

# Innovations

## A Study Of Consumer Behaviour towards Online Advertisings of High and Low Involvement Products in the State of Madhya Pradesh, India

**Dr. Arvind Malviya**

Assistant Professor Chameli Devi Group of Institutions, Indore

**Dr. Deepak Agrawal**

Director, Swatantra Sainani Institute of Business Management, Indore

\*Corresponding author: **Dr. Arvind Malviya**

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### **Abstract**

*The knowledge of the media consumption behaviour of consumers is most important for organizations to promote their brands in the most suitable available media to utilize their advertising budget most effectively. This study examined the behaviour of consumers of online media for high and low-involvement products, particularly in Madhya Pradesh, India. It is found that consumers prefer to watch online advertising for high-involvement products but for low-involvement products customers do not like to watch online advertisements and they still prefer traditional media like TV and newspapers for watching the advertisement of these low-involvement products. The Data has been composed of 1020 respondents through structured questionnaires and data was analysed through paired sample t-tests. The outcome of the study states that the customers are interested in watching online advertisements of offers given by E-Tailers and shopping malls on low-involvement products but do not like to watch individual brands' advertisements on online media.*

**Keywords:** 1. High Involvement Products 2. Low Involvement Products 3. Scheduling 4. Media Selection 5. Online Advertisement.

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### **Introduction**

Human being needs various types of products to fulfil their needs and wants. Some of these needs and wants are basic for their survival and require products like food; clothing etc. with low prices and their purchase is routinely. Other needs and wants are physical as well as psychological like car, TV, Laptop etc. have high prices and require more money and are purchased occasionally. Customer purchased these products based on their availability and affordability in the market. Customers purchased products based on information which are available to them from various available sources. To provide information to the customers, companies do various types of promotional activities in the form of advertisings, public relation, direct marketing etc. Advertising is most important activities of the promotion and done in various media by the companies. Earlier advertising was done in traditional media like Television, Newspaper and Magazines etc. but with the invention of Internet a new media was born and used by companies, which is more flexible and personal than traditional media. Technology brought down the prices of internet devices like mobile phone and internet connectivity much low and a common man can easily afford them. This affordability made internet media a mass media. Advertisers started using this media for promoting their products to the customers on social sites, Search engine, websites, YouTube etc. It is done in various forms like static, interactive and video etc. Due to intrusiveness of this media people do not like unnecessary advertisements and prefer only those advertisements which are useful to them. Generally they prefer advertisements of high involvement products which require more information for decision making and do not like advertisements of low involvement products like tea, toothpaste etc. and prefer advertisements of these products on mass media like TV and newspapers.

## **Conceptual overview**

### **What is product?**

Product is anything that can be offered to customers to fulfill their needs and wants. It can be tangible or intangible or combination of both. Toothpaste is tangible while software is intangible. Computer is combination of both tangible and intangible, hardware is tangible while services and soft wares are intangible. Product can be an idea, person, organization, event etc.

### **High and Low Involvement Product**

Consumer's take decision of buying products depending on their experience and knowledge, some consumers may be able to make quick purchase decisions while other consumers may need to get more information and are more involved in the decision making process before making final purchasing of product. The level of involvement of buying decision reflects how personally is important a product for him/her and how much information is needed to make a purchase decision. The level of involvement for buying decisions of a product may be considered a continuum from one end decisions that are taken routinely (consumers involvement is lowest) to decisions that require extensive thought and a high level of involvement.

Low-involvement decisions are straightforward, have little risk, are repetitive and become a habit for buyer. These purchases are not very much important for the consumers and financial, social, and psychological risks are not very great. Consumers spend less time and efforts to search for exhaustive information about different brands or to consider a wide range of alternatives.

High-involvement decisions have higher risk to buyers and have high price tags. These products are not purchased often and are very much relevant and important to the buyer. These decisions are related to the consumer's ego and self-image. They involve some or more risk to the consumers. This may include financial risk (highly priced items), social risk (products that are important to the peer group), or psychological risk (the wrong decision may cause the consumer some concern and anxiety). Consumers spend lot of time in comparing different aspects of the products such as features, prices, and warranties etc.

High-involvement decisions of products may cause buyers a great deal of postpurchase dissonance and can cause a problem for them. Companies are well aware of it and offer consumers lot of information about their products, including why they are superior to competing brands and how they won't create dissonance for them by various media including online advertisings.

### **Consumer Behaviour**

Consumer behaviour is a psychology of consumers to know their needs and wants and on the basis of which search information about various products and evaluate it and estimate various alternative and find best alternative and make purchase decision and adopt the product to fulfil their needs.

Consumer behaviour has been divided into the following steps

- Pre-Purchase
- Purchase
- Post-Purchase

### **Statement of the Problem**

Rational of the study lies in the fact that Indian companies are adopting online media for promotion of their products so that they can target growing number of online customers and spending lot of money on it. Companies wanted to know effectiveness of online advertising and rate of return on these spending. Companies are required to understand the psychology of consumer towards online advertising of various products like high and low involvement products in online and traditional media so that they can optimize their advertisement expenses and select proper media plan for the promotion of their products.

### Objectives of the Study

- To know consumers' online search behaviour about different products online.
- To know about the liking of consumers for online advertisements of high and low involvement products in Madhya Pradesh.
- To know about the consumers preferences between online and offline advertisements for low involvement products.
- To know about consumer intention of purchase after watching online advertising for high and low involvement products.

### Research Questions

The following Research Questions were raised to guide this study

- Which categories of product you searched on online media?
- Do you think that online advertising helps you in product search of your personal interest/high involvement?
- Do you think that online advertising provides useful and detail information about the high involvement product?
- Do you think that online advertising provides more personalized information about high involvement products?
- Do you think that online advertising has impact on purchase decision of high involvement products?
- Do you search for grocery products online(not for purchasing online from e-com sites)?
- Do you like to watch advertising for grocery/low involvement product online?
- Do you think that online advertising do not provide any extra useful and detail information than promotion in newspapers and TV advertising about low involvement products?
- Do you think that watching advertising of grocery items on mass media like TV, Newspaper while entertaining/reading in light mood is more comfortable/convenient than online advertising for these items?
- Do you think that online advertising has impact on purchase decision of low involvement products?

### Testing of Hypotheses

**H<sub>01</sub>** Consumers search behaviour of online for low and high involvement products is same.

**H<sub>02</sub>** Online advertisements provide equally useful and detail information about high and low involvement products.

**H<sub>03</sub>** Online and offline advertisements are equally useful for low involvement products.

**H<sub>04</sub>** Watching online advertisements distracts consumers and waste his/her time for low involvement products.

**H<sub>05</sub>** Online advertisements have equal impact on purchase decisions of Consumers for high involvement and low involvement products.

### Review of Literature

Consumer behaviour is a psychology process by which consumers know their needs, find different ways to estimate products, take purchasing decisions and ultimately buy the products (Pertner 2008). Consumers spend little time or efforts in making purchase decisions about the products. According on Keller (1993), consumers mostly try to minimize the decision-making process by using a heuristic such as "select the brand I have known" or "choose the brand I know" and then buy only similar brands. There is a relation between brand awareness and purchase decision and if the consumer is able to recall the brand, he/she will have higher intention to purchase that brand. There is always higher chance by customer to purchase top-of-mind brands (Woodside and Wilson, 1985).

Customers enjoy online advertisements because advertisements are mostly visual and feature oriented and organizations used internet for promoting their messages (Bibhas and Chouhan, 2012). Online

advertising is very much interactive and marketers found this platform as new and virtually limitless opportunities for reaching to new and existing audiences (Robin Farewell, 1998). Online consumers' attention can be retained for long time by using multimedia by making online advertising more entertaining and exciting for them (Ghose & Duo, 1998). Digital advertising has more impact than conventional advertising and Digital advertisement is more informative than conventional advertisement while conventional advertisement is more credible for making positive attitude towards advertisement (G.H.Kerin & Beenu, S. Rathika 2019).

Amin Asadollahi (2011) studied relationship between involvement and advertising strategy and found that there is positive relationship between consumer involvements and importance of structure and content of advertisements. Ramzan Sama (2019) studied on the effects of television (TV), radio, newspapers, magazines and the Internet advertisements on awareness (AWR), interest (INT), conviction (CON), purchase (PUR) and post-purchase (PPUR) behaviour of consumers and found that television and newspapers advertisements affect all the five stages of CB. Comparison among the different products and services is possible with the advertisements published online (Vikas Bondar, 2000). A prominent and positive relationship was found between expectations of online consumers and effectiveness of online advertisement (Palanisamy & Wong, 2003). Most of the online customers agreed that if they spend more time on watching online advertising which changes their behaviour for purchasing the product, particularly Electronics and clothing (Sandeep Yadav, Dr. Deepmala Singh 2020).

Online advertising is effective and also becomes irritating sometimes and this reduces the effectiveness of online advertisements (Magdalena and Rettie, 2013). Prior Knowledge of the product like brand names, usages, features etc. plays important role in consumer online information search behaviour (Ferreira & Santos, 2020). Different products have different cognitive processes in the minds of consumers which affects amount of information required and time spent on searching this information for decision making. There are two types of products Experience products which consumers experienced earlier and search products which are new to consumers. Consumer have already some information about Experience products and he search at greater depth for information, while search products are new and he search at greater breadth for information (Huang et al., 2009). Internal knowledge of customer is important for an experience product and he retrieves knowledge his memory while searching for the attributes of an experience product (Laurent & Kapferer, 1985). For a search product, Consumers who have some internal knowledge about search product, generally require low search volume of information (Johnson et al., 2004).

Punj and Staelin (1983), Bruck (1985), Lee (1999) and Rozario (2016) also supported that Consumers with a high level of product knowledge also limited their search behaviour. Richard Vaughn (1980) in his FCB model of advertising theories and consumer involvement suggested high informative advertising for high involvement products and broadcast advertising for low involvement products.

Ashamayee Mishra, Debendra Kumar Mahalik (2017) studied challenges posed by online advertising to the print ads by providing knowledge about product and services instantly. Online advertising creates a cost effective and on-going relationship with the consumers, by letting them to know about the product and services whenever and wherever they want to with the wish to purchase or repurchase (J Suresh Reddy, 2003). Different Studies have shown that involvement, prior knowledge of the product, and product type are important factors that influence search behavior of the consumers (C. Kim et al., 2012; Lu & Zhao, 2014; Peterson & Merino, 2003). Depending on the level of involvement in product, consumers are passive or active when they receive advertising communication, and accordingly limit or extend their processing of this information, respectively (Laurent & Kapferer, 1985; Walia et al., 2016). Highly involved consumer generally increases his search behaviour, spends more time on evaluating alternatives, perceives greater attribute differences between different offerings and passes through a complex decision making process (Andrews et al., 1990; Nilsson et al., 2010). Consumers are generally think more before feeling and acting in a high involvement purchasing process. Consumers may first act and then evaluate their feelings after buying a low involvement product (S.- I. Wu, 2001). Consumers spend more time in searching for product information if the purchasing decision is important for him and requires a lot of effort. Therefore, we can conclude that involvement is a determinant of consumer search behaviour in online advertising. Mirza Ashfaq Ahmed and Zahoor Ahmad (2009) compare the brand awareness of

high-involvement products and low-involvement products and found that the students had the higher degree of brand recall and recognition of cold drink brands (low involvement) as compared to mobile brands (high involvement). Television advertising is best advertising source along with internet, newspaper and magazines for cold drinks (low involvement).

In India, online advertising has been accepted as a medium for a wider customer segments such as, automobiles, telecom, education, banking, insurance, credit cards, FMCG, apparels, durable goods, media, business, services, tourism (Neelika Arora, 2004). Online advertising is best source to know information compared to other medium of advertising (D. Prasanna Kumar and K. Surya Kumar, 2018). Dr. M. Saravanan & Sajitha. S (2016) in their study found that Electronic products are the mostly purchased products with the influence of online advertisement. Neelampurey (2016) found that very less customers prefer online advertising than traditional media advertising for FMCG products.

**Research Methodology**

This research is exploratory research.

**Sample Design**

**Area of Study:** The study was conducted to ascertain the perception of customers of Madhya Pradesh, towards the online and offline advertising for high and low involvement products and its impact on purchase decision of customers.

**Sample Size:** The determination of sample was 1020; it was decided arbitrarily from different areas of State of Madhya Pradesh, India.

**Sources of data collection:** Research data was collected from both primary and secondary sources. The primary data was collected by administering questionnaires to the respondents. Secondary data sources were also used to collect the data for this research study which include journals, industry reports and other publications. Sample design is a definite plan of obtaining some items from the whole population, which is Madhya Pradesh in this case. The sample design used in this study is convenience random sampling. The total sample size is 1020

**Sample Collection**

To understand the impact of online advertising on consumer response, the nature of the study is quantitative. The methodology used primary data collected from survey conducted from online viewers. Primary data collection includes a simple questionnaire. The data was collected through structured questionnaire. 1100 questionnaires were distributed among consumers and received back 1060 questionnaires which were properly filled. 1020 questionnaires are fairly attempted with 96.22% responses by the consumers watching online and mass media advertisements of Companies.

**Statistical tools used**

The classification, tabulation, analysis and interpretation of data were completed with the help of SPSS package. The statistical techniques used for analysis of data composed from the respondents are reliability test and paired sample t-test. This study was analyzed using Statistical Package for Social Sciences (SPSS 25.0)

**Results and Data Analysis**

Cronbach's Alpha is 0.848, Hence data is reliable because value is more than 0.5.

Table 1: Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.848	11

### Demographic Analysis

Demographic analysis show that 58.8% male and 41.2% female watch online and offline advertisings which indicates that in Madhya Pradesh females are still behind the male in watching online advertisings due to lack of computer literacy and unavailability of devices.

Age group analysis indicates that people below 25 constitute 28%, age group 25-45 constitute 39.4%, age group 45-65 constitute 26.2% and age group of above 65 constitute merely 6.3% who watch online advertisings. Thus majority of viewers constitute young population because of their literacy and availability of devices.

Education qualification analysis of viewers indicate that, 12<sup>th</sup> and below constitute 12.4%, Graduates constitute 26.1%, Post graduates constitute 42.4% and professionally qualified 19.1%. Thus majority of Viewers are well qualified and able to understand online advertisings.

Marital status analysis indicates that single constitute 25.3% and married constitute 74.7%. It means married people watch more online advertisings for high involvement products as married life require more varied types of products for their household functioning.

Occupation analyses of viewers indicate that students constitute 22.6%, Private employees constitute 27.9%, Government employees constitute 11.7%, Self Employed 25.4% and Retired constitute 12.4%. Private employees and Self-employed constitute majority of online advertising viewers as these two classes also constitute majority of the population's occupations in Madhya Pradesh.

91.2% Respondents feel that online advertising is helpful for all types of products.

### Test of Hypothesis

**H<sub>01</sub>** Consumers search behaviour of online for low and high involvement products is same.

We have taken paired sample T-Test and found the value of

$$T(1019) = 64.142, p=0.00$$

Value of T is higher and p value is 0 which means there is great difference between the two variables. It signifies that consumers search online more for high involvement products and less for low involvement products. Thus alternate hypothesis is true.

**H<sub>02</sub>** Online advertisings provide equally useful and detail information about high and low involvement products.

We have taken paired sample T-Test and found the value of

$$T(1019) = 63.543, p=0.00$$

Value of T is higher and p value is 0 which means there is great difference between the two variables. It signifies that online advertisings provide more useful information for high involvement products and less useful information for low involvement products. Thus alternate hypothesis is true.

**H<sub>03</sub>** Online and offline advertisings are equally useful for low involvement products.

We have taken paired sample T-Test and found the value of

$$T(1019) = 63.714, p=0.00$$

Value of T is higher and p value is 0 which means there is great difference between the two variables. It signifies that offline (traditional media) advertising is more effective than online advertising for low involvement products. Thus alternate hypothesis is true.

**H<sub>04</sub>** Watching online advertisings distracts consumers and waste his/her time for low involvement products.

Nearly 83.7% of customers feel that they are distracted/ waste their time by online advertisings of low involvement products and only 9.8% customers are happy with these online ads.

**H<sub>05</sub>** Online advertisings have equal impact on purchase decisions of Consumers for high and low involvement products.

We have taken paired sample T-Test and found the value of

$$T(1019) = 49.795, p=0.00$$

Value of T is higher and p value is 0 which means there is great difference between the two variables. It signifies that online advertisings are more effective for purchase decision of customers for high involvement products than low involvement products. Thus alternate hypothesis is true.

### Findings

- Consumers search online more for high involvement products than low involvement products.
- Consumers always like to watch online advertising for purchasing of high involvement products because these advertisements provide more useful, detail and personalised information about product.
- Consumers dislike watching online advertising for purchasing of low involvement products because these advertisements do not provide more useful, detail and personalised information.
- Majority of the customers like to watch offline advertisements for low involvement products because these products require less information and decisions are routine which are taken earlier based on accumulated knowledge.
- Majority of the customers like to watch advertisements of low involvement products in light mood while watching TV for entertainment or reading newspaper in the morning for updating general information.
- It is also found that customers used online advertisements for low involvement products for purchasing from online e-commerce sites like Amazon, Flipkart etc. so that they can get good discount but not for individual low involvement product information.
- It is also found that customers are influenced by online advertising for purchasing high involvement products but not influenced by online advertising to purchase low involvement products.

### Managerial Implications

The above study has significant suggestions for advertising Managers for online media and its impact on consumer behaviour. Consumer behaviour has changed significantly for the advertisement of various products. The results show that there is significant difference in consumer preference between online and offline advertisement of high involvement products and consumers prefer and like to watch online advertisement of high involvement products and least prefer to watch online advertising for low involvement products. Consumers still prefer to watch offline traditional media advertising for low involvement products. Managers recognize this behaviour of consumers and accordingly divide their advertising budget for high and low involvement products in online and offline media so that they can get best return on investment (ROI) on advertisements.

### Conclusion

It has been concluded that online advertising has great impact on purchase behaviour of customers for high involvement products. Before purchasing any product customers/ consumers required various types of information about product and related services so that proper purchasing choice can be made for best products. Consumers wanted least dissonance for high involvement product and they want to assess product in all aspects and also wanted to know reviews of different customers which are easily available on online platforms. Customers are happy with offline advertising for the low involvement products on traditional media like Television and newspaper and do not like to watch online advertising for these products. These low involvement products require very less information and this much information is provided by companies in traditional media advertisements. Customers do not want to waste their time on watching online advertisements for low involvement products. Customers are interested in online advertising of various offers like low prices and freebies of low involvement products for purchasing from either online E-commerce sites or Shopping Malls.

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\*Corresponding email: [prof.deepakagrawal@gmail.com](mailto:prof.deepakagrawal@gmail.com) [arvindmalviya1470@gmail.com](mailto:arvindmalviya1470@gmail.com)