

# The Predictors of Attitude towards Online Advertising

Adeline Kok Li-Ming<sup>1,\*</sup>, Teoh Boon Wai<sup>2</sup>, Mazitah Hussin<sup>3</sup>, Nik Kamariah Nik Mat<sup>4</sup>

<sup>1</sup>Sunway University Business School, Sunway University, Petaling Jaya, 46150, Malaysia

<sup>2</sup>School of Communication, Taylor's University, Subang Jaya, 47500, Malaysia

<sup>3</sup>Knowledge Link Sdn Bhd, Suite A603, Phileo Damansara II, Petaling Jaya, 46350, Malaysia

<sup>4</sup>Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia, Sintok, 06010, Malaysia

**Abstract** With the significant increase of the number of Internet users in Malaysia to 17.5 million users in 2011, on-line advertisers need to understand the consumers' attitude towards on-line advertising better. Thus, the main aim of this research paper is to study the predictors of consumers' attitude toward online advertising. Respondents were chosen from students studying in private education institutions in Malaysia since past studies indicate that most of these online users are young consumers. Three constructs have been identified to predict consumers attitude toward online advertising which are usability, trust and information. The research approach adopted in this study is a survey method using purposive sampling. The data was collected through self-administered distribution and received 207 valid responses. The findings of this research reveal that all the three predictors which are usability, trust and information had positive significant influence on consumers' attitude toward online advertising.

**Keywords** Online Advertising, Consumers Attitude, Predictors

## 1. Introduction

Online advertising has gained increased popularity with more people spending time online. It is therefore relevant to understand consumers' attitudes toward online advertising. The number of internet users continues to grow in Malaysia. According to Dato' Seri Utama Dr. Rais Yatim, the Information, Communications, and Culture Minister, as of April 2011 there were 17.5 million Internet users in Malaysia[1]. Online advertising started with mere websites which was pictured as online brochures. It has grown to a wide range of tools over the years such as blogs and social network. Today the internet is an important tool in the mass media where it is used as a global communication tool for transferring and exchanging knowledge, goods and services across global boundaries.

Besides the upward trend, one of the main reasons for its major growth is the incentive from the Malaysian government to encourage Malaysians to be more internet savvy. The Nielsen Mobile Insights Malaysia[2] research showed that 20-24 years old group was spending most time on the Internet. As such, it is imperative to conduct a study to understand young consumers' attitude toward online advertising.

Even though online users have increased but the influence

of online advertisements towards forming positive purchase intentions needs to be studied to assist advertisers in using online advertisements effectively in their marketing campaigns. Those who go online in Malaysia are mainly for social networking and instant messaging. The emphasis of most research on online advertising had been on the advertiser rather than the consumer[3]. Online advertising is very different from traditional advertising as consumers have control over when and how much online advertising content that they want to be exposed to. Therefore, this study is conducted to understand online consumers' attitude in order to encourage them to increase their exposure to online advertising.

In order to understand online consumers' attitude, the main research objective for this study is to identify the predictors of consumers' attitude towards online advertising.

Marketers and advertisers will find this study relevant. By understanding online consumers' attitude, the advertisers can make the necessary efforts to increase consumers' exposure to online advertising.

The results of this study could assist advertisers in planning and designing their online advertisements by considering the relevant predictors. Effective planning of online advertising will help reduce consumers who find online advertisements repulsive. This would provide a friendlier online platform.

Besides marketers, this study is also useful to government and non-government agencies in planning and designing their online advertising as these agencies also use online advertising in their cause related marketing.

\* Corresponding author:

adelkok@yahoo.com (Adeline Kok Li-Ming)

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## 2. Literature Review

Berthon *et. al.*[2] pioneered the research on online advertising. Following suit, there were many other researchers that continued to study on online advertising[4]. The extent of this type of research is highly diverse and includes the online advertising effectiveness, comparison between traditional and online advertising, online advertising interactivity, branding and online ads and also attitude toward online advertising[5].

There were also some studies that researched on consumer responses toward online advertising. Ducoffe[6] in his study found that online advertising is perceived as valuable, informative, entertaining and important. Gordon and De Lima-Turner[7] found that consumers favor online advertising that is entertaining and in their study they also found that online advertising is not a good selling tool but should be used to build favorable brand attitude. Schlosser, Shavitt and Kanfer[8] in their study found that consumers prefer online advertising that were informative but less entertaining and do not encourage them to make purchases.

There were also studies that found that consumers disliked online advertising. In GUV's World Wide Web 10th User Survey, they found that consumers did not like online advertising. One of the main reasons for the dislike was that they found consumers felt that online advertising took a long time to download. Mehta and Sivasdas[9] in their study of news group users also had negative attitudes toward online advertising.

Another study on young consumers was conducted by Calisir[10]. He found that consumers like online advertising because it was good as a source of information but it was less effective for communicating brand image. In a more recent study, Ha, John, Janda and Muthaly[11], found that online advertising is crucial for organisations to retain customers.

Attitude toward the online advertising is the consumers' view toward online advertisements. Consumers' attitude toward online advertising is the direct human reflection toward the online advertising, which comprise the web content and format. These include hedonics, utilitarian, and interesting content of online advertising. After exposing and attending to online advertising, consumers could either form positive or negative attitude towards the ad.

Ducoffe[6] in his research found that entertainment, information and irritation influenced attitudes toward online advertising. Entertainment and irritation were affective and information was cognitive that influenced consumer's judgement on online advertising. Other researchers brought on another important factor which was behavioural experiences that would influence consumers' attitude toward online advertising[12].

Cho and Leckenby,[13] measured consumer response whether cognitive or affective through interactivity, involvement and trust that consumers have towards online advertising. Consumers believe that interactivity take place when online users are willingly exposed to the online

advertising[13].

Wang, Sun and Thompson[14] investigated the relationships between consumers' belief toward online advertising, attitudes toward online advertising and consumer behavioral in China, Romania and U.S. In their research, they found that all five belief factors which include information, entertainment, economy, credibility and value corruption were significant predictors of attitude toward online advertising. In this research, two of these factors which are information and credibility will be studied in the context of young Malaysian consumers.

## 3. Theoretical Underpinning of Study

The underlying model of this study is the technology acceptance model created by Davis in 1986. This model assists in predicting and explaining the online users' behaviour[15]. This model sets a number of features that influence consumers' decision. The Technology Acceptance Model also deals with the when and how consumers will use information technology. According to Davis[16], consumers' behavioural intentions, attitude, perceived usefulness of the system, and perceived ease of the system will influence the consumers' usage of the technology system. This model also suggests that exterior factors influence intention and actual use act as a go-between with perceived usefulness and perceived ease of use.

Lee, Cheung, & Chen[17] in their study found that perceived usefulness and perceived enjoyment impacted students' attitude toward intention to use online based learning program. In this research, they established that perceived ease of use was not related with attitude.

This model is commonly chosen to study online consumer's attitudes. In this study, the technology acceptance model is applied as online advertising is a type of technology and in this research the different factors that influence consumers' attitudes towards online advertising which are usefulness, trust and information are investigated. This model will assist in understanding how consumers accept technology and form attitudes toward particular system and in this case is online advertising.

## 4. Research Framework

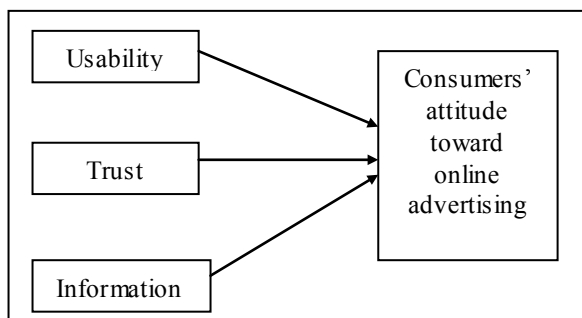
The framework for this study relies on the models developed by Wang, Sun and Thompson[14] and Lodorfos, *et.al*[18]. They developed a model assessing beliefs, attitudes, and behavioral responses toward online advertising in three countries. Whereby, Lodorfos, *et.al*[18] developed a model depicting e-consumers' attitude and behavior in the online commodities market. These models have been used in the past to test consumer's attitude towards online advertising and commodities market.

The constructs usability, trust and information will be used in this study to test hypotheses. Usability is seen as an

important element in web site functionality. Time saving, convenience, attractive, ease of use, loading speeds and information structure are some of the reasons on why consumers opt for accessing information online. This is supported by past studies where web usability is defined as the ability to find one's way around the web, to locate desired information, to know what to do next and, very importantly, to do so with minimal effort. In developing an information system, usability is one of the important quality criteria.

Web users are very concern about online transaction security which link to their personal information. They are worried in case of breach of information as well as misuse of their personal and private information. Trust element is very important in any online transaction and it cannot be underestimated. Online marketers have to ensure that proper infrastructure, security features, management of web site and their reputation are in place to gain consumers trust. This would bridge the gap of insisting on credibility or integrity credentials of online marketers.

In marketing, advertising has been justified to serve as information provider. This is supported by Kwan, & Eze[19] who highlighted the important role of advertising in providing product information. Some researchers stressed that advertising relayed product information in creating consumer awareness. These findings make sense in term of confirming the marketplace efficiencies in partnering products being offered by producers with consumer's needs. Product information would affect consumers' attitude towards advertising. The up-to-date product information, newly product launched, and promotions will keep consumers informed.



**Figure 1.** Theoretical Framework

From the research model, the hypotheses of the research are developed as follows:-

H<sub>1</sub>: Usability has positive influence on consumer's attitude towards online advertising

H<sub>2</sub>: Trust has positive influence on consumer's attitude towards online advertising

H<sub>3</sub>: Information has positive influence on consumer's attitude towards online advertising

## 5. Methodology

A survey based data collection method was employed in

this study. The survey on consumer's attitude towards online advertising was conducted through a structured and standardized close ended questionnaire and data was collected using a Likert-7 point scale. The main purpose of a survey is to estimate, with significant precision, the percentage of population that has a specific attribute by collecting data from a small portion of the total population.

The study identifies three antecedents of attitude towards online advertising which are (1) usability (2) trust and (3) information. Three education institutions have been selected using purposive sampling approach. 207 students were selected to participate in this study. The response rate was 100% as it was a self administered. The respondents were carefully selected among undergraduates who are studying marketing and business as part of their majoring program. Thus, they would have the knowledge and understanding about online advertising.

The questionnaire was divided into two sections, where Section A handles the demographic related questions and Section B requires the participants to answer questions about their perception on usability, trust and information related to online advertising. The dataset were keyed in into SPSS version 19. The data were analyzed using reliability factor analysis and regression analysis.

## 6. Findings

In total, females outnumbered males by approximately 3:1. There were a total of 146 females and 61 males. The result shows that 52.7% of respondents spent more than 3 hours per day on internet and the highest percentage (53.6%) for monthly disposable allowance falls under less than Ringgit Malaysia 500 band.

Reliability in quantitative data refers to the consistency of collected data. Maholtra[20] suggested that "an alpha of 0.60 be the minimum acceptable standard for demonstrating internal consistency". The reliability of the three factors was tested and resulted in high Cronbach's alpha for usability (0.70) and information (0.84) but trust yielded low Cronbach's alpha (0.47) which provided a reason for the spurious item to be removed. After removing item T2, the Cronbach's alpha improved for trust as it yields to 0.68. As for Cronbach's alpha for attitude towards online advertising is yield at 0.81.

Analysis of factor analysis shows Kilmogorov Meyer Olkins (KMO) reading of 0.799 which indicate measurement sampling adequacy for factor analysis. The principal components method was employed with varimax rotation. A loading of 0.30 and above were used to retain the items and none of the items were eliminated as they hold a factor loading of above 0.3 (U1=.765, U2=.777, U3=.614, U4=.470, T1=.633, T2=.529, T3=.829, T4=.844, I1=.844, I2=.818, I3=.783, I4=.703).

**Table 1.** Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
X1:Usability	.644	0.71	.508	9.130	.000	1.000	1.000
X2: Trust	.241	.071	.190	3.421	.001	1.000	1.000
X3:Information	.360	.071	.284	5.109	.000	1.000	1.000

Correlation was conducted to detect multi-collinearity in this study. Correlation coefficient is said to be strong if it is 0.5 and above; 0.3 to 0.49 is medium relationship; and 0.1 to 0.29 is weak relationship. So in this case, the strongest correlation is between usability and the dependent variable. Trust had the weakest correlation (0.190) with the dependent variable. The inter-correlations among predictors are low hence multi-collinearity did not arise in this situation. In this study, hypotheses 1 to 3 identify the predictors of attitudes toward online advertising. In testing the hypotheses 1 to 3, multiple regression analyses were used. These hypotheses tested the impact of each independent variable – usability, trust and information on the dependent variable – consumers' attitude toward online advertising. Hypothesis 1 was supported ( $t = 9.13, p < 0.001$ ). This means that usability does have a positive influence on online consumer's attitude toward online advertising. Hypothesis 2 was also supported as ( $t = 3.42, p < 0.01$ ). Trust proves to have a positive influence on online consumer's attitude toward online advertising. Finally hypothesis 3 is also supported ( $t = 5.11, p < 0.001$ ). This shows that information does have a positive influence on online consumer's attitude toward online advertising.

As indicated earlier in correlation result, multi-collinearity in this study was not an issue. This is further strengthened by Variance Inflation Factor (VIF) of the variables which show values of 1. Values of VIF that exceed 10 are often regarded as indicating multicollinearity. The independent variables which consist of usability, trust and information explained 34% variance in consumer's attitude toward online advertising ( $R^2 = 0.34$ ). In the regression analysis it also shows that usability was the most significant predictor of consumers' attitude toward online advertising ( $\beta = 0.51$ ) followed by information ( $\beta = 0.28$ ). Trust had the lowest significance as predictor of consumers' attitude toward online advertising ( $\beta = 0.19$ ). The regression results are found in Table 1.

## 7. Discussion

The findings in this study show that the three predictors – usability, trust and information significantly influence consumers' attitude toward online advertising.

These findings were consistent with results of past research. In this study, usability was found to be significantly affecting consumers' attitude toward online advertising. In previous studies on Technology Acceptance Model by Davis[16] have shown that perceptions of use have an effect

on consumers attitudes towards technology based products or services. The Technology Acceptance Model assist in understanding how consumers accept technology and form attitudes toward particular system which in this context is online advertising.

The support for information that positively influenced consumers' attitude toward online advertising was found in various previous studies. Wolin et.al[21] found that information was positively related to attitude toward online advertising. The main reason consumers click and read online advertising is to seek information. Thus, information search is important in the consumer decision making process.

Wolin et.al[21] found that trust is a predictor for attitude toward online advertising. This means that when consumers trust online advertising more, they tend to have more positive attitude toward online advertising. This was also supported by past studies. In their research, they found that consumers' attitude and decisions to go online very much depends on trust between the consumers and computer system as well as the internet merchant. They explained that a consumer trusts when they are willing to rely on an exchange partner in whom they have confidence. Hence in this study, the more trust the consumer has, the more positive their attitude towards online advertising.

This study offers several insights into the role of usability, trust and information in predicting consumers' attitude toward online advertising. This would add to the body of knowledge of consumers' point of view when it comes to online advertising. This study suggests implications especially for marketers who use online advertising as one of their promotional tools. Marketers must bear in mind when they develop online advertising that consumers put emphasis on usability, information and also trust when surfing on online advertisements. After understanding their consumers better, advertising agencies should be able to come out with more creative and innovative ads that could attract their consumers and thus giving them an added competitive advantage.

This study would also contribute to government agencies ability to have a better understanding of the methods used by advertising agencies to attract the young consumers. Thus, it could help them in taking relevant measures when dealing with the ads quality. The government agencies could also use this advertising tool to reach the younger population effectively.

Society could have a better understanding of online advertising and attitudes towards the ads. Therefore online

advertising that are deemed useful has plenty of information is the main criteria for consumers to have a positive attitude towards online advertising and hence making them click on the ads. Trust is only considered moderately important to the consumer. This could be due to the fact that this study aims to investigate consumers' attitude and not their buying behavior.

Besides providing valuable insights to marketers, this research also shows the importance of students from the age of 18 to 24 take online advertising seriously. This means that this market segment accept and find online advertising useful.

## 8. Conclusions

This study serves as a base of understanding young consumers' online attitude. Further and more in-depth research can be built from here. Based on one of the limitations of this study, the recommendation would be for future research is to investigate and include other factors which may influence consumers' attitude towards online advertising. There should be more in-depth studies on the other factors. Besides that, the respondents can be extended to other age groups besides the young consumers as not only the young ones go online.

By getting in a bigger sample, more robust statistical technique such as structural equation modelling could be used. The future research could also be a longitudinal study to examine consumers' attitude towards online advertising over time.

One of the limitations of this research is the sampling technique. It could be improved in the future research by adopting a probability sampling method to widen the target respondents and to enable generalizability. It is also recommended that in future research; the study could be more focused on a particular industry. Research could be conducted on various industries.

The growth of online advertising as a promotional tool by marketers is on the rise. In this study, the researchers found that all the three predictors which are usability, trust and information play significant roles in consumers' attitude toward online advertising. This means that consumers have more positive attitude toward online advertising when they believe that online advertising are useful, informative and trustworthy.

This study offers a beginning point especially in the context of Malaysian students in understanding the relationship of the predictors and the consumers' attitude toward online advertising. The result of this research is encouraging thus future research should be developed further.

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