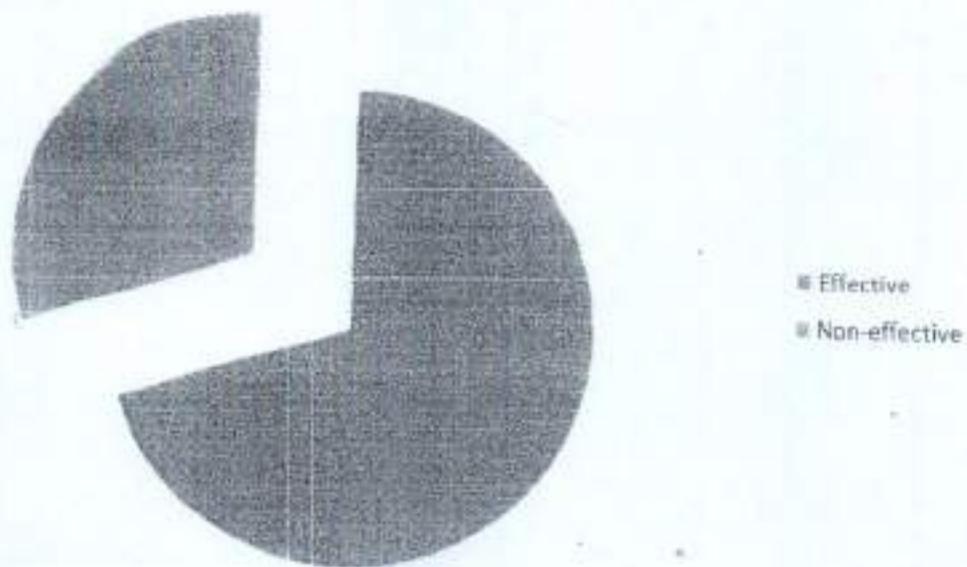
(Source: Primary Data)

#### Interpretation:

It is evident from the above table that 70 percentage of the respondents are of the opinion that advertisement is effective in making a purchase decision.

Figure 3.D

Effectiveness of online advertisement



## 5. Shopping intervals of customers

Table 3.5

Shopping intervals of customers

Criterion	No. of respondents	Percentage
Once a week	4	8
Once per two weeks	10	20
Monthly	16	32
Occasionally	20	40

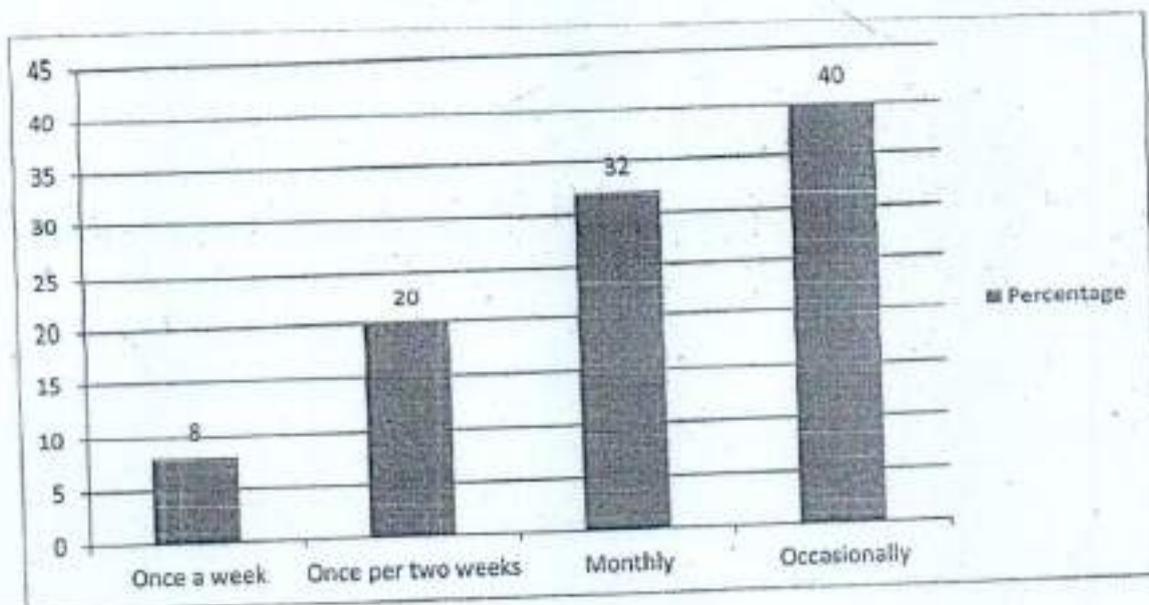
(Source: Primary Data)

### Interpretation:

Table 3.5 shows that 40 percentage of peoples surveyed goes to shopping occasionally and 32 percentage goes monthly for online shopping. It is also revealed from the table that only 20 percentage of respondents go for online shopping once per two weeks and only 8percentage goes for shopping every week.

Figure 3.E

Shopping intervals of customers



## 6. Purchase decision by seeing an advertisement

Table 3.6

Purchase decision by seeing an advertisement

Criterion	No. of respondents	Percentage
Effective	30	60
Non-effective	20	40
Total	50	100

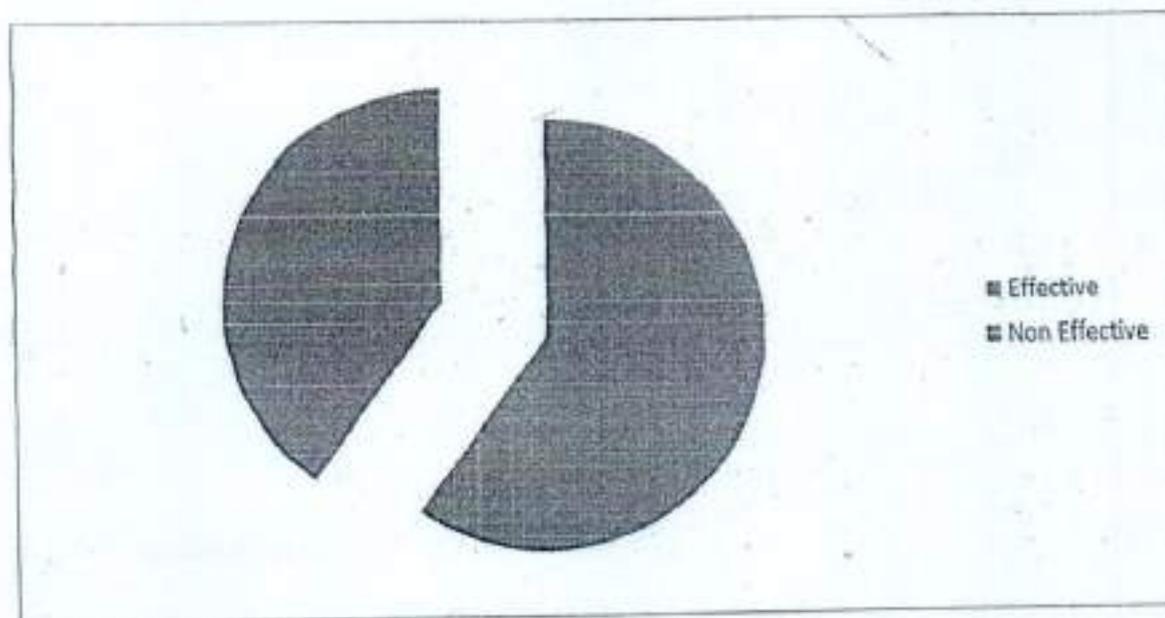
(Source: Primary Data)

### Interpretation:

It is evident from the above table that 60 percentage of the respondents have bought something because of an advertisement. 40 percentage of people disagree that they didn't purchase by seeing any advertisement.

Figure 3.F

Purchase decision by seeing an advertisement



## 7. Factors influencing the purchase decision

Table 3.7

Factors influencing the purchase decision

Criterion	No. of respondents	Percentage
The advertisement was interesting.	10	20
Curious about the product.	3	6
It was a familiar product or brand.	8	16
Was already planning on the purchase of product.	16	32
The price discount they offered.	13	26

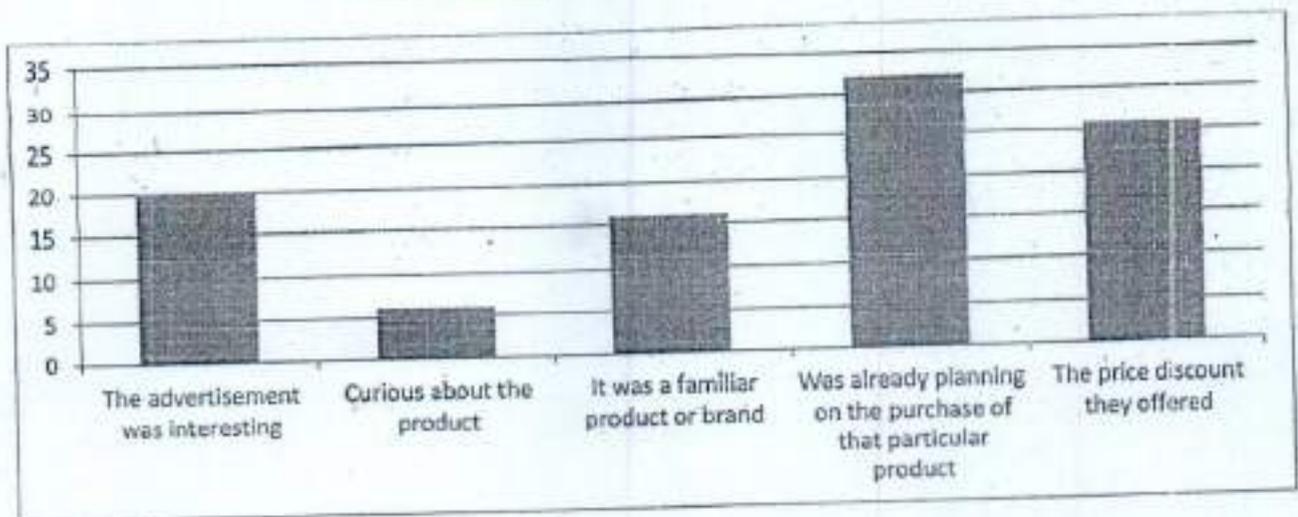
(Source: Primary Data)

### Interpretation:

The table 3.7 shows that the most factor which influence the purchase decision in online shopping is that the respondent has already planning on the purchase of the product. It comes with a percentage of 32 percentage. 26 percentage of respondent bought due to the price discount and 20 percentage because of the advertisement. 16 percentage of people bought a product because it was a familiar product for them. Only 6 percentage bought the product out of curiosity.

Figure 3.G

Factors influencing the purchase decision



## 8. Level of satisfaction regarding the purchase

Table 3.8

Level of satisfaction regarding the purchase

Levels	No. of respondents	Percentage
Highly satisfied	12	24
Satisfied	21	42
Average	11	22
Unsatisfied	3	6
Highly unsatisfied	3	6

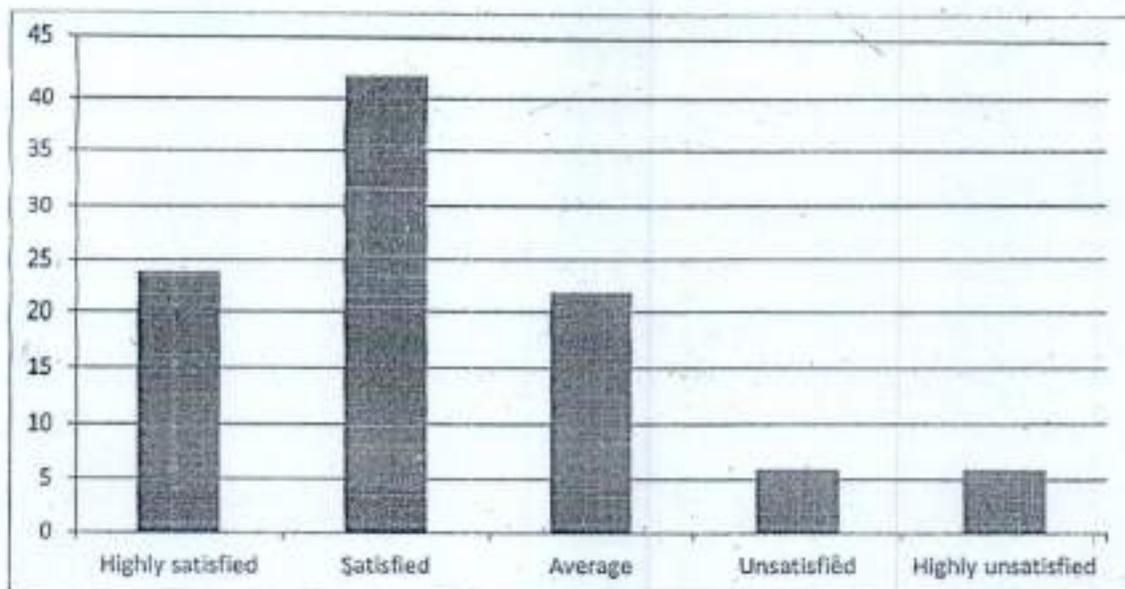
(Source: Primary Data)

### Interpretation:

It is clear from the above table that 42 percentages of people are satisfied about their purchase. 24 percentage of respondent are highly satisfied about their purchase and 22 percentage of respondent are neither satisfied nor dissatisfied about their decision.

Figure 3.H

Level of satisfaction regarding the purchase



## 9. Factors making advertisement more effective

Table 3.9

Factors making advertisement more effective

Factors	No. of respondents	Percentage
Slogan	3	6
Caption	8	16
Media	12	24
Color combination	7	14
Presence of film/sports star	20	40

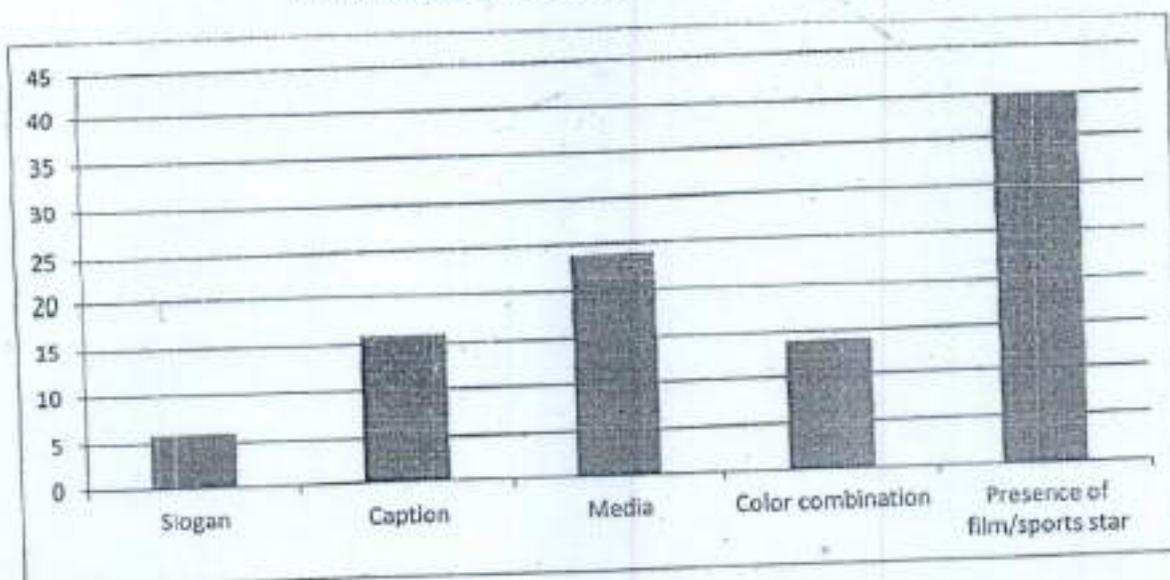
(Source: Primary Data)

### Interpretation:

The main factor that makes advertisement more effective is the presence of film or sports star or any celebrity. Media and caption follows by it. The least important way in which advertisement can be made effective is the slogan.

Figure 3.I

Factors making advertisement more effective



## 10. Most attractive type of advertisement

Table 3.10

Most attractive type of advertisement

Criterion	No. of respondents	Percentage
Ads featuring discount coupon	12	24
Online additional purchase banner	11	22
Gift with purchase	10	20
Free shipping/Shipping discount	8	16
percentage off when spent a fixed amount	9	18

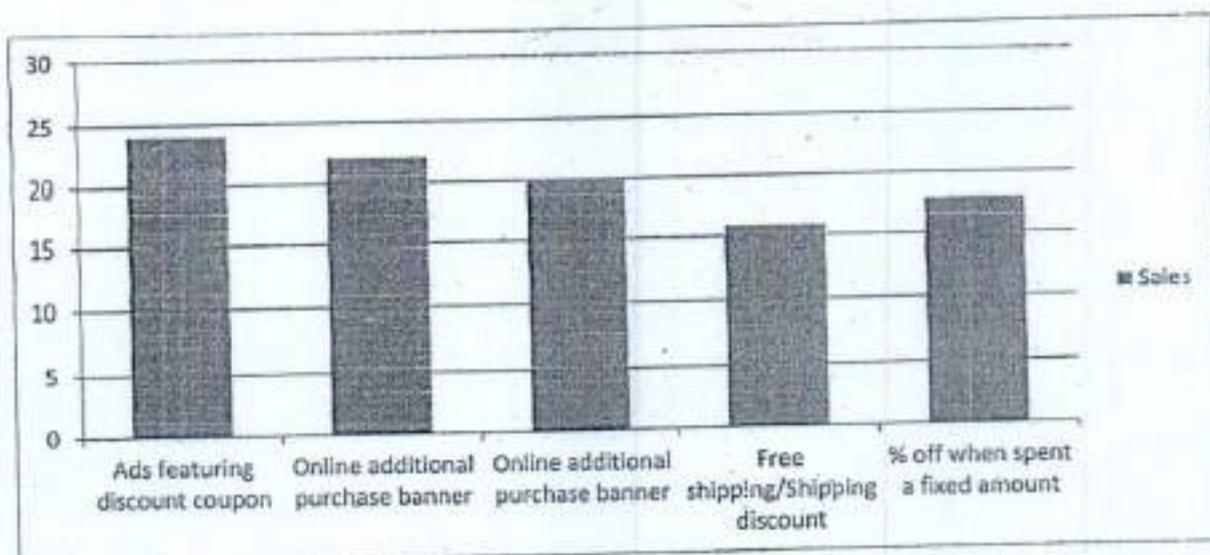
(Source: Primary Data)

### Interpretation:

Table 3.10 shows that online advertisement featuring discount coupons are the most attractive type of advertisement. Advertisement featuring additional purchase and gift with purchase follows by it. Advertisement featuring shipping discount is the lowest attractive type of the advertisement.

Figure 3.J

Most attractive type of advertisement



## 11. Factors to choose an online shopping site

Table 3.11

Factors to choose an online shopping site

Criterion	No. of respondents	Percentage
Wide selection of products	7	14
Price	13	26
Advertisement	7	14
Buying offers	12	24
Money back guarantee	11	22

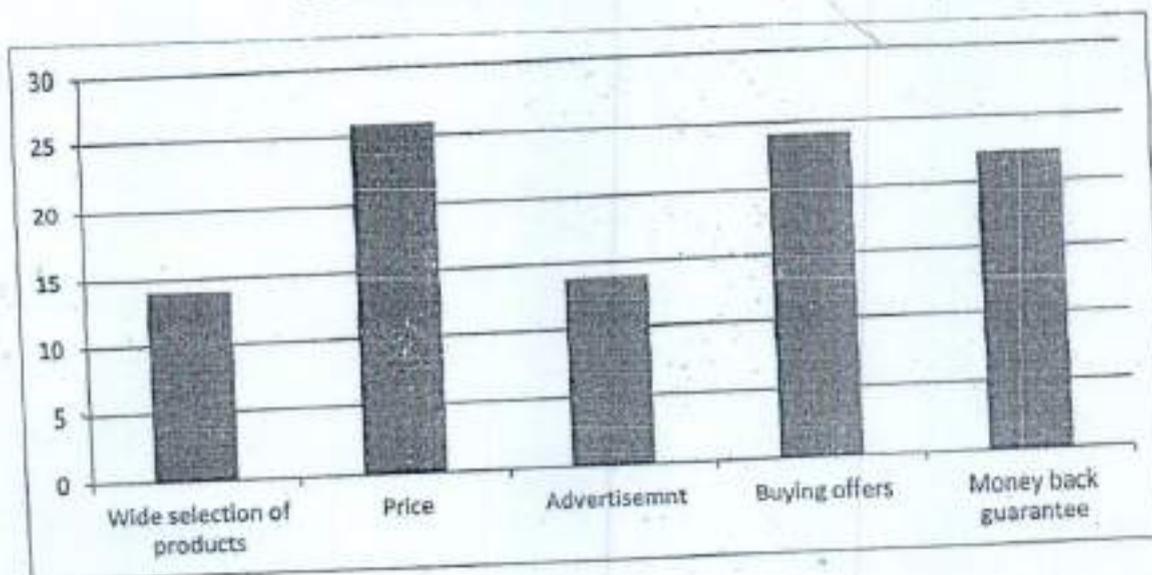
(Source: Primary Data)

### Interpretation:

From the table 3.11 it is clear that price is the main factor that enables a customer to choose an online shopping site for shopping. Buying offers and money back guarantee follows by it. The least important factors are wide selection of products and advertisement.

Figure 3.K

Factors to choose an online shopping site



## 12. Features necessary for an online shopping site

Table 3.12

Features necessary for an online shopping site

Features	No. of respondents	Percentage
Multiple payment gateways	7	14
Social networking integration	11	22
Credibility	11	22
Privacy and secure checkout	9	18
Customer friendly	12	24

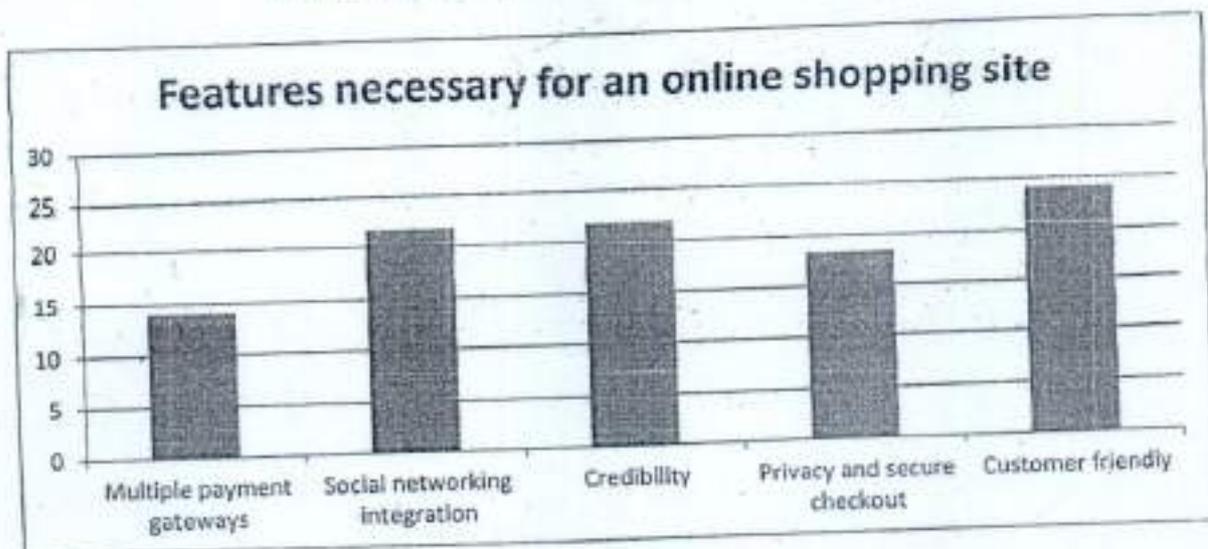
(Source: Primary Data)

### Interpretation:

Table 3.12 shows that most important feature that an online should have is that it should be customer friendly. Another important factor is that the site must offer a social networking integration and the site should be 100 percentages credible to the most extend. The least important factor is the multiple payment gateways.

Figure 3.L

Features necessary for an online shopping site



**CHAPTER – IV**  
**SUMMARY OF FINDINGS**  
**AND**  
**CONCLUSION**

## 4.1 FINDINGS

The major findings of the study are summarized below:

- The study shows that that 30% of respondents use amazon.in for online shopping, 20% use myntra.com and 16% use snapdeal.com for online shopping. 14% of people use jabong.in and 10% each use flipkart.com and other sites for online shopping.
- It is revealed from the study that the type of products purchased through online mostly by the people is footwear's followed by electronic items, clothing's, fashion accessories, other products and movie tickets. The most purchased product through online is footwear's. The least product purchased through online is movie tickets.
- It is evident from the study that 70% of the respondents are of the opinion that advertisement is effective in making a purchase decision.
- The study shows that 40% of peoples surveyed goes to shopping occasionally and 32% goes monthly for online shopping. It is also revealed from the table that only 20% of respondents go for online shopping once per two weeks and only 8% goes for shopping every week.
- It is evident that 60% of the respondents have bought something because of an advertisement. 40% of people disagree with the above statement.
- It is shown that the most factors which influence the purchase decision in online shopping is that the respondent has already planned on the purchase of the product. It comes with a percentage of 32%. 26% of respondent bought due to the price discount and 20% because of the advertisement. 16% of people bought a product because it was a familiar product for them. Only 6% bought the product out of curiosity.
- The study shows that 42% of people are satisfied about their purchase. 24% of respondent are highly satisfied about their purchase and 22% of respondent are neither satisfied nor dissatisfied about their decision.

- The main factor that makes advertisement more effective is the presence of film or sports star or any celebrity. Media and caption follows by it. The least important way in which advertisement can be made effective is the slogan.
- The study shows that online advertisement featuring discount coupons are the most attractive type of advertisement. Advertisement featuring additional purchase and gift with purchase follows by it. Advertisement featuring shipping discount is the lowest attractive type of the advertisement.
- It is clear from the study that price is the main factor that enables a customer to choose an online shopping site for shopping. Buying offers and money back guarantee follows by it. The least important factors are wide selection of products and advertisement.
- The study shows that most important feature that an online should have is that it should be customer friendly. Another important factor is that the site must offer a social networking integration and the site should be 100% credible to the most extend. The least important factor is the multiple payment gateways.

## 4.2 SUGGESTIONS

- The buying decision of the consumers is changing from time to time. So the advertisement should improve by time to time.
- The online advertisement is very much helpful to give more knowledge about the online shopping. So the advertisement is must for every online shopping sites.
- Misleading and fraudulent advertisement should be banned.
- Only offer best and good quality products in your shopping site.
- The consumers must have the right to know about the truth of matters in advertisement.
- Advertisement should include complete and correct information regarding the products.

### 4.3 CONCLUSION

The success of a product depends on its advertising strategy. This study reveals that the most important fact that influences the online shopping is the online advertisement. The consumers are much influenced by the advertisement in the purchasing decision. The study shows that an advertisement is must for the success of a product in its marketing strategies. An attractive advertisement can boost up the sale of a product. So an advertisement, which improves from time to time, can only capture the consumers.

## PROJECT REPORT ON "EFFECTIVENESS OF ONLINE ADVERTISEMENT IN ONLINE SHOPPING"

SESSION-2020-2021

DEPARTMENT OF COMMERCE

PATTAMUNDAI COLLEGE, PATTAMUNDAI

## ATTENDANCE SHEET OF STUDENTS

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2	Ranjeeta Sahoo	BC18-24	Ranjeeta Sahoo
3	Sunil Ku. Tarai	BC18-25	Sunil Ku. Tarai
4	Gouraprasad Senapati	BC18-26	Gouraprasad Senapati
5	Gandhyarani Sarangi	BC18-27	Gandhyarani Sarangi
6	Shekharkanta Das	BC18-28	Shekharkanta Das
7	Sunil Ku. Rout	BC18-29	Sunil Ku. Rout
8	Jyotimanjan Sahoo	BC18-40	Jyotimanjan Sahoo
9	Soubhagya Ku. Das	BC18-41	Soubhagya Ku. Das
10	Madhusmita Bhuyan	BC18-42	Madhusmita Bhuyan
11	Smrutikanta Samal	BC18-43	Smrutikanta Samal
12	Sunil Ku. Rout	BC18-44	Sunil Ku. Rout
13	Bhhabani Sahoo	BC18-45	Bhhabani Sahoo
14	Bhuvanraj Panigrahy	BC18-46	Bhuvanraj Panigrahy
15	Sk Wasim	BC18-47	Sk Wasim
16	Dasmata Khandua	BC18-48	Dasmata Khandua
17	Dhananjaya Sahoo	BC18-49	Dhananjaya Sahoo
18	Sasikanta Kan	BC18-50	Sasikanta Kan
19	Banita Jena	BC18-51	Banita Jena
20	Riturani Rout	BC18-52	Riturani Rout
21	Amiket Khattar	BC18-53	Amiket Khattar
22	Samir Behera	BC18-54	Samir Behera
23	Angapurna Kundu	BC18-55	Angapurna Kundu
24	Abir Jena	BC18-56	Abir Jena
25	Rashmita Sahoo	BC18-57	Rashmita Sahoo
26	Bandana Muduli	BC18-58	Bandana Muduli
27	Abhit Sahoo	BC18-59	Abhit Sahoo
28	Bimal Kumar Nayak	BC18-60	Bimal Kumar Nayak
29	Binay Krishna Jibon Dash	BC18-61	Binay Krishna Jibon Dash
30	Pankaj Panigrahy	BC18-62	Pankaj Panigrahy
31	Smriti Ranjan Nanda	BC18-63	Smriti Ranjan Nanda
32	Satyabrata Panda	BC18-64	Satyabrata Panda