Investigating Effective Factors on the Perceived Values and Attitudes of Internet Advertisements Users

Nabizadeh, Tahereh¹, GharibTarzeh, Zahra²

¹Department of Business Management, Mashhad Branch, Ferdowsi University of Mashhad, Iran
²Department of Business Management, Torbat-e-Jam Branch, Islamic Azad University, Torbat-e-Jam, Iran

ABSTRACT

Today, Internet has been known as an important channel of marketing and advertising because of its ability in accessing massive amounts of Internet users in any place and at anytime. Therefore, investment in Internet advertisements has been overwhelming and investors are always looking for maximizing their benefits and effectiveness of Internet advertising. Extensive researches on Internet advertising show that the opinions and attitudes toward Internet advertising are two important factors impressing the efficiency of Internet advertising. This article aims to examine the impact of Internet advertising strategies on the users’ attitudes toward Internet advertising. Using a survey method, 248 undergraduates of management, accounting and economics at Ferdosi University of Mashhad city formed the sample of the study. Data was analyzed using the AMOS software. The results of this study showed that Internet advertising strategies positively affect the attitudes toward Internet advertising and through the values perceived by the users. The results of this study can be used in the better design of Internet advertising strategies, improving personalizing technologies of sent advertising messages for the users, reducing a huge number of investment–wasting advertising messages in this category.

Key words: Internet advertising, value, attitude, Internet advertising strategies.

1. INTRODUCTION

Internet is a widespread medium for advertising as a substitute advertising tool for traditional media like TV or billboards (Zhang and Wang 2006). Internet is considered as the fifth media after TV, radio, newspaper, and magazines, exerted by the people or traders for sharing information, and interactions (Srińi et al. 2002). Researchers state the advantages of increasing the ability of traditional media and their complementary, reversibility of capital, accurate planning for spread addressees, and removing parasites for Internet advertising. Internet advertising lies in a different world than traditional ones and traditional advertisements are not responsive in this field (Lee 2003). The reason for this is the capability of Internet advertising in providing massive communications with users and users with users while traditional advertisements are just able to have unilateral communication. From the other hand, there are different forms of Internet advertising resembling the traditional ones like using banners. Studies on Internet advertising have concluded that banners in Internet advertising impress people’s attitudes through some hierarchies like, traditional methods. Ducoffe (1996) states that the main goal of advertising is accessing people when they are not buying our product or service. This definition puts the researchers and activists of this field in the position of redefining their perceptions from Internet advertising to maximize using positive points of it (Zhang and Wang 2006). From the other hand, focus on developing advertising strategies is by differentiating Internet and traditional advertising (Chen et al 2000). In general, in comparison with traditional advertising, Internet advertising has considerable advantages like, bilateral communication with the addressees, low cost, global and 24-hour access, in formativeness improvement, easy updating, and accurate customer targeting. Advertising efficiency from customer attitude can be measured by studying the perceived view of the customers from the value of advertising which is useful for the future advertising behavior of the customers. In this paper, perceived attitudes and values of the consumers are investigated between two types of traditional and Internet advertising. In this way, perceived values of the consumers from advertising strategies and the type of relations correlated with the attitudes to Internet advertising will be examined. Considering the studies in America on Internet advertising, lack of Internet-based researches in Iran is felt. Since Iran is going to join global business organization and Internet advertising is one of the most favorite technologies in the world, the necessity of compatibility and familiarity with this technology is observed; because, this field is somehow unknown in Iran.

Corresponding Author: Zahra GharibTarzeh, Department of Business Management, Torbat-e-Jam Branch, Islamic Azad University, Torbat-e-Jam, Iran. E-mail: gharibzahra@yahoo.com
1. Main question of this study

In the complicated world of today, understanding the way customers achieving information is important for marketing management decisions in micro level and for public policies in macro level. In marketing section, understanding effective factors in information searching is essential for designing efficient communications of marketing. According to researches, the feeling that people have to Internet advertising affects the perceptions of the people to products. Schlosser et al (1999) states that people’s attitude to Internet advertising is affected by informativeness, Entertainment, and advertisement applications. From the other hand, desirable attitudes of the people to Internet advertising and their responses to it in the frame of loveliness, being enjoyable, and informativeness is considered as important (Schlosser et al 1999). This paper investigates the impacts of Internet advertising strategies on customers’ attitudes to Internet advertising which leads to developing technologies and personalizing sending Internet advertising.

2. LITERATURE

In the early 2007, many organizations spent over 10 billion $ on web advertising which includes 14% of their total advertising costs. Internet advertising’s shares like, mobile, telephone, and web-connected TV is significantly increasing in 2007. Many organizations of web advertising markets earned 10-15 times more than their annual income (David and Evans 2008) and this happens while the efficiency of Internet advertising is questioned (Luo and Donthu 2001, Coen 2002). With a descending trend, click rate has decreased from 5% to less than 0.5% during the last 4 years. Researches show that Internet is the least trustable medium (Rettie et al 2003).

Researchers introduce ignoring customers’ needs as the reason of this decrease. Advertising activists tend to get information about the efficiency ratio of web advertising to massive investments in this field to know about their improving strategies (Zhang and Wang 2006), while no study is more useful than investigating users’ attitudes to it (Ervelles 2005). When customers’ needs are ignored, advertisers move toward destructive tactics (Sandage and Leckenby 1980, Rettie et al 2003). These advertisements limit mental and time advertisements, jamming enough attentions of the users to the advertisements.

Marketing activities by Internet advertisements enable the organizations to communicate with the customers without time and place barriers. While new forms of communication are posed, changing marketing world, interactions between the customers and advertisers become easier and faster, creating new chances for better connection for the customers and giving them their needed information. So, nowadays, many advertisers rely on different interactional technologies for advertising and promoting their products and services (Pavlouand Stewart 2000). From the other hand, increasing interest has been created to studying advertisements’ efficiency whose the most important factor is the role of customers’ believes and views to advertising (Sun et al 2009). There is a belief that the probability of persuading people with positive views to advertisements is higher. With the advent of Internet and Internet advertising (e-mails, banners, news groups), new horizons have been introduced to marketers and researchers. Schlosser et al (1999) important factors in customers’ attitudes to Internet advertising are different with the factors intraditional media. They are also important indices for advertising efficiency (Mehta 2000). There are 2 views about customers’ views and their total attitudes to advertisements. First view recognizes 2 structures of value and attitude in the form of balanced and replaceable in two operational and conceptual dimensions (Mehta 2000, Schlosser et al 1999), while the second view precedes a person’s believes to the attitudes toward advertisements (Brackett and Carr 2001, DUCoffe 1996). The latter is more popular than the former. Organization’s website is a basic factor. In communicating and affecting customers. So, the design and content of organizational website is the key strategic element of Internet advertisements. Global nature of Internet is the main factor of this channel affecting advertisement strategies. But, other media like, TV, radio, and newspaper are not fully global. Organizational websites are automatically visitable for the customers and affect them without limitation. So, global organizations should match their organizational and Internet advertisements’ strategies, since the customers connect them together. Incompatible imagination occurs in customers mind when the website and local advertisements are inconsistent. So, the website of an organization is a substitute for Internet advertisements strategies (Padrovi 2001).

Sun et al (2010) investigated the differences between men and women’s views toward Internet advertisements and the effects of gender on Internet advertisements, concluding that awareness can lead to forming more positive views in men than women but Entertainment can yield more positive views in women than men. Some studies on Internet advertisements during recent years have been listed in Table 1.
Table 1. Some studies on Internet advertisements

<table>
<thead>
<tr>
<th>Research results</th>
<th>Year</th>
<th>Author</th>
<th>Row</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigating the effects of culture on people’s views toward Internet advertisements shows its significant effects on Internet ads.</td>
<td>2010</td>
<td>Brettel and Spiker</td>
<td>1</td>
</tr>
<tr>
<td>Investigating perceived value of the users from informativeness and Entertainment strategies in web ads through mediating effect concluded that women care more for Entertainment and men pay more to informativeness.</td>
<td>2010</td>
<td>Sun et al</td>
<td>2</td>
</tr>
<tr>
<td>This study showed that users have more positive attitudes toward interactive ads for products needing more explanation rather than simple.</td>
<td>2010</td>
<td>Lai et al</td>
<td>3</td>
</tr>
<tr>
<td>This research examines informativeness, credibility, interaction, Irritation, and Entertainment strategies concluding positive correlation of informativeness, credibility, interaction, and Entertainment with attitude and negative correlation of Irritation with attitudes.</td>
<td>2006</td>
<td>Zhang and Wang</td>
<td>4</td>
</tr>
<tr>
<td>Investigating the relation between consumer’s view toward websites and efficiency of web ads showed that observing websites helps consumers to remember advertised brand and have positive views to it.</td>
<td>2008</td>
<td>Abbasi and Mohammadian</td>
<td>6</td>
</tr>
</tbody>
</table>

Among research models for explaining created views toward Internet advertisements the value model of Ducoffe (1996) has been highly considered. In this model, in formativeness, Entertainment, and motivation have been regarded as 3 variables of advertisement value, affecting the views toward Internet advertisements. Previous studies show that 4 factors of informativeness, Irritation, Entertainment, and credibility impact customers’ attitudes toward Internet advertisements. Attitude toward Internet advertisements is a multi-dimensional structure with different definitions as an effective response to advertisements and a valid index for measuring the efficiency of them (Zhang and Wang 2006). Internet advertisements' value is also a measuring tool for the efficiency of Internet advertisements that may also act as the index of evaluating customers' satisfaction toward organization’s products. Potentially, value comes from order-related expectations, experiences from a transaction, and essential obligations for accessing a deal. Value is an important aspect of social life as well as a basis for activities, views, and judgments in the advertisements (Michael et al 1987). Ducoffe (1996) forms a work frame for predicting the values and attitudes of the consumers toward the advertisements. Entertainment, informativeness, and Irritation are the factors evaluating perceived values and attitudes of the consumers toward the advertisements. But, a main difference between Internet and traditional advertisements is the interaction level of a consumer with an advertisement. Then, customer interaction affects his attitudes toward web advertisements.

3.1. Internet advertisement strategies

Ignoring the interests and needs of the users and sending a huge amount of web advertisements, web advertisement strategies will waste all the investments and the money spent on this field. Advertisers use different strategies for designing and sending the web advertisements. Two very useful strategies in this field are Informativeness and Entertaining.

3.1.1. Entertainment strategies

Pleasant feelings of the people toward web advertisements affect their attitudes toward them. Entertainment meets the variety-seeking and aesthetic needs of the people, leading to their more loyalty and added values. It also makes the customers familiar with the services and products an advertisement offers (Haghirian and Madlberger 2009). In comparison with informative-based advertisement, Entertainment strategies entertain people rather than informing them. For this purpose, Entertainment can be used for all products theoretically.

3.1.2. Informativeness strategy

Ducoffe (1996) and Barker and Groenne (1996) mentioned informativeness strategy as the most constant strategy in Internet, especially for complicated products. Buyers need wide spectra of information about needed products. Providing more information increases the possibility of value and satisfaction creation from a website. Information in advertisement should be correct and useful. When informativeness is at high levels, people respond to these types of advertisements faster (Haghirian and Madlberger 2009).

3.1.3. Credibility strategy

Advertisement’s credibility is highly correlated with its value. It refers to consumer’s perception from correctness and believability of an advertisement. It also acts as the capability of prediction and meeting implied or
clear requirements of an agreement (i.e. a document is valid whether in printed or in on-line form) (Haghiran and Madlberger 2009).

3. **Conceptual model of the research**

   Conceptual model of the research was inspired from the study of Zhang and Wang (2006). They investigated the effects of Internet marketing strategies on users’ views with mediating variable of value. Figure 1 shows the conceptual model of the research. In this model Entertainment, informativeness, Irritation, credibility, and interaction of independent variables, perceived value of the users is mediating variable and people’s attitude is dependent variables. In the next section, research hypothesis will be discussed using the conceptual model of Zhang and Wang (2006).

![Conceptual model of the research](image)

Figure 1. Conceptual model of the research (adopted from Zhang and Wang (2006))

4. **Research hypothesis**

   H1. Entertainment property of advertisement has a significant effect on attitudes toward it.
   H2. Credibility property of advertisement has a significant effect on attitudes toward it.
   H3. Interaction property of advertisement has a significant effect on attitudes toward it.
   H4. Entertainment property of advertisement has a significant effect on attitudes toward it through value creation.
   H5. Credibility property of advertisement has a significant effect on attitudes toward it through value creation.
   H6. Informativeness property of the advertisements has a significant effect on the attitudes toward it through value creation.
   H7. Irritation property of the advertisements has a significant effect on the attitudes toward it through value creation.
   H8. Advertisement strategies have a significant effect on the attitude toward it through value creation.

4. **METHODOLOGY**

   This study is an analytic survey with applied goals. Considering wide studies on internet advertisement showed that young people adopt with new technologies and tend to them sooner than old people. Most internet users are in the age range of 18-29 (Patet 2011). According to demographic studies of business service institutes, most internet users are educated people not ordinary ones. The population of this study included all undergraduates of management, accounting, and economic (entrances of 2008) in Ferdosi University including 850 people. In this paper, simple random sampling method was used and sample size was calculated using Cochran formula.

5. **Measuring validity and consistency**

   To gather data, standard questionnaire of Zhang and Wang (2006) was used whose face validity was measured in 2 stages using confirmatory factor validity. The consistency of the questionnaire was calculated using Cronbach \( \alpha \), as shown in Table 2 \( (0.7 < \alpha < 0.8) \). Since the value of Cronbach \( \alpha \) for the questions of the questionnaire was 0.746 (and higher than 0.7) confirming its consistency.
Table 2. Consistency of the questionnaire

<table>
<thead>
<tr>
<th>Cronbach α</th>
<th>Question number</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.746</td>
<td>28</td>
</tr>
</tbody>
</table>

6. Research findings

Using Cochran formula, sample size was estimated as 248 people at the error level of 0.05. According to demographic information table, 58.87% of the sample is women and 41.13% is men. 40.33% of the attendants are 20-22 years old.

Table 3. Gender

<table>
<thead>
<tr>
<th>Sex</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Correct Percentage</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>146</td>
<td>58.87</td>
<td>58.87</td>
<td>58.87</td>
</tr>
<tr>
<td>Female</td>
<td>102</td>
<td>41.13</td>
<td>41.13</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>248</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Table 4. Age

<table>
<thead>
<tr>
<th>Age range</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Correct Percentage</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-20</td>
<td>50</td>
<td>20.16</td>
<td>20.16</td>
<td>20.16</td>
</tr>
<tr>
<td>20-22</td>
<td>100</td>
<td>40.33</td>
<td>40.33</td>
<td>60.49</td>
</tr>
<tr>
<td>22-24</td>
<td>51</td>
<td>20.56</td>
<td>20.56</td>
<td>81.05</td>
</tr>
<tr>
<td>Over 24</td>
<td>47</td>
<td>18.95</td>
<td>18.95</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>248</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

7. Data analysis

To analyze data, a two-stage structural equation modeling, suggested by Anderson and Jerbing (1988), was used. In first stage, measurement models are made fit using confirmatory factor analysis. In second stage, path analysis was used to analyze hypotheses. Every latent variable with the questions measuring it form a measurement model. Structural equations are complicated methods of data analysis (Werner 2009). They are developed linear equations that enable the researchers to measure a set of regression equations, gather data, and enter a set of data in structural equation software (Field2005). It also helps testing complicated equations like confirmatory factor analysis and time series analysis. Structural equations develop the relations among variables consisting of two parts of measuring and structural models for measuring the relations between latent and observed variables (Schreiber et al 2006). Latent variables refer to main variables and observed variables are the questions of the questionnaire shown in the form of a variable in the software and final model. Software of this research was AMOS used for data analysis.

7.1. Measuring model fitness (first stage of structural equation modeling)

To analyze data, first theoretical model for every hypothesis fitness is tested to see how much gathered data support theoretical model. To answer this question, general indices of model fitness (CMIN, GFI, CFI and etc) and in the case of acceptance the model is confirmed. Then intra model relations including regression model of the hypotheses and factor model for every question can be investigated. For testing acceptance of these coefficients, trivial index of P Value is used whose under 0.05 value is acceptable (Fox 2002). Total indices of research model fitness are shown in Table 4.

Table 5. Total indices of model fitness for the hypothesis

<table>
<thead>
<tr>
<th>Attitude Model</th>
<th>Valve Model</th>
<th>Interaction Model</th>
<th>Credibility Model</th>
<th>Entertainment Model</th>
<th>Irritation Model</th>
<th>Informativeness Model</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>0</td>
<td>5</td>
<td>0</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>CMIN</td>
</tr>
<tr>
<td>0.026</td>
<td>0</td>
<td>4.888</td>
<td>0</td>
<td>8.664</td>
<td>0.626</td>
<td>2.719</td>
<td>CMIN</td>
</tr>
<tr>
<td>0.987</td>
<td>0</td>
<td>0.430</td>
<td>0</td>
<td>0.255</td>
<td>0.731</td>
<td>0.257</td>
<td>p</td>
</tr>
<tr>
<td>0.013</td>
<td>0</td>
<td>0.987</td>
<td>0</td>
<td>1.733</td>
<td>0.313</td>
<td>1.360</td>
<td>CMIN/DF</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>0.988</td>
<td>1</td>
<td>0.962</td>
<td>0.998</td>
<td>0.991</td>
<td>GFI</td>
</tr>
<tr>
<td>0.005</td>
<td>0</td>
<td>0.039</td>
<td>0</td>
<td>0.035</td>
<td>0.016</td>
<td>0.025</td>
<td>PMR</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0.983</td>
<td>1.000</td>
<td>0.994</td>
<td>CFI</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
<td>0.004</td>
<td>0</td>
<td>0.066</td>
<td>0</td>
<td>0.049</td>
<td>RMSEA</td>
</tr>
</tbody>
</table>

The results of the Table 5 are as follows:
If CMIN/DF is less than 3, model fitness is satisfactory (Bagozzi and Yi 1988). Above table shows satisfactory results for that index.

CFLGFI index should be over 0.9 (Hooman 2007) whose values are over 0.9, showing their fitness.

Remaining matrix is very important in evaluating total fitness (Carter 2006). RMR for all models above are low, showing its low error and acceptable fitness.
RMSEA is also based on remaining matrix analysis like RMR index. Acceptable models for this index should be 0.1 > (Schreiber et al 2006). The value for it in above table is 0.1, showing its acceptable fitness.

According to mentioned points above, all fitness indices are acceptable. So, theoretical models related to the hypotheses are acceptable.

7.2. **Regression coefficient model**

The results of regression model show that Irritation is directly correlated with the attitude not by value mediation (regression coefficient -0.27). Entertainment (regression coefficient 0.19), credibility (regression coefficient 0.17), interaction (regression coefficient 0.29) are directly correlated with the attitude. Entertainment (regression coefficient 0.32), credibility (regression coefficient 0.27), informativeness (regression coefficient 0.16) are correlated with the attitude by value mediation. In this model, value is considered as a variable which is correlated with the attitude toward internet advertisements. To test hypotheses trivial index was used whose results are shown in Table 6.

<table>
<thead>
<tr>
<th>Hypothesis number</th>
<th>Hypothesis</th>
<th>Regression coefficient</th>
<th>P value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Entertainment → Attitude</td>
<td>0.108</td>
<td>0.037</td>
<td>Confirmed</td>
</tr>
<tr>
<td>H2</td>
<td>Credibility → Attitude</td>
<td>0.173</td>
<td>0.021</td>
<td>Confirmed</td>
</tr>
<tr>
<td>H3</td>
<td>Interaction → Attitude</td>
<td>0.360</td>
<td>0</td>
<td>Confirmed</td>
</tr>
<tr>
<td>H4</td>
<td>Entertainment → value → Attitude</td>
<td>0.560</td>
<td>0</td>
<td>Confirmed</td>
</tr>
<tr>
<td>H5</td>
<td>Credibility → value → Attitude</td>
<td>0.203</td>
<td>0</td>
<td>Confirmed</td>
</tr>
<tr>
<td>H6</td>
<td>Informativeness → value → Attitude</td>
<td>0.108</td>
<td>0.037</td>
<td>Confirmed</td>
</tr>
<tr>
<td>H7</td>
<td>Irritation → value → Attitude</td>
<td>-0.161</td>
<td>0</td>
<td>Confirmed</td>
</tr>
<tr>
<td>H8</td>
<td>AD Strategies → value → Attitude</td>
<td>0.490</td>
<td>0</td>
<td>confirmed</td>
</tr>
</tbody>
</table>

P is significant and if it is <0.05, path coefficient is significant (UT Austin 2001). Since p value in H7 test is <0.05(p=0.037), H1 is confirmed at 95% confidence level and with confidence coefficient of 0.19. H2 (P=0.021 < 0.05). H3 (p=0.36 < 0.05) is confirmed at 95% confidence level and confidence coefficient of 0.19. H4, H5, and H6 are confirmed at 95% confidence level and with confidence coefficient of 0.32, 0.27, 0.16, respectively (p< 0.05).

According to the results of testing H7, Irritation’s effect on the attitude to internet by value is negative (p <0.05) which is confirmed with confidence coefficient of -0.27. H8 is also confirmed at 95% confidence level and with confidence coefficient of 0.37 (p<0.05).
8. Conclusion

Special attentions to internet advertisements are of high importance for considering customer needs and personalizing sent advertisement massages. On the other hand, investigating the perceived values and attitudes of the users to internet advertisements is also important for measuring those advertisements’ efficiency. To estimate each model correctly, confirmatory factor validity was used. The results showed that 3 strategies of informativeness, credibility, and Entertainment impact users’ attitude toward internet advertisements both directly and through value. Thus, advertisers can create positive attitudes in the users by providing rich content of the information in sent advertisements and trustable atmosphere in internet. Studies show that about 50% of the users use internet for getting information and 27% use it for Entertainment. This point highlights the necessity of attention to the users’ perceptions from internet users. From the other hand, Irritation impacts users’ attitudes negatively and without mediation of value which agrees with the studies of Ducoffe (1996). Using advertisement massages without planning and previous study impacts users negatively. Sending a big deal of unplanned advertisement massages for the users leads to the waste of time and and the capital of advertisers and stockholders. On the other hand, users don’t have enough time and accuracy for reviewing all sent massages then they delete them. In brief, it can be said that using informativeness, Entertainment, and correct usage of interaction and credibility can lead to the proper perceptions in internet users. Enough and correct information about more complicated products along with attractive posters and step-by-step instructions encourage users to buy or visit the site. From the other hand, investigating effective factors in perceived value and attitude of internet advertisement users helps companies in making a better picture of a brand in users mind, information transfer, and effective electronic communication with the customers.

8. Suggestions for further researches

Under-study sample is one of the limitations of this study. Although young populations are highly important, the results of this research can’t be generalized to the whole population. Demographic variables were not considered. Although Brackettand Carr (2001) stated that demographic variables don’t have direct effect on the perceived value and attitudes of the users, but they can act as a mediator or modifier for further researches. Moreover, investigating mutual effects of informativeness, Entertainment, Irritation, credibility, and interaction strategies can be the subject of further researches. Although the study of Ducoffe (1996) showed mediating effect of internet advertisement strategies and perceived attitude of the users, this issue that if the effects of internet advertisement strategies on users’ view can be studied without mediation of value should be investigated further.

REFERENCES