Impacts of online banner advertisement on consumers’ purchase intention: A theoretical framework

Salem Mohamed S. Busen, Che Su Mustaffa, Mohamad Bahtiar
Department of Communication, Sch. of Multimedia Technology and Communication, Universiti Utara Malaysia
debodebo10@yahoo.com

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Abstract - Online advertising has grown rapidly in the last decade. It is projected that these numbers will continue to increase as more people are connected and spend more time online and additional devices (such as mobile phones and televisions) are able to provide internet connectivity. Despite this steady increase in online participation in these part of the world and the existence of many researches in this field, very few studies have investigated the consequences of online banner advertisement on purchasing intention in a country like Libya battling to survive from the falling prices of petroleum in addition to persistent crisis which had taken toll on its marketing and economy. Therefore, this study is bounded within the proposition that online banner advertisement dimensions have consequences on brand purchase intention especially in the Arab world and particularly in Libya. The main emphasis is to identify and get comprehension into the main factors of online banner advertisement that impact consumer’s intention to purchase. The framework and the conceptual clarification from this study will go a long way in helping advert planners and business organizations to understand what matters more for consumers in the developing country context. Therefore, the propositions will significantly add to the general advertising enquiries and literature by showing that online banner advertising and other features affect the purchase intention of customers. Overall, this review fits into the small but growing subfield of research that is committed to identifying how purchase intention of consumers can be improved in the Arab world.

Keywords: Online banner advertisement, purchase intention, message appeal, interactivity, Attitude towards advertising.

INTRODUCTION

The amount of time and money consumers spend online has seen a dramatic increase in the last one decade [1]. A 2011 survey reports revealed that consumers spend around 33% of their time online [2]. In view of this, the Internet has turned out to be a significant channel that companies and businesses use to reach out to consumers which invariably has led to the advent of online advertising. More so, compared with the traditional, online advertising is the only advertising permitting for an instant feed-back on the effectiveness of a marketing campaign and real time changes [3]. Online advertising has grown rapidly in the last decade. It is projected that these numbers will continue to increase as more people are connected and spend more time online and additional devices (such as mobile phones and televisions) are able to provide internet connectivity.

According to Abhishek [1] companies expended about US$ 35 Billion on online advertising alone in the year 2011 and this spending is projected to double in the next five years. Therefore, the online advertising spending exceeded the amount expended on hardcopy newspaper advertising in the year 2010 and is even anticipated to top television advertising by the year 2016.

Consequently also, study after study have revealed that online advertising is potent and effective when viewed from either of branding or direct response scopes [4]. This is expected with the speedy growth of the World Wide Web (WWW), across the world. In view of this however, Yan et al. [5] note that online advertising networks are showing great market potentials. Similarly, Guha et al. [6] assert that online advertising has become a foremost economic strength in the Internet in the present day, funding and supporting a wide range of websites and services. Many Internet advertisers more and more design and
package online advertisements to provide more personalized promotion.

Despite this steady increase in online participation in these part of the world and the existence of many researches in this field, very few studies have investigated the consequences of online banner advertisement on purchasing intention in a countries such as Libya battling to survive from the falling prices of petroleum in addition to persistent crisis which had taken toll on its marketing and economy. Also, the significance of conceptual clarification and proposed framework cannot be over emphasized because according to Manchanda et al., [7] since the initial days of Internet purchasing, there has been a lot of discussion about how the effectiveness of banner advertising should be measured. Moreover, as most research concentrated on investigating consequences from the perspectives of consumer characteristics [8], [9], this study contends that the more comprehensive the framework and concepts about factors that affect purchase intention, the more imperative to find solutions to the volatile marketing space of developing countries. Similarly, in order to better understand the contributing factors that may make online banner advertising successful in the process of consumer purchase intention and behaviours. By so doing, this study fills that gap in consumer purchase intention and online banner advertisements research in addition to the proposed likelihood framework.

Therefore, this study is bounded within the proposition that online banner advertisement dimensions have consequences on brand purchase intention especially in the Arab world and particularly in Libya. The main emphasis is to identify and get comprehension into the main factors of online banner advertisement that impact consumer’s intention to purchase. The framework and the conceptual clarification from this study will go a long way in helping advert planners and business organizations to understand what matters more for consumers in the developing country context. Thus, the stakeholders can develop more effective online banner advertisements.

**Online advertisement in the Arab world**

The online advertising market is undergoing unceasing and substantial growth each year. Due to this, according to GO-Gulf [10], more and more establishments are now allotting a significant percentage of their marketing budget for online advertising, over traditional ways, primarily for the following three reasons: it is easy to track online advertising campaign performance, companies can easily create customized advertising campaigns for specific audience groups, it is easy to make changes to online campaigns than to traditional advertising campaigns.

The rapid development of the Internet has had an enormous impact on traditional media, and has revolutionized commercials. Many enterprises have adopted the Internet in the marketing and sales of products and today the web is an important advertising medium [11]. However, in Arab world, the penetration and adoption has not really increased as expected. Particularly, in Libya, it is fair to conclude that the online advertisement industry is still in its infant stage [12]. One of the reasons for this was the fact that Libya under Gadhafi had no internet connections for most of the 1990s despite being relatively wealthy.

The main impediment that is slowing down online advertisement participation in some African countries was the restrictions to internet use due to poor quality, low internet bandwidth and in the case of Libya, the unstable governance.

The beginning of online advertising was in 1994 when Hot Wire sold first Banner on the company's own site, and later online advertising evolved to become a key factor in which companies achieve fair returns for their products and services [13].

Table 1. *Global Online Advertisement Spending By Region*

<table>
<thead>
<tr>
<th>Region</th>
<th>2010 (%)</th>
<th>2011 (%)</th>
<th>2012 (%)</th>
<th>2013 (%)</th>
<th>2014 (%)</th>
<th>2015 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>40.8%</td>
<td>41.7%</td>
<td>41.8%</td>
<td>41.5%</td>
<td>40.7%</td>
<td>40.2%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>30.0%</td>
<td>28.8%</td>
<td>28.0%</td>
<td>27.3%</td>
<td>27.0%</td>
<td>26.5%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>23.9%</td>
<td>24.1%</td>
<td>24.6%</td>
<td>25.1%</td>
<td>25.8%</td>
<td>26.2%</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>2.7%</td>
<td>2.7%</td>
<td>2.7%</td>
<td>2.7%</td>
<td>2.8%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Latin America</td>
<td>2.1%</td>
<td>2.2%</td>
<td>2.3%</td>
<td>2.5%</td>
<td>2.8%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.7%</td>
<td>0.9%</td>
<td>1.1%</td>
<td>1.3%</td>
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</tbody>
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*Source: GO-Gulf, 2015 [10]*
Statistics show that the number of users of the Web in Jordan doubled three times to reach 1.7419 million in June 2010 [14]. Similarly, currently the new trend among many young Libyans has shown that marketing has become an honorable subject [15]. Currently Libya is gradually developing towards democracy and for that it is expected to activate marketing activities. Similarly, a country that is stable democratically is with a high probability of good penetration of communications media alongside freedom of the press and speech. Though, Libya is experiencing political turmoil, nevertheless, the sudden and irresistible political changes within the Arab world conveyed by the Arab Spring have covered the role of new media in other platforms such as advertising [16]. Thereby in these Arab world buyers are becoming more and more aware of advertising and the influence of multi-media platforms.

**Online banner advertisement**

Banner advertisement is a different form of advertising from a standard advertisement in terms of visual quality, attention-getting ability, and creative execution. But, online banner advertisement is much more different from the traditional banner. Feasibly the most productive form of online advertising is the banner advertising [17]. Online Banner advertisements are text and graphical displays that are hyperlinked to the uniform resource locator (URL) of the advertiser. The purpose of the online banner advertising mainly is to create awareness and draw the attention of the internet visitors on brand (8). According to the study carried out by Mohammed et al.,[9] advertisement content and location are the most important factors that affect consumer’s intention to purchase whereas the advertisement design came with less statistical significance than the rest. Contrary to this however, the dimensions of online banner advertisement have potential to impact to consumer purchase intention.

**Perceived Advertisement Credibility and purchase intention**

Perceived advertising credibility is referred to the credibility of online advertised product-related information as well as the credibility that the consumers can recognize from the information content in the advertising [18] which eventually influence their decision to or not to purchase. The work of MacKenzie et al., [19] has revealed that perceived advertisement credibility holds an important influence towards the attitude consumer in relation to an advert and purchase intention. Even though, the online advertising is designed differently from the traditional, the main aims of advertising are to persuade consumers to accept the advertised product information and to purchase the advertised products [20]. However, in a condition where customer doubts or disagrees with an advert owing to knowing that the advert is unreliable, it will certainly result to a negative impression on their attitude towards the advert [21].

**Message Appeal’s impact on purchase intention**

Several studies such as Homer et al., [22], Laros et al., [23] and Li et al., [24] have examined and identified the role of positively and negatively framed appeals on the consumer’s attitude towards online advertisement and the eventual consumers’ purchase intention. Generally, the two kinds of message appeal comprises of rational and emotional message appeal [25]. The rational appeals characteristically deal with factual information while the emotional appeals typically create positive emotions, in so doing cultivate brands personality and the decision to patronize. Similarly, given the imperativeness of message appeal on the intention to purchase, Kotler et al., [26] pointed out that the message senders need to consider the kind of message that they send to target receivers in other to achieve the expected reaction. In the same vein, several researches have admitted that advertising and marketing message approaches can be categorized as informational or transformational [27]. While the informational refers to adverts which appeal to the reasoning or sensibility of customers, transformational is adverts which appeal to the feelings or senses. Therefore, message appeal is the advertisement messages that show some type of value, encouragement, bargain, promise and reason and why buyers and customers need to pay attention to or purchase the product. In Libya, as part of efforts to boost purchase intention, most of the advertising appeals in the war turned country are persuasively worded to stimulate citizen on their individual's needs, interests, or wants.

**Interactivity of online banner advertisement and purchase intention**

When it comes to mobile advertising, interactivity is the issue of attention. In the context of this study, interactivity signifies online banner advertisement that allows consumers to control what information will be presented, in what order and for how long. Several
Online interactivity is described as the extent to which consumers or users can contribute in transforming the format or content of a website. According to Kavassalis et al. [28], interactivity is a sort of communication for loyalty establishment and sustenance through which an unbroken mobile communication channel circumstance is established for the sole purpose of interacting with the consumers. It was in view of this importance that online interactivity is used to measure the Web site usability [29], [30]. The concept of interactivity is employed when an advert has the competence for a two-way communication, it can then be said to be more interactive than any of its equivalents that are challenged by such feature [31]. Meanwhile, according to McIntyre [32] the average Internet connection speed in Libya is so far the slowest in the world at 0.5 Mpbs. However, in spite of the low level of Internet, relative online interactivity exists in Libya.

**Attitude towards advertising’s impact on purchase intention**

Attitude toward advertising concept is defined as an informed disposition to react in a consistently favorable or unfavorable manner toward advertising in general. Due to the interactive form of the Internet, audiences have the option to ignore or block the display of an online advertisement. The attitude of these audiences towards the online advertisement relays the effective influence of the advertisement message which indicates the advertisement’s effectiveness. The study of Hoyer et al., [33] indicate that attitudes are centred on the beliefs or cognitions which shows that attitudes can be moulded based on beliefs and thoughts that we have about the information received. Once a consumer is exposed to the online advertising, there is possibility of either forming positive or negative attitudes towards the advertising [34]. Therefore, in a situation those audiences select which they attend, then attending act turn out to be a very relevant factor of advertising response [35].

The popularity is because the most productive form of online advertising is the banner advertising [17] As a result, considerably, many of the contents that are placed online are sustained by banner advertising [34]. Even though predominantly used as Internet traffic builders, banner adverts have been presented to successfully raise brand awareness, preference, as well as purchase intentions [36].

Attitude towards advertising variable is employed so to assess the mediating role of audience attitude towards the online advertisement [37]. Due to the interactive form of the Internet, audiences have the option to ignore or block the display of an online advertisement. The attitude of these audiences towards the online advertisement relays the effective influence of the advertisement message which indicates the advertisement’s effectiveness. Inferably, this particular variable will highlight the significance and influence of audience towards an online banner advertisement.

**The correlation between online banner advertisement and purchase intention**

Many scholars have looked into diverse aspects of online advertisement and their effect on consumer’s intention to purchase. Meanwhile, Wu [38] found out that the quality of on-line reviews has a positive effect on consumers’ purchasing intention and purchasing intention increases as the number of reviews increases. In a comparative study on the effects of pragmatic value of on-line transactional advertising on purchase intention, Kimelfeld et al., [39] found a strong impact for pragmatic value of advertising in predicting purchase intention.

Purchase intentions can be defined as an individual’s conscious plan to make an effort to purchase a brand [40]. Purchase intention is an important index for evaluation consumer behavior. It represents the degree or possibility the consumer would be willing to purchase. Purchase intention can measure the possibility of a consumer to buy a product, and the higher the purchase intention, the higher a consumer’s willingness to buy a product. Consumers are more likely to have a stronger intention to purchase a product when they react favorably to an advertisement about that product [41].

Similarly, Raney et al., [42] described Purchase Intentions as a key indicator of the success of online advertisements. While it indicates that this attitude relates positively to purchase intentions, the factors that mediate the relationship between attitudes and intentions are unclear. Many researches considered the attitude toward the advertising had the significant effect on consumer’s purchase intention.
Figure 1. Conceptual framework of the relationship between online banner advertisement and purchase intention

The work of Seung-Chul et al., [43] for example appraised the influence of aggressive and non-aggressive game on either positive or negative impact on advertisement effectiveness. The authors later added purchase intention amongst the variables for the evaluation of advertisement effectiveness. Brand purchase intention is described by Nancy et al., [44] as the realization, plan and determination of a consumer to purchase an online advertised brand. The intention of an audience to purchase an advertised brand after the audience was persuaded by the messages of the advertisement, which are the final steps of the influence of an advertisement. In the same manner, Methaq et al., [45] indicate that advertisement endeavors are aimed at purchase creation which is the substantial significance of the strength of advertising. Therefore, Hwang et al., [46] stressed that there’s a moderate or an indirect association between on-line advert and the intention to purchase a brand.

Proposed Framework for future studies

Based on the preceding conception clarifications, an empirical investigation can be done in future to quantify the relationship between online banner advertisement (perceived advertisement credibility, message appeal, interactivity and attitude toward advertisement) and Consumer’s Purchase Intention and shown in figure 1 conceptual framework below. In addition to that also, following the significance of website language to consumer purchase intention as emerged in Mohammed et al., [9] as well as the important relationship between users’ ability to use the internet and interaction with online advertisement. Despite the existence of many researches in this field, very few studies have investigated the effect of online advertisement on purchasing intention in a developing country context, especially in Arab countries where internet access and online advertisement spending in relatively low as indicated in the table 1 above.

Scholars have established that users’ ability to use the Internet is a vital influence in interacting with online advertising [47], [9], [48]. Internet skills encourage users to access, browse and interact with other people and by extension increase purchase [48]. Similarly, Drucker [49] stressed that a weak Internet skill makes it difficult for the user searching for information on the Internet. Corroborating these findings, Hargittai [50] disclosed that weak ability to access the Internet affects the diversity of activities on the Internet. Arising from this, this study recommends the application of online advert language and users’ ability as moderating variables between online banner advertisement and purchase intention as independent and dependent variables respectively.
CONCLUSION

This article focuses on whether banner advertising affects purchasing patterns on the Internet. The study assessed the impact of online banner advertisement on consumers’ probabilities of repurchase. Arising from a series of theoretical and empirical analysis, the study identifies the online banner advertisement and purchase intention relationship framework and thereafter proposes a contingency framework that recommends the introduction of moderating variables to measure the consequences of the dimensions of online banner advertisement on consumer purchase intention.

Although online banner advertising is an effective contrivance to reach larger audiences, it is imperative for future researchers to examine other variables to make it more effective especially in the developing society like Libya. According to Tsang et al., [51], online advertising is effective if it is able to generate an immediate response from consumers. Therefore, the propositions will significantly add to the general advertising enquiries and literature by showing that online banner advertising and other features affect the purchase intention of customers. Overall, this review fits into the small but growing subfield of research that is committed to identifying how purchase intention of consumers can be improved in the Arab world. This study focused mainly on the major contributing factor to purchase intention in the current generation, however, others factors such as argument quality and perceived advertisement credibility that could determine purchase intention were not examined and could be a focus for future studies.

REFERENCES


