

# UNDERSTANDING CONSUMERS ATTITUDE TOWARD ADVERTISING

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## Abstract

*Literature in advertising and information systems suggests that advertising in both traditional media and the Internet is either easily ignored by the audience or is perceived with little value. However, these studies assumed that the audience was passive and failed to consider the motives of the users. In light of this, the present study measures consumers' attitudes toward advertisements for different purposes/functions (brand building and directional) and different media (traditional and Internet-based). Literature suggests the following factors that contribute to consumers' perceptions of ads: entertainment, irritation, informativeness, credibility, and demographic. We believe that interactivity is also a factor that contributes to consumers' perceptions. By understanding consumers' attitude towards advertising, designers and marketers can better strategize their advertising designs. A better understanding of interactivity can also help to improve the effectiveness of interactive media such as the Internet. A methodology for studying the factors that contribute to consumers perceptions of ads is proposed and implications for Internet-based advertising and e-commerce is discussed.*

**Keywords:** Online advertising, Internet-based advertising, consumer perception, attitude towards advertising, directional advertising, interactivity

## Introduction

Literature in advertising and Information Systems suggests that advertising in both traditional media and the Internet is either easily ignored by the audience or is perceived to have little value. Bogart (1985) argued that chances of careful processing of advertisements are lowered by the high number of advertisements competing for individuals' attention on a daily basis. Limited time and mental resources make it difficult for the audience to dedicate sufficient attention to most advertisements. The development of the Internet is resulting in great growth of online advertising. This is making the competition for attention more intensive.

The intrusive tactics advertisers employ when competing for consumers' attention can be "annoying" to the audiences (Sandage & Leckenby, 1980; Rettie, Robinson & Jenner, 2001; Zhang 2000). Consequently, studies tend to show a generally negative public attitude towards advertising. (Alwitt and Prabhaker, 1994; Zanot, 1981). However, the above findings are not sufficient to deny the value of advertising as a vehicle of conveying information to the intended audiences. Ducoffe (1996) argues, "The vast majority of advertising exposures reach individuals when they are not shopping for the product or service being advertised, so most messages are simply not relevant to consumer concerns at the time of exposure" (p.22). Therefore, the importance of an advertising strategy that caters to consumers' needs has emerged.

How the Internet should be differentiated from more traditional means of advertising is currently under study (Eighmey, 1997; Bezjian, 1998; Chen & Wells, 2000). The Internet has become a proven medium for advertising and has become a viable alternative to traditional media such as television and billboards. Of interest is the continuing and steady rise of online traffic well after the subsiding of enthusiasm associated with the dot-com craze. Although current figures fail to meet previous expectations, the online environment has established itself as a unique venue for commerce that has high growth potential. This places

researchers and practitioners in the position of refining their understanding of online advertising in order to better utilize the strengths of the Internet environment.

In this study, we take a consumers perspective and examine consumers' perceptions on the values of different types of ads. Our aim is to understand the perceived differences between the Internet-based advertising and traditional advertising for both brand building and directional purposes. We believe that the Internet and Web have the potential to support goal-oriented consumers. This can be utilized by well-designed directional online ads through data based marketing. Although online ads can function as a gateway to the next stage of transactions of purchase, our focus is on the informing stage of advertising. We hope that this research will provide practical suggestions on how to design effective online ads to fully utilize the advantages of the online medium.

## **Advertising Literature**

Advertising can be classified into two categories: brand building and directional (Fernandez and Rosen, 2000; Lohse and Rosen, 2001). Brand building advertising is synonymous with product advertising and is commonly seen in traditional mass media, including TV, radio, magazine, and newspaper. Brand building advertisements tend to be product/service- (or retailer-) oriented with the purpose to establish a positive image and creating demand for a product or service that leads to eventual purchase (Barrow, 1990; Rosenberg, 1995). The communication route is typically one-to-many and is designed to reach a mass audience by using a tactic of "intrusion" aimed at capturing the attention of users. Directional advertising is designed to help potential buyers locate interesting information (Fernandez, 1995). The communication route is typically one-to-one and it is assumed that a potential buyer brings him or herself to ads. Advertising in this case is catering to customers' needs.

There is modest research on "directional media" such as Yellow Pages, catalogs, newspaper classifieds, movie listings, directories and industrial guides while there is considerable research on advertising placed in traditional mass media. Advertisements in directional media differ from those in traditional mass media. For example, ads in directional media are placed in goal-oriented and highly organized settings (Fernandez, 2000) that allow consumers to collect and process information at a desired pace. Conversely, advertisements in traditional mass media can be within a distracting and unorganized environment where little room is spared to the audience to critically evaluate the quality of the product and services. These two fundamentally different types of advertising are sometimes undistinguishable in several research studies, making their findings difficult to apply.

The literature also shows a less clear distinction between advertising/advertisement and media. Some studies use the two terms interchangeably, while others draw a distinction. For example, Fernandes and Rosen (2000), and Lohse and Rosen (2001) use the terms 'directional media' and 'directional advertising' to refer to yellow pages advertising. Brackett and Carr (2001), however, distinguish advertising from the media that carry them. Ducoffe (1996) argues that media context is thought to have an important influence on the value of advertising (p.24). Previous studies also confirmed that advertising placed in a more credible medium such as a newspaper are perceived as more informative, reliable, and believable while advertising placed in a less credible medium like TV is considered to be less informative (Bauer and Greyser, 1968; Becker, Martino, and Towners, 1976; Larkin, 1979). Directional medium is primarily designed for carrying advertisements. For example, users of Yellow pages are searching for information. Therefore, their attitudes toward the medium (i.e. the Yellow Pages) are essentially based on their attitudes toward a specific advertisement. However, a mass medium such as the Web is multi-functional and consists not only of banners or pop-up window based online ads but other information or functions. Respondents may have a positive attitude toward the Web as a tool or medium, but a negative attitude toward advertising on the Web. That is, a consumer's attitude toward Web advertising may not be the same as his or her attitude toward the Web as a medium itself.

In this paper, we focus on consumers' perceptions of different types of advertisements, not their perceptions on media. However, an advertisement has to be implemented in or carried by a particular medium. To eliminate any confusion, we consider an advertisement as a combination of the ad's content or message and the medium or channel within which the ad is carried. Thus, medium functions as a container for presenting the content of an ad. Furthermore, we use directional media to mean those media whose primary goal is for directional advertising. Thus, Yellow pages and catalogs are directional media. On the other hand, certain media can be utilized for both directional advertising and brand building advertising. To this extent, we would focus less on the use of a medium but more on the characteristics of the medium itself.

The understanding of directional advertisings, given that they are used by actively engaged users (Briggs and Hollis, 1997) rather than passively received audiences (Stewart 1992), could improve the effectiveness of Internet-based advertising strategies and streamline the interaction between users and interactive media. A characteristic of online advertising is that it can combine the

functions of communicating with the audience and provides a channel for commercial transaction by implementing a hyperlink between the two. With a few clicks, a piece of online ads transforms into the market place of online business transactions. This characteristic provides value to the users who would otherwise place an order by phone or by a visit to the store (Stone, 1999). It also signals a trend of convergence between online advertising and online commerce, thus suggesting that the designs of online advertising and online business may need to be considered collectively.

The literature of advertising has covered studies from both advertisers and consumers' perspectives. For example, from an advertiser's perspective, each directional ad also has a brand building function since it has certain qualities (e.g., a symbol/icon or brand name) that add to brand recognition. From a consumer's perspective, an ad may not motivate further action if it is not perceived to be relevant to his or her current needs, but unique qualities of the ad might result in brand building. In the latter case, the consumers' brand awareness might increase without necessarily being associated with a positive brand attitude. On the other hand, a consumer may need to find certain merchants for his or her needs and he or she can either go to the yellow pages or happen to see an ad on TV. In this case the ad serves a directional function for this consumer. That is, the ad directs the consumer to do something leading to the next stage of either information seeking or transaction of a purchase.

Ducoffe (1996) applied his original framework (1995) to the web environment. Ducoffe (1996) confirmed previous results and found that attitudes towards Web advertising were directly dependent on advertising value and perceived levels of entertainment. Furthermore, advertising value was dependent on perceived levels of entertainment, informativeness, and irritation. Ducoffe (1995, 1996) identifies entertainment, informativeness, and irritation as factors contributing to consumers' evaluations of ad values and thus attitudes toward ads.

Brackett and Carr (2001) further validate Ducoffe's model and extend the model to include credibility and consumer demographics. Credibility is shown to be directly related to both advertising value and attitude towards advertising. Demographic variables such as college major, age, and gender are shown to effect only attitudes towards advertising.

Fernandez's (2000) intended to understand goal-oriented consumers' responses toward directional advertising within the context of Yellow Pages. Informativeness is defined as relevant to a purchase situation. Findings suggest that advertising with more specific information that matches consumers' purchase situations is more likely to be processed and will result in a proactive response (e.g. consumers calling the advertisers or marketers).

## **A Proposed Framework**

An approach to understanding the relationship between consumers' needs and advertising value is to take the use and gratification perspective. This approach assumes audience members to be active gratification seekers who interact with the media rather than become passive recipients of media content (Williams, Phillips, and Lum, 1997). Their media use is considered a conscious effort to fulfill either cognitive or affective needs, or psychological motives, such as information learning, entertainment, personal identity, parasocial interaction, companionship and escape (Blumler, 1979; Katz et al, 1974; Rubin, 1981, 1983). The merit of this approach is in explaining users' continuing media exposure by answering the questions of why people choose to attend to particular media or types of content/messages, what satisfaction they expect and get, and to what uses they put the results of their attention to media (McGuire, 1974). It also helps explain varying viewing levels and viewing gratifications (Levy and Windahl, 1984). Palmgreen and Rayburn (1985) has related it to the 'expectancy-value' approach which proposes that a particular kind of media content will have attributes which derives a negative or positive valuation for the audience. After the relevant attributes are identified, respondents can be asked how they value each attribute.

### ***Two Dimensions and Four Situations***

We consider two dimensions that determine a particular advertisement appearance: the intended ad purpose/function (brand building and directional) and media (traditional and Internet-based). Table 1 shows the four types towards whom a consumer may exhibit different attitude.

Internet-based Directional Advertising (IDA) is designed to accommodate audiences' information-seeking needs in an Internet environment. In this case, customers know what they would like to find to some extent. Some examples of IDA are online yellow pages for car insurances or a particular product, search engine results, and online consumer reports. Internet-based Brand Building (IBB) is defined here as advertising competing for the attention of the audience without addressing users' particular information

needs. Customers occasionally encounter advertisements that do not cater to their needs. Some examples of IBB include product or company banners appearing on web pages. Examples of Traditional Directional Advertising (TDA) can be car insurance ads in the yellow pages of a phone book, real estate guidebooks, and newspapers classifieds. Traditional Brand Building (TBB) can be ads on billboards, or ads in television commercials.

**Table 1. Four Situations of Advertising**

	<b>Traditional Media</b>	<b>Internet-based Media</b>
Brand Building	TBB	IBB
Directional	TDA	IDA

**Extension of Constructs**

While the constructs identified by Ducoffe (1996) and Brackett and Carr (2001) have proven to be relevant, the distinction between advertising value and advertising attitude is not clear. In fact, other studies in this area do not make a distinction. We use attitude as a dependent variable and consider the antecedents of advertising value as factors of attitude in our framework. We also believe that there are more factors that come into play, especially in the Internet environment. These factors may help further distinguish the Internet environment from traditional media. Specifically, this paper examines the following two factors in addition to those proposed by Ducoffe (1996) and further validated by Brackett and Carr (2001): Interactivity and motive.

Compared to traditional media, the Internet provides more capabilities and thus more opportunities for consumers. For example, the Internet based ads can provide higher interactivity than many of the ads carried in traditional media. Also an online ad can be customized easily to better suit a consumer’s needs.

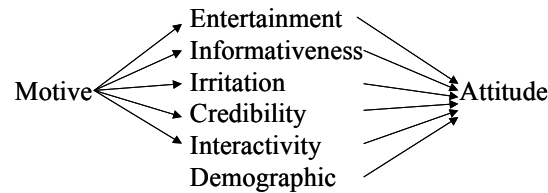
In studying interactive media, Liu (2001) identifies a four-dimensional structure of the interactivity: active control, two-way communication, freedom of choice, and felt synchronicity. Unlike most traditional media where consumers rely on what sources say with minimal control, users may constantly and voluntarily take action, for example, by clicking hyperlinks in a Web ad due to its nonlinear structure, which directly influences their experience. The Internet can also facilitate consumers to communicate by providing two-way communication between sources and consumers while most traditional media provide only one-way communication from a source to consumers. Users can enjoy better interactive experience by having freedom in choosing what they want and when they need it on the Internet. Finally, the Internet makes it possible for users to feel synchronicity in communicating with sources by eliminating barriers of physical, spatial, and temporal distance as in the traditional interpersonal communication.

In the field of Interactive Marketing, interactivity is the immediate iterative process by which customer needs and desires are uncovered, met, modified, and satisfied by the providing firm (Bezjian, 1998, p.22). According to Haeckel (1998), Interactive marketing, in some sense, is marketing ‘interactivity,’ whose essence is ‘exchange.’ A person-to-person or person-to-technology exchange is designed to effect a change in the knowledge or behavior of at least one person. Haeckel (1998) identifies several dimensions of interactivity: number of entities involved, degree of contingency, frequency of exchange, degree of sensory involvement, degree of cognitive involvement, types of entities involved, content being exchanged, degree of synchronicity, and types of media involved.

In the context of consumers interacting with an ad, the importance or relevance of the ad to consumers’ current information needs would determine how involved a consumer is, which in turn would affect his or her perception of the ad’s value.

This is in line with the discussion of a consumer’s cognitive or affective needs (also called psychological motives) such as information learning, entertainment, personal identity, parasocial interaction, companionship and escape (Blumler, 1979; Katz et al, 1974; Rubin, 1981; 1983).

Figure 1 depicts our framework of consumer’s perception on ad. Motive affects the perceived values on the six factors. These six factors are expected to affect ad attitude within both the traditional and the Internet environment but with different degrees.



**Figure 1. Factors Contributing to Attitude Towards Advertising**

## Research Methods

Three examples are used to represent each of the four situations in Table 1, yielding a total of 12 cases. The purpose of using examples is to put the participant's mind into a specific situation with a specific advertising medium when responding to the questions in a questionnaire. For instance, for the Traditional Brand Building (TBB) situation, TV commercial, Billboards, and Newspaper Non-Classified Sections are used as advertising examples. A survey is being conducted at a major northeastern university in US. Participants are college students and staff members. Each participant is given one of the 12 cases. Participants are asked to answer the attitude related questions based on their overall experience with the example advertisement.

## Conclusion and Implications

In this research, we take a consumer's perspective and examine consumers' perceptions of different types of ads. Our aim is to understand the perceived differences between the Internet-based advertising and traditional advertising for both brand building and directional purposes. We believe that the Internet and Web have the potential to better support goal-oriented consumers, thus providing a great potential for Internet-based directional advertising. We hope that this research will contribute to a better conceptual understanding of consumers' perceptions by extending the existing frameworks. Meanwhile, the study can provide practical suggestions on how to design effective online ads to fully utilize the advantages of the Internet-based media.

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