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# The Influence of Online Advertising on Purchasing Patterns of Customers in the Eastern Cape

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### Abstract

Advertising is a tool used to promote, introduce a product, and position a product in the mind of customers. The primary aim of this study was to investigate the influence of online advertising on purchasing patterns of customers in the Eastern Cape. To achieve the objectives of this study quantitative research was conducted, data collection for this study was made through questionnaires that were distributed to the sample size of 40 respondents. The respondents were chosen in a non-probability manner utilizing convenience sampling.

Keywords: Online advertising; Purchasing pattern; Customer influence

# Introduction

Online advertising is a form of marketing that entails using the internet to find new customers, send marketing messages, and drive traffic to a website. The first internet advertising was published on October 27, 1994. It was the first banner advertising on the internet and the website that posted it was the forerunner of today's tech sites and wired.

The online advertising industry in South Africa has increased its stake of overall advertisement spend from 9.2% in 2016 to 13.1% in 2019, globally this figure is around 50% which means there is a potential for growth in the South African market and the most trusted online platform in South Africa is articles. A recent study conducted by World Wide Worx in collaboration with Cisco Internet Business Solution Group has shown that as early as 2010 the number of South African Internet users surpassed the 5 million mark, then the numbers have been growing exponentially and by the end of 2015, South Africa reached just under 25 million

users [1,2]. Srivastava, Srivastava and Pai note that the European Internet advertising market has grown up to 14.7 billion euros in 2009, with the US market worth a total of 16.3 billion euros in the same year.

# **Literature Review**

Without a doubt, technology has fundamentally altered customer buying habits, making it vital for certain companies to adjust to their new actions to sell their goods effectively [3]. It is about delivering advertisements to internet online users *via* websites, emails, supported software, and internet-enabled smartphones. The core concept of online advertising defines it as a type of mass communication that is based on traditional forms of advertising but develops communication strategies in correlation with new technology and medium-based requirements; it is about delivering advertisements to internet online users *via* web sites, emails, supported software, and internet-enabled smartphones.

The internet, through online advertisements, offers consumers a variety of options when it comes to a product or service, such as learning more about it. Online advertising has exploded in popularity in recent years, thanks to its unique benefits for both shoppers and retailers, such as 24-hour shopping, reduced reliance on store trips, and lower travel costs.

#### Tools used in online advertising

To connect, interact, convince, and reach consumers, online advertising employs a variety of advertising techniques. Customers are affected by these tools in such a way that they can't help but purchase, and they are also useful in decisionmaking.

#### **Email marketing**

Email marketing is any form of electronic message sent to a database that contains a promotional offer designed to entice

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consumers to click on the advertisement and be led to the company's landing page. According to a study conducted by Hampsey on the influence of email marketing messages, it was revealed that 66% of customers have purchased as a result of an email marketing campaign influence. The use of email marketing is very influential to customers as 91% of customers do check their emails on regular basis [4,5]. Email marketing is a common and profitable communication medium that is 40 times more effective at attracting new customers than Facebook and Twitter combined, and its annual growth rate is expected to be 10% by 2016 [6].

### Paid social media

Paid social media is a method of displaying advertising or sponsored marketing messages on popular social media platforms such as pay-per-click advertising, branded and influencers generated content and it is helpful with driving sales [7]. Paid, controlled, and received social media are all choices. The convergence of all three in the social media space, however, is what makes social media a truly remarkable marketing medium [8].

### Search engine marketing

It is a form of internet marketing that entails increasing the prominence of websites in search engine results pages. With the rising importance of searches, search engines are becoming more relevant as vital links between businesses that use the Internet to create their brand and their target customer. In the online world, search engines hold a dominant position; more than half of all visitors to websites now come *via* a search engine rather than a direct connection from another website [9].

### **Mobile advertising**

It is a multi-channel online marketing technique that focuses on reaching specific customers on their smartphones, featured phones, tablets, or any mobile applications. Mobile advertising is a marketing activity conducted ubiquitous to which customers are constantly connected using personal mobile devices. Deshwal [10] reveals that in mobile marketing, advertisement messages are sent to customers regardless of whether they are interested, receptive, or relevant to the product or service but with intentions of influencing customers purchasing.

Mbiti [11] explored the influence of internet advertising on the purchase of mobile phones and the study revealed that internet advertising influences customers in purchasing these phones to a low extent although internet advertising plays a major role in terms of reaching customers. Online advertising exhibit an important role in customer purchasing patterns, since brands and businesses cannot take the risk of being absent in such an influential channel [12]. Ho [13] further explored brand image, online word of mouth, and price discount on customer purchase are some of the techniques used in online advertising that influence the customer purchasing intentions. Online advertising is more attractive and influential to customers as it uses various ways to advertise ideas such as through different websites, social media, pop-up advertisements among others, as well the customer can be influenced by the factors of online advertising such as credibility, informative, pleasure, and materialism. Importantly online advertising influences customers to be motivated to engage in aspects such as online shopping and research has shown that online advertising is effective in providing higher reach and creation of awareness of products or brand.

Fuller [14] revealed that through online purchases, customers can easily compare the price compared to the traditional purchase method. Internet advertising promotes competition which benefits customers [15]. Through internet marketing, customers are armed with the latest information which makes them feel more informed when making purchase decisions. Saravanan and Sajitha [16] proclaim that online advertising plays a vital role in influencing a customer buying decision, and most customers believe that online advertising is a reliable medium. Credibility influences customer intentions and their purchase. Most customer purchasing patterns are influenced by online advertising by following positive views of other customers on online platforms. Advertising can influence customers to make a purchase but influencing their purchasing patterns is another story as they change frequently.

The world operates at a fast-moving pace, time is precious, and people do not want to waste it. Online advertising keeps customers present; they can seek out information and consume it quickly. It is a great way for customers to access relevant and engaging content with information that is important to them that can help them in their decision making, for example when there are changes in a certain business, or industry customers can find that information through online advertising immediately. Customers can access the business site when they have time and if the customer needs a product they can easily order it online anywhere at any time, as it is easier than walking to and from the store to make a purchase. Internet marketing provides customers with many options and reduces their carbon footprint [17]. Fuller [14] revealed that through online purchases, customers can easily compare the price compared to the traditional purchase method. Internet advertising promotes competition which benefits customers [15]. Through internet marketing, customers are armed with the latest information which makes them feel more informed when making purchase decisions. Many businesses using online advertising offer online chats or email services that allow customers to be in contact with them when they need help, this way customers are allowed to contact the business when it is convenient for them.

According to Storm [17], online advertising gives businesses much control, it enables them to have access to websites such as Facebook and Google which they can use to ascertain whom to target based on their profiles, search history, and allows businesses to target key messages specifically to their potential customers. Online advertising websites help businesses to stay in contact with their customers *via* many channels, for example, replying with their opinion to comments on a business page, tweeting about products, and delivering great customer service

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*via* those channels is always the aim to make customers feel good about that business. Through internet marketing businesses can analyse customer data and can further make required changes by customers, internet marketing makes things easier for businesses in tracking conversations and measure the effectiveness of its campaign and also enables businesses to identify areas for improvement in their advertising strategy [18].

Rastogi and Khan [19] agree that businesses that use online advertising platforms to advertise have the dual benefit of being generally more efficient and effective compared to other media channels. In traditional advertising business has to pay the full amount of money to the advertising agency, no matter the results, however in the online advertising business has to pay only for the qualified click, leads, or impressions [10].

# **Research Methodology**

The research was exploratory in nature, intending to learn more about the impact of online advertising on customers' shopping habits in the Eastern Cape. Customers from the Eastern Cape make up the study's population, and the sample chosen to participate in the study was drawn from that population. Primary data was gathered through a survey in which 40 questionnaires were distributed to those who agreed to take part in the analysis. Due to cost and time constraints, non-probability and convenience sampling methods were used to evaluate the sample. Secondary data was collected from internet journals, blog posts, and other previously performed studies in the field of online advertising.

#### Analysis and discussion of findings

According to the graph above (Figure 1), the majority of customers who participated in this research study as respondents were between the ages of 18 and 40 years old, as they had the highest percentage level of 92.5 percent complete answer, while those 41 years and older had the lowest percentage of 0 percent. This means that the bulk of the customers in the target demographic were under the age of 42, so the results would be focused on customers aged 18 to 40. 65 percent of the 40 respondents said they had been exposed to online advertising, while 35 percent said they had not (Figure 2).

This means that more than 60% of consumers are aware of online advertisements (Figure 3). 47.5 percent of respondents say that they have never purchased something as a result of online advertising; however, 52.5 percent of the 40 respondents believe that they have purchased goods or items as a result of the information provided in the online advertisements; in other words, half of them have purchased anything as a result of the information provided in the online advertisements.

As a result, more than half of Eastern Cape consumers have purchased products based on the information given in online advertising. 25 percent strongly agree and 38 percent agree that an online advertisement provides enough information to influence product buying decisions, although 10 percent +5% disagree.

As a result, consumers believe that the information given in online advertisements is adequate to make a purchase easier (Figure 4).

This query aimed to find out which types of advertisements consumers find appealing and which ones they ignore because each customer has different interests that may or may not be appealing to others. Clothing and accessory advertisements received the highest percentages from the highest scale numbers of 4 (30%) and 5 (60%) of these questions, with the scale numbers ranging from 1 to 5, with 1 being the lowest and 5 being the highest. Funeral policy advertisements have scored the highest percentages of the lowest numbers on the scale of 1(50%) and 2(50%) meaning according to the responses of the respondents it is the most unattractive advertisement (Figure 5).

Therefore, it has been established that funeral policy advertisements are the least the customers pay attention to.

The aim of asking this question was to see whether consumers find online advertising useful or not, as they indicated in the previous questions that they provide enough information to make a buying decision or to learn about a product before purchasing.



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Figure 3: Involvement with online purchasing.



Figure 4: Online advertisements provide enough information.

Customers agree that online advertising is still useful to them, according to the data findings set of (70 percent+80 percent+95 percent+85 percent) from all of the statements above. This implies that customers find online advertisements useful (Figure 6).

# **Conclusions and Recommendations**

#### **Online advertising**

The findings have shown that online advertising is a better platform for advertising. The majority of the respondents revealed that online advertising is useful to them by providing enough information persuasive to make a purchase. Therefore, it is recommended that online advertising should be used for persuading, influencing customers, educating, and reaching the target customers about a certain product for purchasing purposes.

#### **Purchasing patterns**

Decker revealed that purchasing patterns refer to the why and how behind customer purchase decision. Customers have different purchasing patterns; each follows its own set of patterns. Purchasing patterns also fall in step with the customer journey, although they connect more with the psychology and motivations behind each stage. It is recommended that businesses or retailers should measure and analyse the purchasing patterns of customers. There are ways and routines that customers establish before going through the product and service purchase like the product frequency, timing, and quantity. Most of the sellers establish or recognizes the purchasing patterns by the buyer's journey of awareness, consideration, and decision [20].

### **Routine purchase**

Some of the patterns are not easy to recognize, these are the most predictable and prevalent customer patterns.



Figure 5: Online advertisement the respondents pay attention to.

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#### Limited decision-making purchase

It refers to a customer's confidence in and recommendation of a product or service by a friend or family member. This trend means that a customer is influenced by someone close to them and makes a decision based on knowledge given by someone they trust.

#### Impulse purchase

These patterns are made through planning and a little research might be needed before purchase as they are hard to establish, for example when a customer intends to buy a car or house.

The purchasing patterns can help sellers to establish who purchases their product, why they purchase, and use that data to better understand their buyers and produce a product that satisfies and exceeds their expectations. Online advertising is persuasive hence the researcher established that the respondents agreed that it does influence their pattern. Online advertisements influence some of the customer's daily shopping by making it easier than walking to and from the shops while the window to purchase during a certain period. From the final results, the researcher established that use of online advertising influences the patterns of the customer and can change them by using persuasive strategies that can reach the customers where ever they are.

Based on the findings all the objectives of this study were met and according to that conclusions are drawn. Based on the finding the researcher established that customers are aware of online advertising platforms. The majority of the respondents stated that they have been influenced by the information published from online platform advertisements to make a purchase. According to the findings, it is revealed that advertising alone might not be enough in attracting customers to purchase, but understanding the customers along with good customer service can influence their patterns.

# **Future Research**

Should other researchers decide to perform a study with a title similar to this one in the future, it is recommended that they choose a greater sample size to obtain all of the details required for the study in-depth. The reasons for this recommendation are that the online advertisement platform is vast and continuous, it changes daily, and its drawbacks are not yet understood. As a result, circulating the questionnaire to a wider sample size could result in more reliable data being collected to answer the problem under investigation. In future research, It would also suggest using the simple random sample form.

It has been discovered that advertisement alone is insufficient to influence, inform, educate, and comprehend consumer behavior; however, knowing buying habits, which are the reason behind customer purchases, will provide consumers with answers to who and why they buy. As a result, retailers are encouraged to close the gap.

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