

Role of Advertising Value as a Mediator in Formation of Attitudes towards Online Advertising in Indian Online Space

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Abstract

Advertising effectiveness in all mediums of advertising has been a topic of interest and research among scholars for a long time. It has been found in advertising literature that Consumers' Attitude towards advertising has got a direct relationship to the effectiveness of any advertisement. This attitude of consumers' is influenced by their beliefs regarding online advertising and can be successfully predicted by the dimensions of those beliefs. These dimensions of beliefs lead to advertising value that plays a mediating role in prediction of attitudes. The advertising value model proposed by Ducoffe (1996) has been validated in this paper for online advertising in India. Research design was descriptive. Data were collected from 200 Indian consumers through a structured, non-disguised questionnaire using non-probability convenience sampling. Instrument consists of 19 items anchored on agreement continuum scale ranging from strongly disagree to strongly agree and 6 questions related to demographic profile of consumers. Regression analysis was used to investigate the mediating role of advertising value between predictors (Informative, Entertainment and Irritation) and criterion (Attitude towards online advertising). Information and entertainment have got positive relationship with attitudes towards online advertising among Indian consumers while irritation was found negatively related with attitudes. This study provides an insight regarding predictors of attitude towards online advertising and role of mediating variable in prediction of attitudes of Indian consumers towards online advertising. The results may not be generalized due to limited sample size and sample not being the true representative of the population due to convenience sampling.

Keywords: Information, Entertainment, Irritation, Advertising Value, Attitude towards online advertising.

1. Introduction

Consumers' attitudes toward advertising have been considered important to track because of their likely influence on consumers' exposure, attention, and reaction to individual ads (Alwitt and Prabhakar, 1992) through a variety of cognitive and affective processes (Lutz, 1985). The internet as an advertising medium offers many unique challenges to advertisers as compared to traditional media advertising. In online medium consumers' can easily bypass the advertisements if they want to do so. Online advertising exposure is largely dependent on the consumer's choice, it is mainly important to understand the structure of one important driver of online advertising exposure i.e. attitudes toward online advertising (Shavitt et al. 1998). Internet being a cost effective medium to reach target audience, has paved the way for tremendous growth of online advertising. Despite substantial growth in online advertising budgets and revenues by companies all over the world, there has been a lack of understanding among marketers about how consumers judge or respond to online advertising. Many of the existing measures of online advertising effectiveness have been shown to either overestimate or underestimate the consumers' response to online advertising. Unfortunately there are number of studies done to examine the attitudes of consumers towards online advertising in developed world but fewer have been done in developing countries like India. Hence, in the present study researchers applied a theoretical framework on consumers' perceptions of online advertising and their attitude towards online advertising in Indian context. Advertising value model (Ducoffe, 1995, 1996) has been used to assess online advertising and effort has been made to investigate the mediating role of advertising value between predictors (Informative, Entertainment and

Irritation) and criterion (Attitude towards online Advertising) in Indian online space.

2. Objectives of the Study

The study has the following two objectives.

- 1) To study the relationship of perceived information, perceived entertainment, perceived irritation and perceived value on attitudes towards online advertising among Indian consumers.
- 2) To analyse the mediating role of advertising value between perceived information, perceived entertainment, perceived irritation and attitudes towards online advertising among Indian consumers.

3. Review of Literature

3.1 Attitude

There have been several ways in which the concept of attitude has been defined by psychologists and behavioural researchers. Peter and Olson (2002) have given the three component model of attitude which consist cognition, affect and conation. In this model they show "attitude is a person's overall evaluation of a concept". However, a widely accepted definition among researchers was given by Fishbein and Azjen (1980) who defined, "attitude as a person's favourable or unfavourable feelings toward an object". A person's evaluations are formed by the cognitive system and are affective in nature. These evaluations are a product of integrated knowledge, beliefs and or meaning regarding a concept. During the integration process, a person decides on the personal relevance and whether it is favourable or unfavourable (Peter et al. 2002).

3.2 Online Advertising

"Online advertising maybe defined as a form of marketing communication on the Internet intended to persuade an Internet user (viewers, readers or listeners) to purchase or take an action based on content displayed on a website (or webpage). This communication may be in relation to products, ideas or services". Online Advertising includes many forms of commercial content- from electronic advertisements that are similar to traditional advertisements (e.g., billboards, banner ads)

to formats that are different from traditional advertisements, such as corporate Web sites (Ducoffe,1996).

3.3 Advertising Value

Ducoffe (1995) proposed the advertising value construct to measure consumers' perceptions regarding the relative worth or utility of advertising. Through a series of studies Ducoffe (1995, 1996) developed a model based on three antecedents of perceived value: informativeness, entertainment and irritation. Importantly, these antecedents pertain to the consumer's experience with the advertising rather than traditional advertising effectiveness measures such as message recall, brand attitudes, and purchase intent. The model demonstrated that the advertising value construct is an antecedent of the attitude toward advertising construct.

3.4 Online Advertising Effectiveness

Advertising effectiveness in all mediums of advertising has always been a topic of interest and research among scholars, even then there is a lack of definitive yardstick to measure advertising effectiveness. Advertising recall, Attitudes toward the brand (AB), Attitudes towards the Ad (Aad) and purchase intentions have been widely accepted among academics and practitioners as indicators of advertising effectiveness (Mackenzie and Lutz 1989, Stewart 1999). Aaker et al. (1990) concluded that informative, entertaining, and dislikeable are the key factors that explain attitude towards advertising. Research suggests that these traditional measures of advertising effectiveness do not provide a good measurement in case of online advertising because of their emphasis on outcomes (Pavlou and Steward, 2000). In a more recent study it was revealed that the acceptance of advertising on social networking sites is related to the entertainment and information content they provide (Taylor et al., 2011). Ducoffe (1995, 1996) posited a model to assess advertising effectiveness which is based on three components of perceived value of advertising viz. informative, entertainment and irritation. These components apply to the consumer's experience with the advertising rather than traditional advertising effectiveness measures such as message recall, brand

attitudes, and purchase intent. This model also suggested advertising value is a predictor of the attitude toward advertising. Moreover this model could be used among different channels of advertising like television, print and online.

Informative value of the advertising is most important factor in predicting attitudes towards the brand (Brown and Stayman, 1992). Informative value has been positively related to consumers' attitude towards advertising (Taylor et al., 2011). Advertisers have always tried to provide entertaining advertisements in order to increase the effectiveness of message as entertainment factor relates positively with advertising effectiveness measures like advertising recall, attitudes toward the brand (AB), attitudes towards the Ad (Aad) (Shimp, 1981; Mackenzie and Lutz, 1989; Shavitt et al., 1998). In present time entertainment has got more importance in advertising because there is lot of advertising and advertisers and consumers both want to break the clutter. Now consumers tend to seek entertainment in brand related communications and associate themselves well with the advertisements, which are high in entertainment.

Irritation with advertising seems to be negatively correlated with advertising value and consumers' attitude towards advertising. Literature also supports this notion as according to Greyser (1973) consumers can get irritated by the content of advertising as well as by the clutter. One more thing that can cause irritation in consumers is the perceived deception or dishonesty in advertising. Loss of privacy is also a factor that can contribute to irritation content of advertising in case of online advertising (Taylor et al., 2011). In a recent study done in China, Romania and United States it was found that belief factors which includes information, entertainment, economy, credibility and value corruption were significant predictors of attitude toward online advertising (Wang, Sun and Thompson, 2010).

Based on the above discussions we propose the following hypotheses.

H_{1a}: There is a positive relationship between perceived information and attitude towards online advertising.

H_{1b}: There is a positive relationship between perceived entertainment and attitude towards online advertising.

H_{1c}: There is a negative relationship between perceived irritation and attitude towards online advertising.

H_{1d}: There is a positive relationship between perceived value and attitude towards online advertising.

H_{1e}: Advertising value mediates the relationship between perceived information and attitude towards online advertising.

H_{1f}: Advertising value mediates the relationship between perceived entertainment and attitude towards online advertising.

H_{1g}: Advertising value mediates the relationship between Perceived Irritation and Attitude towards online advertising.

4. Research Methodology

A 25 item online questionnaire was prepared using Google Doc and link was sent through personal email of the researcher. All questions were compulsory in the questionnaire and were regarding demographic profile and other predictor and criterion variables of the study.

4.1 Sample

The link containing questionnaire was sent to 200 respondents. All the participants were told in advance that participation in this study is purely voluntary. Some of the close friends of researcher also provided referral from their network and also forwarded the e-mail link so that maximum and randomized responses could be generated. Sampling method was convenience cum snow-ball sampling thus being non-probability sampling technique. Only 177 questionnaires were filled within given time period despite several attempts by researcher and his friends. This sample is not a true representation of Indian online consumers but could be considered well enough for theory validation (Table 1).

4.2 Measures

All independent variables viz. perceived informative content, entertainment; irritation and perceived value were measured adapting established scales (Ducoffe,

1996). Participants were asked to respond to five-point, Likert-type scales (1=strongly disagree, 5=strongly agree) by selecting the option that best represented how they felt about online advertising. Dependent variable i.e. attitude toward advertising was measured using a three-item, established scale by Pollay and Mittal (1992). Details about the reliability scales are given in the table 2, all constructs achieved good reliabilities except irritation (.681) which is also acceptable for psychological construct having three items only (Cronbach, 1951). In case of psychological constructs values of alpha below .70 can be expected because of the diversity of the constructs being measured (Kline, 1999).

5. Data Analysis

Primary data analysis through Pearson correlations coefficients revealed significant relationships between the independent and dependent variables. Correlation coefficients are significant at the .01 level.

Pearson correlations revealed significant, positive relationships between the attitude towards advertising and perceived information variable for Indian consumers, $r(177) = .78, p < 0.01$, supporting H1a. There were also significant, positive relationships between the attitude towards advertising and the perceived entertainment variable, $r(177) = .65, p < 0.01$, supporting H1b. Since the relationship between the attitude towards advertising variable and the irritation variable was significant and negative, $r(177) = -.27, p < 0.01$, H1c was supported. A high degree of positive relationship between perceived value and attitude towards online advertising was found, $r(177) = .84, p < 0.01$, H1d was also supported. The relationships between advertising value and attitudes towards television advertising remain consistent with the Ducoffe (1995, 1996) findings. The above computations of correlations gave us the degree of relationship between the above variables and to find out the functional relationship and investigation of mediation we had to go for regression analysis.

5.1 Test of Mediation through regression analysis

Mediation is a hypothesized causal chain in which one variable affects a second variable that, in turn, affects a third variable. The intervening variable "mediates" the

relationship between a predictor and an outcome variable. Baron and Kenny (1986) proposed a four step approach in which several regression analyses are conducted and significance of the coefficients is examined at each step. The purpose of first three steps is to establish the zero order correlations among the variables under study. If one or more of these relationships are non-significant, researchers usually conclude that mediation is not possible or likely (MacKinnon, Fairchild, and Fritz, 2007). Since all correlational coefficients were found significant we could just examine the mediating role by looking at the regression coefficients of mediator variable when controlling for the effect of independent variable. Results of mediation analysis are shown in the table 3.

It is clearly inferred from the table 3 that since beta coefficients of both independent as well as mediator variable are significant in all models, our findings support partial mediation. Advertising value partially mediates the relationship between perceived entertainment and attitude towards online advertising. It has also got partial mediating effect between the relationship of perceived information and attitude towards online advertising. Advertising value was also found partial mediator effect between the relationship of perceived irritation and attitude towards online advertising. Hence all alternate hypotheses about mediation effect (H_{1e} , H_{1f} and H_{1g}) were supported.

6. Conclusion

On the basis of the study it can be concluded that value of online advertising that could be formed on the basis of information, entertainment and irritation content present in advertisements is directly related to consumers' attitude. Hence consumers form a favourable or unfavourable attitude based on perceived value of online advertising. There may be other factors involved in formation of consumers' attitude but by increasing the information and entertainment content in online advertising, advertisers can get consumers' favourable attitude towards online advertising. This favourable attitude towards online advertising could help in forming positive perceptions and favourable attitude towards their brand. This favourable attitude towards online

advertising and favourable brand attitude could lead to increased purchase intentions for their brands in online environment (Mackenzie and Lutz 1989). This study was an attempt to explore the mediating role of advertising value between predictors of attitude towards online advertising and attitude towards online advertising. More in depth studies for assessment of this relation are suggested to gain more understanding of

this relationship because our findings only supported partial mediation. There might be other mediating or moderating variables that account for the variability in consumers' attitude towards online advertising. Despite these limitations this study could provide insights to online advertisers regarding Indian consumers' perceived value and attitude towards online advertising.

Appendix

Table 1: Demographic Profile of Respondents

Variables		Number	Percentage
Age (Mean=24.84, S.D.=4.91)	15-24 Years	86	48.58 %
	25-34 Years	76	42.93%
	35 and above	15	8.47%
Gender	Male	111	62.7%
	Female	66	37.3%
Educational Qualification	Graduate	84	47.5%
	Post Graduate	68	38.4%
	Above PG	25	14.1%
Monthly Income	Up to 25000	121	68.4%
	25001-50000	35	19.7%
	50001 & above	21	11.8%

Table 2: Reliability Statistics

Scale	Mean	Cronbach's alpha	No. of Items
Attitude	11.1808	.868	3
Informative	22.5367	.880	6
Entertainment	13.2203	.879	4
Value	11.6497	.856	3
Irritation	7.9209	.681	3

Table 3: Mediation Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.818	.577		8.351	.000
	Entertainment	.481	.042	.653	11.405	.000
2	(Constant)	1.017	.470		2.162	.032
	Entertainment	.150	.037	.203	4.096	.000
	Value	.702	.049	.718	14.466	.000
3	(Constant)	1.962	.572		3.428	.001
	Information	.409	.025	.780	16.480	.000
4	(Constant)	.925	.485		1.908	.058
	Information	.135	.036	.258	3.728	.000
	Value	.619	.068	.633	9.157	.000
5	(Constant)	13.391	.624		21.454	.000
	Irritation	-.279	.075	-.270	-3.711	.000
6	(Constant)	2.813	.616		4.566	.000
	Irritation	-.128	.041	-.124	-3.099	.002
	Value	.805	.039	.823	20.545	.000

Dependent Variable in all models is Attitude towards Online Advertising

End Note

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