

## **Internet User's Attitude towards an Online Advertising on Hotel Booking, and its Impact on Purchase Intention**

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**Abstract.** Since the explosion of the Web as a business medium, one of its primary uses has been for marketing. Soon, the Web will become a critical distribution channel for the majority of successful enterprises. Many have speculated about the current state of Internet advertising (IA) or Online advertising (OA), how it affect to the purchase intention. Although many estimates exist regarding who uses the Internet as well as guidelines about how best to design IA, little is known about Internet users' attitudes toward IA, much less what characterizes these attitudes. To test this, a sample of 150 participants with exposure to the Internet was surveyed. The results exposed greater part opinion of IA: agree to neither agree nor disagree level in significant at the 95% confidence level, A regression analysis and correlations indicated that satisfaction of looking at Internet advertisements, it's useful, and it's utility for making purchase intention.

**Key words:** Online Advertising, Internet Advertising, Online Hotel Reservation

### **1. Introduction**

The rapid developments in Information and Communication Technology (ICT) have greatly contributed in enhancing human living standards worldwide as the advanced capability of the technology facilitates with extremely efficient collaboration and access to correct, consistent and effective information, which is fundamental to manage the quality in total. In successful world, most of the key economically effective environments are increasingly ICT dominant and therefore, investing on ICT developments in the 21st century has become a compulsory requirement for a country to survive. For justification and proper direction of the investments, continuous progress monitoring, again with timely and accurate information on ICT achievements itself is also essential (Computer Literacy Survey - 2009 Department of Census and Statistics). One of the most important things in ICT is internet. The Internet as a marketing medium offers many unique challenges to marketers. To assist marketers in their business enterprise on-line, comparisons and contrasts to existing marketing theory have been used to build a conceptual understanding of the current state of the Internet and its implications for consumer transactions (cf., Hoffman and Novak, 1996a; Hoffman, Novak and Chatterjee, 1995; Schlosser and Kanfer, forthcoming). To further understand the commercial possibilities of the Internet, several internet usage surveys have been conducted to document consumers' behavior online (the most notable being GVU, 1999 and the HERMES project by Gupta, 1995; see Hoffman, Kalsbeek, and Novak, 1996, for a review). Yet, in terms of assessing the commercial effectiveness of the Internet and the value of Internet advertising, most research has determined upon the company's rather than consumers' point of view (Berthon, Pitt, and Watson, 1996). As a result, many decisions regarding Internet advertising (IA) or online advertising (OA) are being made with relatively little specific knowledge about consumers' attitudes toward OA and how the structure of these OA attitudes compare to the structure of attitudes toward advertising in traditional

media. Consumers' attitudes toward advertising have been considered important to track because they likely influence consumers' exposure, attention, and reaction to individual ads (cf. Alwitt and Prabhakar, 1992) through a variety of cognitive and affective processes (Lutz, 1985).

The company may request the consumers' attention (e.g., through banner ads on others' Web sites or through hyperlinks), but it is up to the consumer to seek additional commercial content. Consumers can select whether, when, and how much commercial content they wish to view. That is, consumers "pull" for electronic advertising content. Because OA exposure is mainly under the consumer's decision, it is particularly important to understand the structure of one important driver of advertising exposure: attitudes toward OA. Tourism is one of main developing industry in Sri Lanka; it's including both foreign and local tourist. In rapidly developing this sector, travel agents, and hotels are highly utilize OA. Because it has many benefits like cost effectiveness, time is saving, information sharing facility and etc. Tourists want to plan their tour, for that they want to book or reserve room, bungalow, hotel or any place to relax. In that purpose they are going to search information using internet. At that moment, business use to improve their revenue through OA. So in this research proposal I'm going to keep in touch "Internet user's attitude towards an online advertising on hotel booking, and its impact on purchase intention".

Country	Population	Internet usage	Percentage of Population (%)	Percentage of world (%)	Growth rate (2000/2007)
Sri Lanka	19,796,874	280,000	1.4%	0.1%	130.5%

(Source: Vijaya computer magazine 2007 March page 8, 9)

Research problem identified as;

Internet user's attitude towards internet advertising on hotel booking, and its impact on purchase intention. That mean as a promotional tool internet advertising success or fail.

The objectives of the present research are address to,

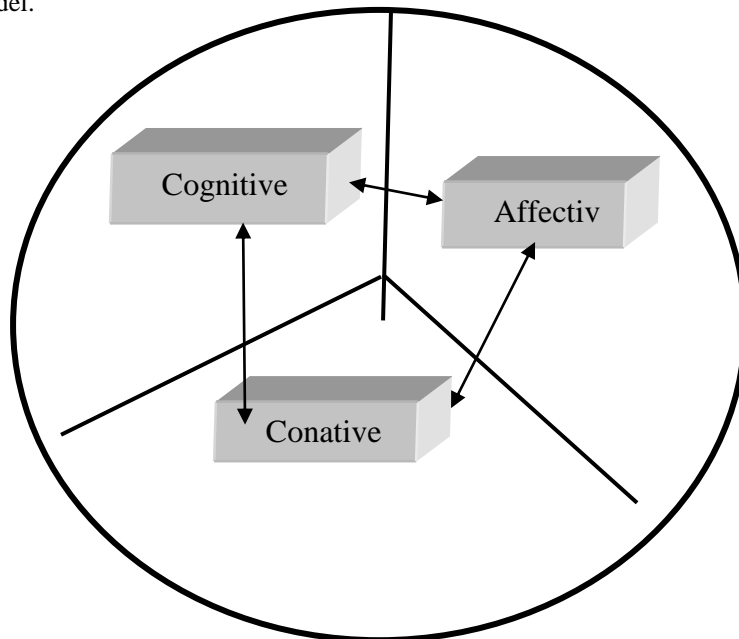
To identify consumers' attitudes toward online advertising

- To identify internet habit
- To identify how important the online advertising as information deliver

## 2.Literature Review

According to Ann E. Schlosser (1999) most of the direct-response measures administered to consumers have assessed consumers' perceptions and usage of the Internet and its services. Mehta and Sivadas (1995) assessed Internet user's attitudes toward advertising on newsgroups and through e-mail. They found that consumers held negative attitudes toward newsgroup and e-mail advertising, even when the message was directly relevant to the special interests of the group. However, their sample was limited to those who posted messages to the group. Those who merely read messages were not included in the sample. As a result, it is possible that these unfavorable attitudes are due to this verbal sample's perception that they are competing with electronic advertisements for the group's attention. Another notable exception is research conducted by Ducoffe (1996) studying the experience of consumer's attitudes toward Web advertising. It was found that a sample of 318 business executives in New York City perceived Web advertising to be generally informative and entertaining, although more informative than entertaining. Furthermore,

Mehta and Sivadas, (1995) said that they, interviewed executives found Web advertising to be useful, valuable and important. Although these previous findings on attitudes toward e-mail and Web advertising shed light upon the Internet population's attitudes toward specific types of IA, a larger and more representative sample as well as an examination of IA in general would be useful. Therefore understanding the above factors that motivate IA attitudes would also be important for both theory development and apply goals. The idea that affective (entertainment, irritation) and cognitive (informativeness) experiences with Web advertising contribute to people's judgments of Web advertising is steady with tricomponent attitude model.



### **Cognitive component**

Tricomponents attitude model consists of a person's cognitions, that is the knowledge and perceptions that are acquired by a combinations of direct experience with the attitude object and related information from various source. This knowledge and resulting perceptions commonly take the form of beliefs. That the attitude object possesses various attributes and that specific behavior will lead to specific outcomes.

### **Knowledge**

According to Alba and Hutchinson (1999), Consumers vary in their knowledge about products and brands, depending on their personal experiences. For example, an individual might be highly knowledgeable about computers but not dishwashers, or about pet grooming but not broker services. These differences in knowledge have important implications for consumers' pre-purchase information search activities.

### **Perception**

Perception is the process by which people select, organize, and interpret information to form a meaningful picture of the world.

### **Affective component**

A consumer's emotions or feelings about a particular product or brand constitute the affective component of an attitude. These emotions and feelings are frequently treated by

consumer researchers as primary evaluative nature; that is, they capture an individual's direct or global assessment of the attitude object. The emotional status may enhance or amplify positive or negative experience and that later recollection of such experience may impact what comes to mind and how individuals acts.

#### **Conative component**

This concerned with the like hood or tendency that an individual will undertake a specific action or behave in a particular way with regard to the attitude object. According to some interpretations, the conative component may include the actual behavior itself. This is frequently treated as an expansion of consumer's intention to purchase.

#### **Intention to purchase**

According to Authors Carole, attitude is described as the psychological tendency of a person to respond, or behave, in a consistently positive or negative manner with respect to a stimulus as a result of their attitude toward the stimulus.

#### **Internet Advertising**

IA is described broadly as any form of commercial content available on the Internet that is designed by businesses to inform consumers about a product or service. Hence, IA can be delivered via any channel (e.g., video clip, print or audio), in any form (e.g., an e-mail message or an interactive game), and provide information at any degree of depth (e.g. a corporate logo or an official Web site). According to researchers, Studies of consumers' reactions to IA typically have quantified customers' judgments of Web sites in terms of consumers' behavioral traces at the site (i.e. counting the number of "clicks" and "hits" (Berthon, Pitt, and Watson, 1996). These measures have been shown to both overestimate and underestimate the number of visitors and exposures (Riphagen and Kanfer, 1997).

Another important exception is research conducted by Ducoffe (1996) studying the antecedents of consumer's attitudes toward Web advertising. It was found that a sample of 318 business executives in New York City perceived Web advertising to be generally informative and entertaining, although more informative than entertaining. This is consistent with findings regarding people's perceptions of the Web in general (Diaz et al., 1996). Furthermore, in contrast to attitudinal findings toward e-mail advertising (Mehta and Sivadas, 1995), the interviewed executives found Web advertising to be useful, valuable and important. Although these previous findings on attitudes toward e-mail and Web advertising shed light upon the Internet population's attitudes toward specific types of IA, a larger and more representative sample as well as an examination of IA in general would be useful.

#### **Abbreviations & Definitions**

HTML - Hyper Text Mark-up Language

IA – Internet Advertising

ISP - Internet Service Provider

Link(s) - Hyperlink (Method of navigating to content)

Click-through rate - The number of hyperlinks accessed from a campaign

Image link - Hyperlinks accessed from a campaign.

Pay-per click (PPC) – Per click ads has to pay

SEO – Search Engine Optimization

### **3.Methodology**

Most of the Sri Lankan are very close to the globalize environment and market. As a result of internet usage, the environmental process also highly improved. In current situation Sri Lanka has rapidly growth in the internet literature, during 2000- 2007. Also recent

research found out that 13 percent of the population aged 5 to 69 years has used the Internet facility at least once during the last twelve months. This chapter gives a clear picture on the methodology used in the study specifically the sample selection and data collection.

**Independent variable**

The dependent variable of this study was cognitive factors and affective factors affect purchase intention on online hotel booking. Twenty questions measuring internet user’s cognitive factors and affective factors affect purchase intention on online hotel booking were included in the survey.

**Dependent variables**

Independent variables of this study is conative factor (purchase intention)

**Types of the study**

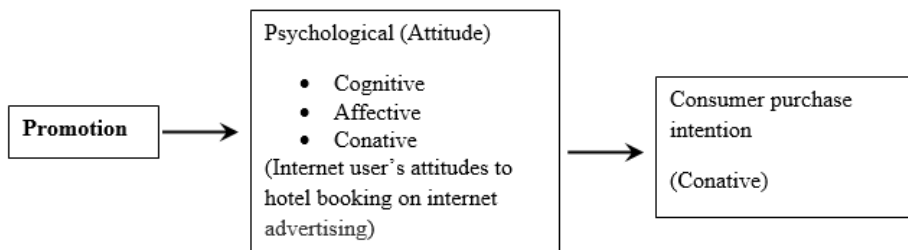
This study is a descriptive study. To using this descriptive study Tricomponent attitude model is analysis according to objectives. Major objectives of the descriptive research is to describe something usually market characteristics or functions. So my research is describe cognitive (knowledge, perception), affective (feelings), conative (purchase intention).

**Theoretical framework**

Based on the proceeding literature and research question, the conceptual model for this study is shown follows. It was conducted based on casual relationship of some variables. Initially it has described the relationship between Internet user’s attitudes to regarding hotel booking through internet advertising and their purchase intention.

**Conceptual frame work**

<b>S</b>	<b>BBB</b>	<b>R</b>
Marketing stimuli decision	Buyer characteristics	Buyer



(Source: Page 67 MAR2301 cause manual and CB shiffman &kanuk)

**Approach**

The main approach is online survey research method for data collection.

**Time horizon**

A cross sectional research design used to collect information from respondents. A cross-sectional or one shot study has followed to gather the data from sample of internet users who are dealing with internet. The data was gathering through a 5 days from them.

**Population and sampling**

Population is internet usage customers.

Total Sample size is 150. Random sampling method was used to collect required data. Respondents are meeting from e mail campaign that design from Google form / free online survey.

**Data collection**

- Primary Data

The major part of the study is primary data. Primary data is collect by using an online market survey for internet and email users.

- Secondary Data

Number of related research articles, books, newspapers, trade journals industry portals, government agencies, trade associations and the information related to the topic.

**Data analysis method**

The data will be analyzed by using the SPSS Statistical package as well as Microsoft Excel. Methods used for analyzing this, Likert Scale, and data will be analysis through mean, standard deviation, ANOVA test, correlation and T-test.

**4.Data Analysis and Findings**

**Analysis of the Sample**

Selected sample consists with 150 respondents and questions consist with cognitive, affective and conative variables. Hence firstly this chapter was attempting to identify the reliability of the respondents by scale test. The sample reliability was 0.877 (Table 01 appendixes).

Model was accept, because  $0.05 < 0.6$ , model relationship;

$$Y = \hat{\beta}_0 + \hat{\beta}_1$$

**Table 02 Model Summary**

Model Summary

Model	R	R Square
1	.774 <sup>a</sup>	.600

a. Predictors: (Constant), Purchase Intention

Y= Internet advertising that regarding hotel room / bungalow booking is creating purchase intention

$$\hat{\beta}_0 = 0.05$$

$\hat{\beta}_1$  = Cognitive and Affective question including question number one to twenty.

Model regression presented 0.774 so it said strong positive relationship.

**Table 03 Anova**  
ANOVA<sup>b</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	46.948	1	46.948	221.812	.000 <sup>a</sup>
Residual	31.325	148	.212		
Total	78.273	149			

a. Predictors: (Cons  
Purchase Intention

b. Dependent Variable: Internet advertising that regarding hotel room / bungalow booking is creating purchase intention

**Table 04 Coefficients**  
Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.381	.187		-2.032	.044
Purchase-Intention	1.234	.083	.774	14.893	.000

a. Dependent Variable: Internet advertising that regarding hotel room / bungalow booking is creating purchase intention

In above table researcher had identified cognitive and affective components as a significant factor of purchase intention. In following table indicate relationship between cognitive and affective with regard to Purchase-Intention. According to that there is significant relationship between purchase intention and cognitive and affective factors (Table 04, 06, 07, 08 appendixes).

As same as the cognitive part respondents attitude towards online advertising were significant at the 95% confidence level. So there can be identified some difference between cognitive and purchase intention,  $0.041 < 0.05$  (Table 06 appendixes). As the affective part respondent's attitude towards online advertising were significant at the 95% confidence level, (Table 08 appendixes).

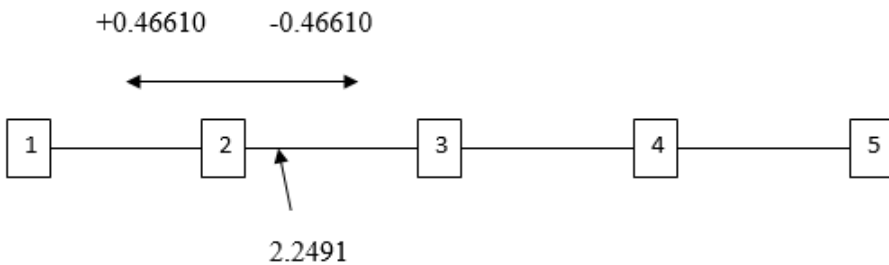
**Descriptive analysis**

**Table 09 Descriptive analysis**

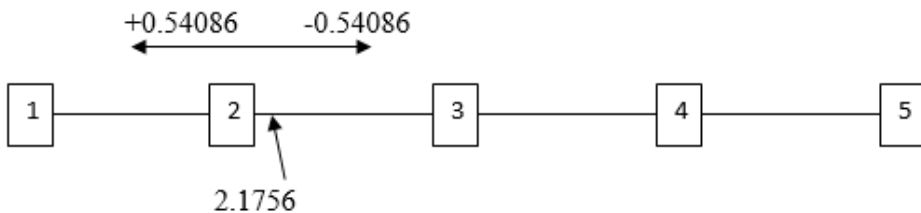
Descriptive Statistics

	N	Min	Max	Mean	Std. Deviation	Variance
cognitive	150	1.64	3.73	2.2491	.46610	.217
affective	150	1.44	4.00	2.1756	.54086	.293
Purchase Intention	150	1.60	3.70	2.2160	.45496	.207
Valid N (list wise)	150					

According to the above table overall mean value of the cognitive is 2.2491. It can be varying from 0.46610 ( $2.2491 \pm .46610$ ). According to the decision criteria this mean value close to agree to neither agree nor disagree fallen level of attitudes.



According to the above table overall mean value of the affective is 2.1756. It can be varying from 0.54086 ( $2.1756 \pm .54086$ ). According to the decision criteria this mean value close to agree to neither agree nor disagree fallen level of attitudes.



According to the above table overall mean value of the conative (purchase intention) is 2.2160. It can be varying from 0.45496 ( $2.2160 \pm .45496$ ). According to the decision criteria this mean value close to agree to neither agree nor disagree fallen level of attitudes. Higher level of attitudes towards online advertising is significant at the 0.05 significance level.



**Correlations**

**Table 10 correlation of cognitive and affective to purchase intention**

		Internet advertising that regarding hotel room / bungalow booking is creating purchase intention	Purchase Intention	cognitive	affective	
Spearman's rho	Internet advertising that regarding hotel room / bungalow booking is creating purchase intention	Correlation Coefficient	1.000	.731**	.537**	.693**
		Sig. (2-tailed)	.	.000	.000	.000
		N	150	150	150	150
Purchase Intention		Correlation Coefficient	.731**	1.000	.794**	.836**
		Sig. (2-tailed)	.000	.	.000	.000
		N	150	150	150	150
cognitive		Correlation Coefficient	.537**	.794**	1.000	.379**
		Sig. (2-tailed)	.000	.000	.	.000
		N	150	150	150	150
affective		Correlation Coefficient	.693**	.836**	.379**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	150	150	150	150

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Moderate positive correlation (0.537) between cognitive and purchase intention that, question number 21 said; Internet advertising that regarding hotel room / bungalow booking is creating purchase intention. Also moderate positive correlation (0.693) between affective and purchase intention

## 5. Conclusion & Recommendation

### Conclusion

This chapter is present Final Conclusion and Recommendation of the data from the Survey. This chapter consists with two sections and in first section is reserved to present finding of the study. Second part was given some recommendation relating to the finding of the study. According to the findings of the research following conclusions can be done.

Generally Sri Lankan internet users were developing an internet purchasing behavior. Cognitive and affective factors affect the online advertising on hotel booking which represent were moderate positive relation. That mean those factors could be impact on purchase intention on online hotel booking. Sri Lanka is rapidly developing country; so many internet users were around 60% of respondents said online advertising was benefit to hotel booking. In addition to the fact that all the scales used in the study showed high reliability, those of shopping enjoyment, perceived usefulness, involvement, challenges, and skills also affect the online booking. From a substantive point of view, examined how emotional and cognitive responses to the Web advertising could be influence online consumer behavior.

### Recommendations

- To use Web site investment effectively, however, managers should identify the reason most consumers visit their site. Above results indicate that web site investment is effective in boosting online purchase intentions when visitors are searchers. Also online marketers should establish more invest in web site design to establish trust online.
- Consumers appear to gather that a firm with a well-designed site can be trusted privacy / security statement would have if its exposure was allowed to vary. Perhaps the first hurdle is to establish trust in the firm's ability.
- Sometimes customers have giant requests to book hotel online, but they have some extent to fear to do it, because relevant details may not be provide by advertisement. So when hotel or bungalow advertises online the campaign should be improve the relevancy that they can gain more advantage through online advertising. As example; when we advertise facebook.com they give us to respondents summary sheet. That sheet can be present our web site as relevancy copy.
- This type of customer and market is opportunity to the companies. Multimedia format is much considers respondents. Because multimedia advertisement can be give more details regarding products. Ex: shape, color, etc. It helps to express their feelings regarding product at that moments. Ex; video massage, blink ads, slide show etc.
- Online advertising always targeted the audience and this helps in making campaign more profitable and getting more relevant leads.
- Blogs are the latest internet advertising trend. It's too soon to tell just how much money and business can be generated from a blog but early reports indicate that blogs are becoming an important part of online advertising.
- Link exchanges still work. At one time, link exchanges were a big deal. People have since moved on to other methods but link exchanges can still help improve rankings if done in appropriate quantities with relevant sites. If companies have little on cash, find a link exchange program or approach some webmasters and ask to exchange links.

- Create affiliate advertisement programme and answering machines of the internet also sponsor a chat room.

### **Limitation**

The main limitation of the study is that the use of an online survey may result in some problems regarding the generalizing of the results. It is possible that certain types of respondents may be more likely to participate in an online survey. This limitation is common to many online surveys.

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