



Internet advertising effectiveness by using hierarchical model

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Abstract. Present paper has been developed with the title of internet advertising effectiveness by using hierarchical model. Presenting the question: Today Internet is an important channel in marketing and advertising. The reason for this could be the ability of the Internet to reduce costs and people's access to online services. Also advertisers can easily access a multitude of users and communicate with them at low cost [9]. On the other hand, compared to traditional advertising, internet advertising has significant benefits. That among them the creation of two-way communication with the audience, relatively low cost, universal and circadian access, and improvement of information, easy update and accurate targeting of customers can named [10]. On this basis a lot of studies and researches were performed over time and a lot of advertising models stating that how people understand Internet advertising and what attitude to it they have, were designed [1]. Various advertising results have shown that beliefs and attitudes of people towards internet advertising are two important factors of Internet advertising [11]. That is why to conduct any kind of advertising on the Internet, first of all it is required that by full understanding of advertising space and approach of different people toward different ways of advertising, enough information to be collected. Only in this way advertising will have good efficiency.

Keywords: Advertising, hierarchical model, effectiveness, Internet shopping

1. INTRODUCTION

Internet growth has been the reason for formation of a virtual culture which has a particular form of procedure, members of the community (citizens) and methods of expressing feelings for people who are involved in the production process and web marketing [12]. The importance of the Internet market, with an increasing number of Internet users, will be doubled and has caused the formation of a new philosophy in marketing in the name of internet marketing. Which the most important aspect in it, is the process of interaction with the customer [20]. To establish an interactive relationship with users, it is required to become aware of their interests and attitudes toward various types of Internet advertising. One of the most important steps in any advertising is evaluation of advertising. By examining the effects of advertising and its relationship with organizational goals changes in advertising budget, the form and content of messages and the type of media and communication channels and even the time and conditions of implementation of the ad could be created so ads are made more useful and effective than ever. Advertising effects are very versatile and different and for this reason the separation of each of them and even advertising effects in a period of time requires appropriate and scientific methods and techniques. Advertising causes changes in knowledge, attitude and behavior of the audience. Awareness, Persuading and encouraging, reminding, strengthening relations and accelerating and promoting exchanges are among various tasks of ads and evaluation of advertising effects on any of these items for organizations that know Advertising to be necessary for survival, growth and development is a necessity [3]. Several studies have shown that, in most consumer markets in order to maximize sales, providing advertisements with the contents of different communication for different markets is necessary. This means that a focused message can be

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more effective in increasing brand awareness. Star² suggested that consumers are appreciative for market segmentation because they see market segmentation as a way to avoid messages which they are not interested in receiving. Therefore, by doing a study we could become aware of the effectiveness of advertising in different market segments and can even help us in market segmentation.

2. PRESENTING THE QUESTION

Today Internet is an important channel in marketing and advertising. The reason for this could be the ability of the Internet to reduce costs and people’s access to online services³. Also advertisers can easily access a multitude of users and communicate with them at low cost [9]. On the other hand, compared to traditional advertising, internet advertising has significant benefits. That among them the creation of two-way communication with the audience, relatively low cost, universal and circadian access, and improvement of information, easy update and accurate targeting of customers can named [10]. On this basis a lot of studies and researches were performed over time and a lot of advertising models stating that how people understand Internet advertising and what attitude to it they have, were designed [1]. Various advertising results have shown that beliefs and attitudes of people towards internet advertising are two important factors of Internet advertising [11]. That is why to conduct any kind of advertising on the Internet, first of all it is required that by full understanding of advertising space and approach of different people toward different ways of advertising, enough information to be collected. Only in this way advertising will have good efficiency.

Also in our country, the number of Internet users has passed the border of thirty-three million people in 2009 [19] and simultaneously by increasing of Internet users, saturation of markets, intensification of competition, changes in the tastes and needs of customers, Iranian companies have faced numerous challenges in commercial and industrial activities [2]. Therefore, in such circumstances, necessity of attention to Internet advertising and making the most out of spending for it will be crucial. On the other hand, even though the Internet has quickly become a platform for sale, there is a little knowledge about how the Internet atmosphere affects the behavior of user’s shopping search and whether the Internet in the same atmosphere affects men and women differently [12].

3. THEORETICAL PRINCIPLES

Nowadays, there are many different ways to advertise a product or brand. So that each of these methods has advantages and disadvantages that are addressed in table 1. based on a variety of criteria which are considered by good or service vendors, one or several methods for advertising are chosen.

Table 1. Advantages and disadvantages of advertising tools [3]

Type of media	advantages	disadvantages
Newspaper	Flexibility, timeliness, appropriate coverage locally, wide acceptance of high confidence ¹	Short life, poor print quality, handoffs between low audience
Television	Suitable coverage for public, the cost for each individual viewer is low, this media combines light, sound and image, many attractions, trusted source of information [4]	High cost, high density of advertising, rapid passage of ad, poor choice of audience[4]
Direct post	Power to choose audience is high, is flexible, there is possibility to Personalize the message.	The cost per each viewer is high, can induce a sense of worthless advertising.

² Star
³ Online

More on Table 1. advantages and disadvantages of promotional tools [3]

Radio	Proper reception locally, choose appropriate geographic area and demographic structure, low cost	Audio only, the message passes fast, low attention, scattered and diverse audience.
Magazine	A good choice for the target market focused on a specific geographic area or demographic group with special interests, prestige, high print quality, long life and the ability to transfer to other agencies	The time of arrival advertise to the audience is high, high cost.
Billboards	Flexible, repeated messages for each viewer is high, low cost, low competition for advertising and choose in message line	Restrictions on the choice of the audience and creativity.
Internet	choose a high the target market, low cost, speed and power of interaction	Media is in control of viewer f, in some countries the users of these media are limited.

3.1 Internet And Marketing

Internet is of the most important and controversial issues in trade and business education. It is clear that Business Foundations are rapidly evolving and dynamic deployment areas are new and therefore Internet should be considered the most widespread media that has created numerous changes in the field of marketing and development. These features have affected many of the areas in marketing: Segmentation and targeting, pricing, customer service and customer relationship management, packaging, marketing communications, promotion, channel distribution and value chain, global marketing and brand.

What is clear is that the Internet has put a series of previous media features along with unique new capabilities includes interactive (two-way communication or multiple) and address taking in itself. This media is capable of bringing all firms and individuals to their demands [5].

Regarding Internet and marketing many experts have been studying which examples are as follows:

3.2 Hammond, Turner & Bain⁴

These individuals did research about the difference in the characteristics of the users and non-users and their strategy and stated: Internet users are usually interested in the technology and benefits arising from it and know it to be important and essence provider. Internet users are motivated by stimulating information and communication. The findings of this research led us to the position that Internet should have more fun and interactive features so that it can attract more users [13].

3.3 Emmanoulides & Hammond⁵

These individuals considered three foundational waves in the investigation of users on the Internet:

- A. Time of using or the first use (Pioneers, delayers, etc.)
- B. Location of using (home, work, etc.)
- C. Form and structure (collective, individual) [25]

⁴ Hammond, Turner & Bain

⁵ Emmanoulides, C. & Hammond

3.4 Novak, Hoffman & Yung⁶

They developed flow⁷ model. These individuals studies, has provided the test of communication model of electronic media features and consumer behavior. This model is related to online and live experience of people on the Internet. In fact, experience in communicating and using the Internet has had a significant relationship with Behavioral states, such as joy⁸, and the entertainment⁹ and gaining experience for future use. They analyzed consumer behavior on a site and they called it flow that in it:

Firstly, the sequence of site's drivers and consumer's response was evident in integrated form. Secondly, naturally and normally, it was entertaining. Thirdly, it was smart. Fourthly, it resulted in self-improvement, meaning that it resulted in Synergies¹⁰ within itself. In this model 4 threads were consideration regarding navigational behavior of consumer:

1. A high level of skill and control
2. A high level of challenge and excitement
3. Concentration and attention
4. Increase of interaction and communication

3.5 Silk, Klein & Brendt¹¹

They have paid attention the role of the Internet as a promotional tool to compete with other media and according to econometric models and consideration of other traditional media, examined four issues in the field of online advertising:

- A. The effect of this kind of advertising on the housekeepers
- B. Consumer demand for information
- C. Pricing
- D. Measuring compliance with product and service promotions

As a result, the extent of the long-term impact of internet on other competitor Medias was approved, so that, in some aspects this device is used as an alternative for Medias and in some cases it is used as their supplement [15].

4. SHOPPING BEHAVIORAL MODELS

Electronic commerce environment that is based on the Internet makes it possible for the customers to take action for information searching and the purchase of goods and services through direct connection with online stores. It should be noted that buying online is not based on the real experience of buying goods, but is rather based on aspects such as image, shape, quality of information and advertising of products [20]. On the other hand buying through online stores is like shopping through a catalog, because delivery is by mail in both of them and consumer cannot touch or feel the product before buying. So accepting Internet shopping and doing it largely depends on consumer's communications and how people interact with computer. In addition, features such as providing information, guidance and carrying out orders in a two-way and interactive purchase tool has been considered as an important factor in building confidence in electronic commerce compared to traditional sales. In books and articles about electronic commerce, there are numerous investigations about Internet shopping and evaluation of consumer that some of Reviews justify the existence of an experimental credit between factors affecting on shopping and Internet shopping behavior. But new research style

⁶ Novak, Top., Hoffman, D.L. b& Yung

⁷ Flow

⁸ Fun

⁹ Playfulness

¹⁰ Synergy

¹¹ Silk, Klein & Brendt

of information processing by the customer, buying patterns, preferences, customers, and related fields to create more attractive for users of the online stores have been brought to attention That must be reviewed. Steps that the buyer takes to decide what type of products he should buy is called buying decision process. There are many models in this context that this models of decision-making shows Purchasing behavior and understandable practices by consumers. The purpose of these models is integration and order of large components of knowledge known about consumer behavior that a brief description of some models will be covered [6].

4.1 Electronic Marketing Strategies

4.1.1 Email Marketing

Using e-mail, is one of the most effective methods of electronic marketing. This method is highly cost-effective, Flexible, targeted and with complete ability of evaluate and follow-up and more importantly in case of correct implementation it is very profitable. The most important capability of e-mail, is using it for one-to-one marketing. Because one to one marketing, has need for capability of individual addressing. By using one to one e-mail stable interfaces with the customer can be established and increase his visits of the site and also purchasing goods. By using personalized e-mail, it is possible that with each person, Commensurate with his characteristics, interests and needs, secure conversation and relationship with customers. As much as marketers learn about customer's information, the more easily he can move based on his conditions and needs. In addition to creating a communication with the customer, E-mail marketing makes it possible to advertise more efficiently. Because time is a valuable element, E-mail can help us in using time properly.

4.1.2 Blogging

Before the phenomenon of blog, customers did not have ability and fortune of close communication with provider of services and goods. Blogging, helps a lot in creating trust and lets customers to have close communication with highest rates of organization's managers. Blogging helps marketers tell their story in an open and non-official environment that has a personal form for customers, and be able to express their positive and negative opinions for service provider.

4.1.3 Multimedia Content

Nowadays, access to high speed internet has been provided in most areas. This high speed communication allows that voluminous multimedia content that access to them via internet until 5 years ago wasn't possible, to be used. One of the most spread of this kind of contents, is digital video. Today anyone can easily create a piece of video and show it through the internet while others can easily watch it. These types of websites that broadcast video content, have an extreme amount of viewer traffic and is one of the favorite places of organizations for advertising.

4.1.4 Social Sites

It is usually used as a hangout for the youth that usually have benefit of millions of visitors and members. Today, marketers have recognized the value of these sites and in the more specialized areas, such sites are emerging. Nowadays social sites for mothers, children, students, professionals, and many other social classes exist. In such sites, gathering are created for consultation of people who have similar ideas so that thoughts, ideas, resources, experiences, pictures, videos, music and other common things to be shared with others.

4.1.5 Chain Marketing

It is one of the powerful methods of e-marketing. In this method by creating multiple links from hundreds of websites to target website makes it possible for users from different parts of the virtual world based on their needs and services provided on the website, to be guided to the website.

An important advantage in chain marketing is that unlike other methods of electronic marketing, money is paid only if desired result (Which is attracting visitors and directing them to the target site) is reached. This exactly means that we have hundreds of marketers without paying any money as advance payment and payment will be received only when the visit takes place. Success in this approach requires clever design of the outer shell and proper management of the inner core. [18].

4.1.6 Marketing Viral

A technique in which companies encourage their customers to send information about their product or service to others. Companies that allow visitors to send interesting Games and exciting clips to the rest of their friends are an example of an attempt for viral advertising. Information are quickly spread via handoff. Now if a report could be designed to sell goods or services to contacts and release it through viral marketing. After a while there will be a flood of eager customers. Viral reports will be spread via handoff by two methods:

When someone publishes an e-mail or prints a paper and encourages people to download the report from your website.

When reports or products that somewhat have ads on are placed by different people at different sites and placed in the hands of others. [16]

4.2 Electronic Marketing Mix

Electronic Marketing Mix is key concept in determining the techniques and tools that retailers can create value for their customers through them. Marketing mix for the first time was used by Neil Braden of Harvard Business College.

Marketing mix concept has tied with the famous 4P, McCarthy. But Dennis and colleagues have chosen 7c for Electronic marketing mix.

4.2.1 Convenience For Consumers

Convenience focuses on key aspects of Web design, such as a search function, method of site layout and ease of shopping.

4.2.2 Benefits and Value for Customers

Nowadays online retailers should be looking for to create maximum value for their customers and for this purpose online retailers should describe goods in aspect which has benefit and value for customers.

4.2.3 Cost for Customers

Price can be seen as the cost for customers. Internet purchase price should be lower than the prices in other stores and also the exact costs of transport and delivery of goods should be considered.

4.2.4 Communication And Relationships With Customers

Communication is equivalent to McCarthy's 4P meaning promotion. In communications company has closer relations with customers and examines its feedback. Online stores can respond to this need by 3D and nice design combined relaxing music

4.2.5 Items Management And Computing

The success of online retailers is based on the supply of goods that customers request by desired size and quantity at a desired time and location. And customers have specific sensitive to arrival time of goods, delivery location, type and size of goods.

4.2.6 Customer Choice

Many vendors believe that the total values obtained from goods, including goods mental image, reputation and brand affects retail customer's right to choose. Popular brand names are popular on the Internet.

4.2.7 Service and Giving Priority to Customer

In the past, traditional stores retailers were classified as service industry and most of them thought about the quality of services and the services provided. In this way, vendors were trying to provide interested for service customers at the time and place Desired by customers. In this regard, online stores need superior service tools, such as rapid and timely delivery to customers, access to telephone support and referral facilities and replacement of goods and since there are no sales staff in the stores. Should by tools such as clicking, for telephone support and making chat rooms, help customers in the formation of a favorable experience of interactive buying. [17]

5. ONLINE STORES FEATURES

Many studies have considered the characteristics of Internet services. These studies have classified features of online stores in 4 categories:

- goods
- service to customer and improving sales
- convince and guidance
- Safety

6. THE COMMUNICATIONAL BEHAVIOR OF CUSTOMERS WHILE SHOPPING

Using related behaviors to achieve greater effectiveness in decision-makings and reducing processing costs and achieving greater recognition according to their decisions and reducing risks related to the selection, are now such tendencies of customers.

After a few successful transactions, customers feels the sense of security towards provider of services and suppliers. When a customer trusts an organization, they know that this company is able to meet their needs and demands and are committed to the company.

Internet based shopping environment helps customers and buyers by providing a wide selection, evaluation of information, accuracy and comparison of goods to spend less time in making decisions. Internet provides comparative and evaluated Information and may reduce the cost of searching for information and trying to decide for purchase. Although Internet customers primarily are in interaction with computer systems and cannot physically touch and feel real good. But they can use the information provided by the online stores in electronic format decisions.

So a discussion of most important factors in purchasing behavior of customers in e-commerce, needs to focus on the availability of information.

Access to information is not only for goods and services but also focuses on convenience and personalizing for keeping clients and that depends on degree of which data can be used for predicting potential satisfaction of customers in next purchase. So the success of online shopping is related to the ability to adapt information to meet the needs of customers.

7. CHARACTERISTICS OF ONLINE SHOPPERS

Nowadays Internet users make up a high percentage of online shoppers. Along with the expansion of online purchases, this buyers in terms of demographic characteristics are getting closer to characteristics of a normal user. Scott and Swin¹² divided Internet shoppers based on their buying behavior into eight categories:

7.1 Shopping Lovers¹³:

This group make up the 11.1 percent of Internet users and 24 percent of online shoppers. These people enjoy online shopping. In terms of using of computers are at a high level and are interested in continuing these shopping habits. They take every opportunity to encourage others to do Internet shopping. These are ideal target group for online vendors.

7.2 Adventurous Explorers¹⁴:

This group make up the 9 percent of Internet users and 30 percent of online shoppers. Members of this group are a small part of the market that provide a great opportunity to their merchants and require little attention by Internet vendors because they believe that Internet shopping is fun. Most likely, this group are among opinion leaders for buying all the goods on the Internet. Internet vendors should be able to get the consent of these groups and take advantage of them for their positive advertising.

7.3 Suspicious Learners¹⁵:

This group make up the 10 percent of Internet users and 15 percent of online shoppers. Members of this group are a small part of the market but have high growth potential. Their reluctant to Internet shopping is more because of lack of familiarity with computer. But are interested in learning new methods. These people, unlike some parts of the market that are elusive from giving information do not have a lot of trouble for giving personal information to a computer and are seeking the guidance of companies and learning Internet shopping .

7.4 Business Users¹⁶:

This group make up the 11 percent of Internet users and 19 percent of online shoppers. These people are more aware of computer and primarily use the Internet for business works. This group have special interest to use the Internet in their career and do not look to the Internet as a new and attractive tool.

7.5 Fearful Browsers¹⁷:

This group make up the 11 percent of Internet users and 19 percent of online shoppers. These people have a high potential in using computers but they spend most of their time on traditional

¹² Scott and Swin

¹³ Shopping Lovers

¹⁴ Adventurous Explorers

¹⁵ Suspicious Learners

¹⁶ Business Users

¹⁷ Fearful Browsers

stores. If they don't have issues about credit card security, the cost of Shipment of purchased good, not seeing goods when buying, and other issues of fear, they are interested in Internet shopping.

7.6 Shopping Avoiders

This group make up the 16 percent of Internet users and 3 percent of online shoppers. This group have High level of income but are not a good target group for online vendors because they do not want to wait for shipping. They would like to see goods closely when buying. These people generally have no interest in this type of Shopping and internet vendors cannot easily solve this problem.

8. EFFECTIVENESS

One of the measures of success in any organization, the extent to which the organization has achieved its goals. Here the success of any organization is determined according to the organization's own purposes. This approach has been introduced in the management literature as effectiveness. In fact effectiveness includes degree or extent to which the organization achieves its intended purpose. To measure the effectiveness of any organization first targets must be defined. At the end results are compared with pre-determined goals. [7]

8.1 Effectiveness in advertising

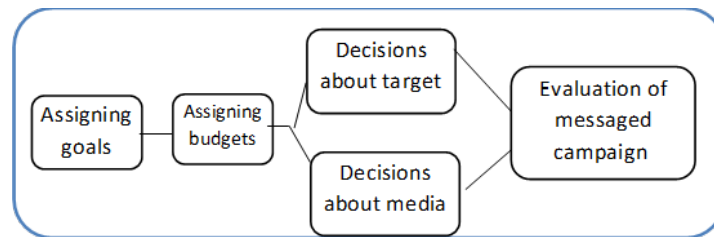


Figure 1. M5 model.

There are different models for planning advertising that of the most famous of them M5 model can be noted. In this model that is shown above, in first step goal is determined, then budget required for advertising is allocated and in next steps decisions towards message and media are made, and eventually in order to determine the effectiveness of advertising program results obtained are compared with pre-determined goals [8]

9. CONCLUSION

According to the results, it is concluded that Internet advertising had a successful performance in making familiar, introducing and making users interested in advertised products. But were not successful in convincing to buy and Make purchases. Therefore Internet advertising providers should try to design advertising in a way that users who visit them with more incentives compared to other forms of advertising are convincing to buy from internet. From results listed in the paragraph above it can also be concluded that Internet advertising has necessary appealing to acquaint, introduce and make user interested to advertised products. But the method of design and demonstration of them is not in a way that can change the attitude of the users toward advertised products. And should work more on aspects of ads that provide the conditions for change in user's approach toward a product and convince them to buy from the Internet.

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