Chapter 7
How Online Advertising Affects Buyer Behavior

ABSTRACT

Why don’t consumers demonstrate the same behavior when confronted with identical advertisements? What is the reason for these different perceptions of the same stimuli? How can we shape the right perception in the target audiences? How will advertisers be able to create a common concept which will result in a common behavior?

Being informed about customer reactions, especially when they are exposed to online advertising, requires comprehensive knowledge of consumer motives. Reacting and displaying a given behavior is based on the reasons or motives that led a customer to the Web. In this chapter, the authors will discuss online buyer behavior when faced with an online advertisement. In this regard, the terminology, methods, and models will be introduced in detail, and they will identify the key concepts that form customer behavior, and distinguish between tangible and intangible features that affect online user behavior.

USES AND GRATIFICATIONS

The Internet consists of people and sources, which have developed networks to be used anywhere and anytime (Hoffman & Novak, 1996). These networks have involved more than two billion people all over the world by 2011, i.e. one out of every three people has access to the Internet (Internetworldstats.com, 2011). Many studies have investigated the online medium and considered its features; for example, Berthon et al. (1996) indicated that the online medium has exclusive features such as interactivity, excluding distances, low cost of implementing ad campaigns, target-oriented ability and easy access (Berthon, et al., 1996).

The Internet has improved interactive tools and created strong relationships with its customers (Ko, et al., 2005). In spite of the many theories that have been raised, the critical questions for all of
them are how do users interact with the Internet and how do they behave? One popular theory is the “Uses and Gratification” theory. This is an important theory because it presents a comprehensive framework for analyzing psychological, behavioral and communicational aspects (Ruggiero, 2000). The uses and gratification theory is a communicational approach based on psychology, which focuses on individual use and choice by asserting that different people can use mass media for very different purposes (Severin & Tankard, 1997). A lot of studies have examined users via the uses and gratification theory, examining the psychological needs which motivate people to use the medium. There are four concepts in the uses and gratification theory: motives, use, gratification and active user (Lin, 1999). This theory is based on the assumption that all users behave objectively and are active users of the medium. In addition, they are aware of their needs and choose an appropriate medium by which to fulfill them. This theory is a clear approach, and its principles have been examined by many researchers and are applicable to all aspects of media communication.

Applying the Uses and Gratifications Theory to the Internet

The rapid growth of the Internet necessitates the application of the uses and gratifications theory, as this media requires a higher degree of interaction with its users in comparison with other media (Ruggiero, 2000). Since the Internet is a “consumer media” and its users choose and visit their favorite websites, knowing the variables affecting the users’ preferences is important. Many studies have been conducted on users’ behavioral and psychological indicators in order to identify a set of common variables of user motivation that encourage them to use the Internet (Larosa, et al., 2001). As an example, Korgaonkar and Wolin (1999) recognized 45 motivational observer variables for using the Internet and classified them into seven groups: social escapism, transactional security and privacy, interactive control, socialization, non-transactional privacy and economic motivation. They also reported that people use the Internet based on one of three motives: searching information, entertainment and spending leisure time. Before Korgaonkar and Wolin’s study, Papacharissi and Rubin (2000) recognized the motivations for using the Internet, classifying these primary motives into five categories: interpersonal utility, pastime, information seeking, convenience and entertainment. Results show that the uses and gratification theory is one of the most cited methods for identifying motives and a prerequisite for advertising on the Internet. To discover how the uses and gratification theory is applied to online advertising, we need to define some critical concepts.

INTERACTIVITY

Interactivity is one of the most sensible characteristics of modern media. Interaction allows users to participate in the process of persuasion by controlling the advertisements they see, accessing needed information and ordering at any time according to their personal needs and preferences (Hoffman & Novak, 1996). Reciprocal actions or interaction is a complicated and multi-dimensional concept. It is difficult to find a general framework in which interaction can be defined (McMillan & Hwang, 2002).

Internet interaction takes place either by “Human-human” and “Human-message” interaction. For example, human-message interaction involves choosing, manipulating, tracing, directing, editing a form, speed and content. Human-human interaction involves two-way communication like mutual discourse, interpersonal interaction, role exchange, connectedness, responsiveness and reciprocal communication (Ko, et al., 2005).

One model based on the uses and gratifications theory developed to identify the effective factors in an online audience’s behavior is the Structural...
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