CUSTOMERS' PERCEPTION TOWARDS ONLINE PROMOTIONAL TOOLS

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ABSTRACT

 Fast development of technologies has stimulated changes in marketing. One of major trends in today's marketing is orientation on exploitation of Internet for promoting of the company and its products. Online promotion is one of the latest and emerging tools in the marketing world. . This paper intends to study perception of customers towards different online promotional tools. . This paper is based on primary data collected from a sample of 300 respondents from Delhi through well structured questionnaire. Exploratory Factor Analysis (EFA) is conducted using SPSS version 20 to study perception of customers towards different online promotional tools. Major findings of the study revealed that online promotional tools are perceived to be convenient, informative and credible. These are one of the best tools of promotion in today's technological era. Yet these tools are considered to be time saving but sometimes due to repetitive occurrence these tools are considered time consuming.

Keywords: Customer Perception, Online Promotional Tools, Online Advertisement, Website, Factor Analysis

Introduction

With the beginning of new millennium, technology advancement has led to most dynamic and revolutionary change in the history of marketing, advertising and promotion. These changes have led to dramatic growth of communication through interactive media, particularly the Internet. Internet is changing the ways companies design and implement their entire business and marketing strategies, it is also affecting their marketing communications programs. Now a day's marketing communication to promote their products and brand is now a day's becoming more and more challenging task for organisationss. Thousands of

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companies, ranging from large multinational corporations to small local firms, have developed websites to promote their products and services, by providing current and potential customers with information, as well as to entertain and interact with consumers. Online promotion is one of the latest and emerging tools in the marketing world. From a customer's perspective, Internet technology provides faster access to information which is more convenient for consumers. So it is critical for marketers to know how to use online marketing strategy to gain the desired conversion from online visitors to online customers. Effective marketing is a result of effective promotion. So marketers have to plan, build, and execute promotions properly to make them effective.

In today's technological environment there are various online promotional tools available and the marketer has to choose the optimum mix of these tools. There are different online promotional tools for companies such as Search marketing, Online PR, Online partnership, Interactive Ads, Opt in e-mail and Viral Marketing etc. to promote and increase the visits of their websites. So the marketers have to effectively and efficiently utilise various online promotional to attract, retain and build up a strong relationship with the customer.

Review of Literature:

Technological advancement has led to new changes in businesses and created an interactive platform for companies to interact with customers. Now internet became a new mediator between companies and their customers. Internet is a formidable tool for marketing which offers many opportunities to the marketers Furrer and Sudharsan (2001). With successful e-marketing through websites the sport teams may gain competitive advantage to their customers Tsitskari et al (2010). Azeem and Haq (2012) have studied impact of various factors on internet advertising and the distinction of internet advertising effectiveness among three demographically different variables. The study also gave the insight of the various dimensions and their extent of influence on internet advertising. Ruparel (2009) compared the perceptions and attitude of internet users related to prominent online travel portals (makemytrip.com and yatra.com). The study concluded that online travel portal would be better tools to enhance the customers' online experience. Consumers' characteristics and goals have been found to influence their behaviours such as purchasing, revisiting intentions, and attitudes toward a website (Wolfinbarger & Gilly, 2001).Panda and Mishra (2012)

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explored young internet user's attitude towards internet advertising and concluded that presently Internet users don't have a positive attitude towards Internet advertising. Salehi(2012) conducted study to identify factors influencing consumers towards online shopping in Malaysia. The findings of the study indicated that five factors influence consumers towards online shopping and security is the factor that contributes most towards online shopping. William (2002) revealed that social class has significant effect on purchase evaluation criteria. Lu et al (2005) suggested that perceived usefulness has an impact on attitude towards online shopping. In a study conducted on online users in Thailand, Chiu et al (2005) concluded that online stores are perceived as more user friendly to facilitate online store visits.. Attitude formation, motivation, value orientation, income, socialization during childhood and education levels will influence one's social class. According to Yip (2003), social class of an individual indirectly shows that low income would cause limited choice when making purchase decisions. Nikhashem et al(2011) investigated people's perception of online buying tickets (e-ticketing the outcome of the research showed an integrated framework that can be utilized by policy makers and business enterprises to understand the dynamic relationships among dimensions of perceived risk, user trustworthiness, usefulness, familiarity and confidence. Ghose & Yang (2009) hypothesized that sponsored search-engine have positive long-term effects by increasing a consumer's exposure and awareness of a brand or product which can lead to consumers' retention. Tsitskari et al (2010) revealed that with successful e-marketing through websites the sport teams may gain competitive advantage to their customers.

Rationale of the study

The rapid growth in number of internet users in India provided a lot of opportunities for marketers. With changing customers' expectations in the internet environment marketers need to rethink different ways to promote their products. Online promotional tools are one of the latest and emerging tools in the marketing world. Therefore, understanding how consumers perceive benefits of online promotional tools is important from an organizational perspective. As technological advancement has provided different online promotional tools for marketers to promote and increase the visits of customers to their websites. Thus this study aims to study perception of customers towards different online promotional tools.

Objectives of the study

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The present study intends to study perception of customers towards different online promotional tools.

Research methodology

Research Design: The present study is an exploratory study that aims to study customers' Perception towards online promotional tools.

Sampling size and Design: The sampling frame comprises various Internet users in Delhi. Data **was** collected from a sample of 300 respondents, out of which 27 were rejected due to half filled responses.

Sources of Data Collection: Both primary and secondary data was used in present study. Primary data was collected through observation and a well structured questionnaire. 5-point Likert scale was used to indicate responses where 1 stood for strongly disagree and 5 stood for strongly agree. Secondary data is collected from various search engines, websites, books and articles.

Tools of Data Analysis: The quantitative data was analyzed by using factor analysis through SPSS version 20.

Result and Discussions:

Exploratory Factor Analysis (EFA) is conducted using SPSS version 20 on data collected from 272 respondents using 5 point Likert scale. The Bartlett test of sphericity is used to assess the overall significance of the correlation matrix. In this study, the correlations are significant at the .01 level. Kaiser-Meyer-Olkin Measure of Sampling Adequacy (MSA) for individual variance is studied. The value is 0.881, which indicates that the sample is very adequate enough for sampling.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.881
Bartlett's Test of Sphericity	Approx. Chi-Square	3616.666
	df	300

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Sig.	.000

Reliability of the construct: Test reliability refers to the degree to which a test is consistent and stable in measuring what it is intended to measure. The most widely used reliability coefficient is Cronbach's alpha which can range from 0 to 1, with higher figures indicating a better reliability. The reliability of this construct is 0.884.

 Reliability Statistics

Cronbach's Alpha	N of Items
.884	25

There are four factors extracted in this study each having an Eigen value exceeding 1. The eigen values for these four factors are 8.124, 4.480, 1.127 and 1.047 respectively. The percentage of variance explained by factor one to factor four are 32.495, 17.921, 4.507 and 4.186 respectively (Table 1)

 The four factors extracted in the study that explains 59% variance are as follows:

Factor 1 describes the first category of perception towards online promotional tools. This factor explains 32.49% of variance. It comprises 9 items which are online promotional tools are credible, convincing, informative, creative, and convenient to use, useful, entertaining, attractive, and time saving.

Factor 2 describes the second category of perceptions towards online promotional tools which explains 17.9% of variance. It comprises of attributes such as these tools irritates and annoys the user. Online promotional tools sometimes perceived to be disruptive, objectionable, and deceptive. one unique quality of online promotional tools that is extracted in the study is that yet these tools are considered to be time saving but sometimes due to repetitive occurrence these tools are considered time consuming.

Factor 3 describes the third category of perceptions towards online promotional tools. It explains 4.5% of variance. It also comprises attributes that online promotional tools are perceived reliable, trustworthy, easy to manage, reference for purchase, best tools of promotion and appropriate according to needs of customers.

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Factor 4 includes only one item i.e. online promotional tools are not easy to ignore.

Conclusion and suggestions:

In today's technological competitive environment it becomes necessary for the marketers to think of new and alternative way to promote their product. . The online promotional techniques have become vital communication tools for the marketers to promote their products and services in the online environment. They are perceived to be convenient, informative and credible. These are one of the best tools of promotion in today's technological era. Yet these tools are considered to be time saving but sometimes due to repetitive occurrence these tools are considered time consuming. For customers they are reliable source of information. So marketers should use these tools in such a way so that it can compete against thousands of new companies going online every day and satisfy changing needs of the customers. Although, users sometimes find the online promotions irritable, annoying, deceptive and easy to ignore, yet they are convincing. Customers can also engage in online shopping as these tools may be used as a reference for purchase. As internet is very effective way of communication, so it should be used to execute all the elements of promotion mix.

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Table 1

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.124	32.495	32.495	8.124	32.495	32.495	4.667	18.670	18.670
2	4.480	17.921	50.416	4.480	17.921	50.416	4.614	18.454	37.124
3	1.127	4.507	54.923	1.127	4.507	54.923	4.301	17.205	54.329
4	1.047	4.186	59.109	1.047	4.186	59.109	1.195	4.780	59.109
5	.936	3.746	62.855						
6	.880	3.519	66.374						
7	.797	3.188	69.562						
8	.763	3.051	72.613						
9	.681	2.722	75.335						
10	.661	2.643	77.979						
11	.639	2.558	80.536						
12	.558	2.233	82.769						
13	.506	2.024	84.793						
14	.469	1.878	86.671						
15	.450	1.801	88.471						
16	.411	1.644	90.115						
17	.379	1.517	91.632						
18	.372	1.490	93.122						
19	.346	1.384	94.506						

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20	.298	1.190	95.696							
21	.269	1.075	96.772							
22	.232	.929	97.701							
23	.217	.870	98.571							
24	.191	.765	99.336							
25	.166	.664	100.000							

Extraction Method: Principal Component Analysis.

Table 2

Rotated Component Matrix[a]

	Component			
	1	2	3	4
online promotional tools are credible	.455	.050	.335	.453
online promotional tools are convincing	.508	-.020	.403	.480
online promotional tools are informative	.728	-.159	.281	.052
online promotional tools are convenient to use	.665	-.098	.362	.048
online promotional tools are useful	.678	-.045	.368	.060
online promotional tools are entertaining	.679	-.106	.285	-.036
online promotional tools are time saving	.806	-.158	.194	-.011
online promotional tools are reliable	.356	.040	.580	.238
online promotional tools are attractive	.660	-.109	.318	-.147
online promotional tools are trustworthy	.198	.077	.705	.156
online promotional tools are easy to manage	.419	-.158	.694	-.153
online promotional tools are creative	.542	.009	.468	.283
online promotional tools are a reference for purchase	.356	-.063	.694	-.170
online promotional tools are the best tools of promotion	.395	.098	.613	-.067

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online promotional tools are appropriate according to needs	.289	-.002	.753	.082
online promotional tools are enjoyable	.324	-.046	.541	-.018
online promotional tools are irritating	-.136	.719	.141	-.001
online promotional tools are annoying	-.061	.727	.075	.233
online promotional tools are disruptive	-.097	.822	-.050	.066
online promotional tools are objectionable	-.128	.777	.118	-.120
online promotional tools are boring	-.072	.648	.137	-.129
online promotional tools are time consuming	-.098	.757	-.104	-.197
online promotional tools are wastage of time	-.048	.676	-.269	.025
online promotional tools are deceptive	.078	.751	-.192	-.096
online promotional tools are easy to ignore	.212	.372	.169	-.603

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Table 3   communalities

	Initial	Extraction
online promotional tools are credible	1.000	.528
online promotional tools are convincing	1.000	.652
online promotional tools are informative	1.000	.637
online promotional tools are conveninet to use	1.000	.585
online promotional tools are useful	1.000	.601
online promotional tools are entertaining	1.000	.555
online promotional tools are time saving	1.000	.712
online promotional tools are reliable	1.000	.521
online promotional tools are attractive	1.000	.570
online promotional tools are trustworthy	1.000	.566
online promotional tools are easy to manage	1.000	.706
online promotional tools are creative	1.000	.593
online promotional tools are a reference for purchase	1.000	.642
online promotional tools are the best tools of promotion	1.000	.546
online promotional tools are appropriate according to needs	1.000	.658
online promotional tools are enjoyable	1.000	.400
online promotional tools are irritating	1.000	.556
online promotional tools are annoying	1.000	.593
online promotional tools are disruptive	1.000	.692
online promotional tools are objectionable	1.000	.648
online promotional tools are easy to ignore	1.000	.576
online promotional tools are boring	1.000	.461
online promotional tools are time consuming	1.000	.632
online promotional tools are deceptive	1.000	.616
online promotional tools are wastage of time	1.000	.532

Extraction Method: Principal Component Analysis.

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