

# THE ROLE OF ONLINE ADVERTISING ON PURCHASE INTENTION THROUGH E4-COMMERCE PLATFORMS IN INDIA

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**Abstract:** The unprecedented growth of the online business sector has transformed the behavior of the consumers in a manner that is extremely radical. Online advertising has thus emerged as one of the most important factors that determine the purchase intention of the consumers. To reach the customers and persuade them to buy the products, online marketing media are increasingly being adopted by the business enterprises. Yet, the impact of the different aspects of advertising on the mind of the consumer to arrive at the purchasing decision remains a very interesting area of research. The present paper is focused on the research on the impact of the different aspects of online advertising, namely informativeness, entertainment, incentives, and credibility, on the purchasing decisions of the consumers.

The research was of the quantitative type, and the instrument of data collection was the structured questionnaire among the online consumers of the city of Chennai. The data collected was then processed by means of the statistical package for social sciences, including reliability tests, the formation of common factors, correlation, and regression analysis. Findings have indicated that, out of the four aspects of advertising, informativeness and credibility have the highest positive effect on shopping intention, whereas to some extent, incentive and entertainment have another positive effect on shopping intention. Therefore, the research has indicated that the role of the advertisement is to increase the level of consumer purchase, where the advertisement is considered to be a source of knowledge, credible, and also offers attractive marketing offers.

Significance of the research paper: The research paper has significant implications, both theoretically and practically, as the research was conducted to quantitatively analyze the relationship between online advertising leading factors and the intention of consumer purchase, where the effective means of advertising are explained to attract the attention of the consumer. The efficient means of advertising, if adopted by the consumer, has the potential to increase the rate of conversion quantitatively for the business of e-commerce.

**Keywords:** Online advertising, Purchase intention, E-commerce, Credibility, Informativeness.

## 1. INTRODUCTION

### 1.1. Background of the Study

E-commerce has transformed the retail industry to the extent that customers can now buy products easily through online platforms. The growth of internet penetration worldwide and an increase in the use of smartphones have made online shopping very attractive. As competition among e-commerce firms intensify, the role of online advertising in influencing consumer choice cannot be overstated.

### 1.2. Research Problem

Despite significant online advertising expenditures, a lot of businesses find it hard to turn the engagement of advertising into real purchase intention. Consumer may disregard advertisements as a result of lack of trust, relevance, or information.

### 1.3. Objectives of the Study

- To examine the impact of informativeness on purchase intention

- To analyze the impact of entertainment on purchase intention
- To evaluate the impact of incentives on purchase intention
- To examine the impact of credibility on purchase intention

#### **1.4. Significance of the Study**

This research helps:

- Marketers design effective online advertising strategies
- E-commerce companies improve conversion rates
- Researchers understand consumer behavior in digital marketing

## **2. REVIEW OF LITERATURE**

Several past research looked into the impact of Internet marketing on the decisions of customers.

Dwivedi (2021) made it clear that online advertising is one of the major factors through which consumer purchase decisions are influenced in the digital world

Lee (2016) also demonstrates that ads which are both credible and informative lead to higher purchase intentions.

Ducoffe (1996) pointed out that informativeness, entertainment, and credibility are the main aspects that make advertising effective.

Ajzen (1991) put forth the Theory of Planned Behavior that details the way attitudes determine behavioral intentions.

#### **2.1. Research Gap**

Most previous studies focused on developed countries. Limited research exists focusing on Indian e-commerce consumers, particularly examining informativeness, entertainment, incentives, and credibility together.

## **3. RESEARCH METHODOLOGY**

The research methodology chapter documents the step, by, step plan adopted to analyze the role of the online advertisement attributes, information, entertainment, incentives, and credibility in the context of Indian e-commerce consumers whose purchase intentions were the dependent variable. It depicts the research design, kind of investigation, tool for collecting the data, technique for choosing the samples, instruments for measuring, and ways of analyzing the data. The work here is to a large extent quantitative that is helped by a structured questionnaire through which responses from Indian online consumers were obtained. The selected approach is in line with the requirements of objectivity, reproducibility, and statistical soundness of the results. Thus, the survey design serves to collect empirical data that not only allows expressing relationships among variables but also verification of the theoretical framework.

#### **3.1. Research Design**

The purpose of this study is to have an overview of the relevant factors that influence employee's behavioural intention towards remote working in the electronics manufacturing services industry. In this study, a quantitative method with descriptive correlation design is selected to verify the presence or non-existence of a correlation between the independent variables and the dependent variable. Quantitative research is typically characterized by the systematic and empirical analysis of phenomena using statistics and mathematics and the processing of numerical data (Basias and Pollalis, 2018).

#### **3.2. Data Collection Method**

##### **Primary Data:**

Primary data were collected through a structured questionnaire. The questionnaire consisted of close-ended questions measured using a five-point Likert scale to assess aspects such as job satisfaction, motivation for switching jobs, skill development, and perceived career growth after job transitions.

##### **Sample Size**

The sample size refers to the total number of respondents selected from the target population for the study. In this research, a total of 200 people were chosen as the sample size to ensure adequate representation and reliability of results. The respondents were selected using a convenience sampling technique from various places across India. This number is considered sufficient to analyze the factors influencing purchase intention and to draw meaningful conclusions. The chosen sample size also allows for effective statistical analysis and interpretation of data collected through structured questionnaires

**3.3. Statistical Tools Used**

Statistical tools that are used in the compilation and computation of data are:

**1. Percentage Analysis**

Percentage refers to a kind of ratio percentage used in making a comparison between preferences and satisfaction with various other factors.

<b>Formula: Percentage % = __ *100</b>
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**2. Correlation**

Correlation is a statistical measure that qualifies the degree of which the two variables are related to each other. It assesses the strength and the direction of a linear relationship between the two continuous variables.

<b>Formula: Correlation(r) = COV (X, Y)/σx*σy</b>
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where,

COV(X,Y): covariance of X and Y

σx: standard deviation of X

σy: standard deviation of Y

**3. One-way ANOVA**

One-way ANOVA is a statistical tool in which it is used to determine if there is any significant differences between the means of three or more independent groups. It helps in assessing whether the different treatments, conditions, or groups have a different effects on a particular outcome.

**4. Paired Sample T-Test**

A paired samples t-test is a statistical test used to compare the means of two related groups or the samples. It's particularly useful when you have a measurements taken from the same subjects or paired observations (like before-and-after data). The test focuses on the differences within each pair and determines if the average of those differences is significantly different from zero.

**4. DATA ANALYSIS AND INTERPRETATION**

Table 1 Respondents demographic profile

		Frequency	Percent
<b>Age</b>	Below 20	32	7.7
	20-30	68	16.3
	30-40	141	33.9
	40-50	136	32.7
	Above 50	39	9.4
<b>Gender</b>	Male	213	51.2
	Female	203	48.8
<b>Qualification</b>	Higher Secondary/Diploma	40	9.6
	Undergraduate	191	45.9
	Postgraduate	162	38.9
	Doctorate/P.H.D	23	5.5
<b>Years of Experience</b>	Less than 1 years	17	4.1
	1-2 years	67	16.1
	2-5 years	230	55.3
	More than 5 years	102	24.5

Source : Generated

4.1. Factor Analysis

Table 2 KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.763
Bartlett's Test of Sphericity	Approx. Chi-Square	2713.648
	df	136
	Sig.	.000

Table 2 presented the KMO value for all variables is 0.729 which is above 0.6. Hence, the sampling collected from this study is adequate. Additionally, the significance level of the Bartlett's test for all variables are showing below 0.05, As a result, the factor analysis is feasible and has a significantly relevant for the data set.

4.2. Reliability Test

Table 3 Reliability Test

Variables	Cronbach's Alpha	Number of items
Informativeness Factors (Independent Variable)	0.601	4
Credibility Factors (Independent Variable)	0.722	4
Entertainment Factors (Independent Variable)	0.654	4
Incentives Factors (Independent Variable)	0.765	4

Table 3 illustrated the summary of Cronbach's Alpha value for all variables. The reliability test was performed to verify whether the items in the questionnaire have internal consistency. The Cronbach's alpha values of the variables as shown in Table 4.6 ranging from 0.601 to 0.765 which indicate as high reliability as the Cronbach's Alpha values for variables is more than the recognized

lower limit of 0.6. Thus, in terms of internal consistency, the dependent and independent variables in this study are reliable and feasible for the research purpose.

4.3. Multiple Regression Analysis

Table 4 Model Summary Result

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.515 <sup>a</sup>	.265	.258	.62748

a. Predictors: (Constant), Informativeness Factors, Credibility Factors, Entertainment Factors, Incentives Factors

b. Dependent Variable: Purchase Intention

In this research, multiple regression analysis was used to examine the relationship of the dependent and independent variables. The hypothesis H1 to H3 are formulated to predict the relationship between the independent variables which are attitudes, perceived behavior control and subjective norms have positive influence towards the dependent variable which is behavior intention. According to (Coolican, 2018), the R-squared is a statistical measure of the fitted regression line for multiple regressions and is the focus of hypothesis testing. It can be interpreted as when R-squared has a value range of 0 to 1, it is indicating as there is no difference in independent variables, when R-squared equals 0, a variable could be similar to a dependent variable (List, 2019).

Table 4 presented the results of R square of this study is 0.265, which is about 26% of the dependent variable variation can be jointly explained by the independent variable and the remaining 74% is influenced by other variables beyond this model.

**4.4. Regression ANOVA**

Table 5: ANOVA

ANOVA <sup>a</sup>						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	58.422	4	14.606	37.095	.000 <sup>b</sup>
	Residual	161.826	411	.394		
	Total	220.248	415			

- a. Predictors: (Constant), Informativeness Factors, Credibility Factors, Entertainment Factors, Incentives Factors
- b. Dependent Variable: Purchase Intention

Table 5 illustrated the ANOVA test of multiple regression of this study, the p value is showing <0.000 which is lower than 0.05 and it is interpreted that the regression model is statistically significant between independent variables (attitudes, perceived behavioural control, subjective norms) and dependant variables (behavioural intention). Since F test is significant, so can be concluded that the model is suitable in this research.

**5. RESULTS AND DISCUSSION**

The results confirm that online advertising significantly influences purchase intention. Key findings:

- Informativeness has the highest influence
- Credibility builds trust
- Incentives motivate consumers
- Entertainment increases engagement

The research objective was defined in chapter 1, where the objective of this research is to find out if these factors such as Informativeness Factors, Credibility Factors, Entertainment Factors, Incentives Factors have significant influence on purchase intention on e-commerce websites or apps. Upon the research objectives was well defined in chapter 1, the existing literatures of the variables have been reviewed in chapter 2 and there are three (3) hypotheses have been formulated in this chapter to relate on the research questions and research objectives, the underlying Theory of Planned Behaviour by (Ajzen, 1991) was applied into this piece of research which focuses on three broad categories of factors that determine the peoples purchase behaviour intention towards online advertisement. Next, the research methodology, data collection methods, data analysis and tests to examine the relationship of the factors and purchase intention were discussed in chapter 3. In chapter 4, the data analysis and tests were conducted, and all the results and findings are summarized in table 4.12. This section briefly presented in-depth discussion towards the research findings.

In chapter 4, the value of R square in model summary indicated the independent variables in this study that includes Informativeness Factors, Credibility Factors, Entertainment Factors, Incentives Factors have positive influence towards the dependent variable (purchase intention) by 58%. According to (Fishbein, 1975), a higher value of R-square indicates a more variability, R square value above 0.5 is a moderate correlation. R-square of 58% which means that there were 42% was influenced by other variables beyond this model. According to (Deri, 2021), various factors that could influence the purchase intention of the buyers as different individuals have different point of view and different expectations towards online purchase. The selected factors in this study were Informativeness Factors, Credibility Factors, Entertainment Factors, Incentives Factors which were purely based on the field of interest of the researcher.

**6. FINDINGS**

Major findings:

- Online advertising positively influences purchase intention
- Informativeness is the most important factor
- Credibility is essential for trust
- Incentives increase consumer motivation
- Entertainment improves engagement

## 7. RECOMMENDATIONS

The results of this project demonstrate that consumer purchase intention is highly influenced by the role of online advertising features like informativeness, entertainment, credibility, and incentives. A number of strategic recommendations have been put forward to e-commerce businesses as a result of the analysis to help them optimize their digital advertising effectiveness.

Firstly, companies are advised to emphasise the provision of informative advertisements where in particular product details, features and benefits are not only communicated but demonstrated so as to lessen consumer uncertainty. Secondly, as entertainment serves to attract and emotionally connects customers, hence, the marketing team should be ready to present at consumer attention and positive attitudes by including interactivity, creativity, and the visually appealing characteristics of their ads.

Moreover, trust is always supported by the credibility of a business; therefore, firms ought to implement, among others, genuine and straightforward advertising campaigns that include real customer reviews, verified information, and credible sources. On top of that, the research points to the promotion of personalised incentives strategy such as discount, limited-time offer, and loyalty reward as these words have a strong impact on immediate purchase behaviour most especially in encouraging their customers to buy right away. To be just, businesses are advised to employ data analytics and AI-driven targeting for their ads to be personalised with consumer interests and browsing behaviours. Moreover, regular assessment of advertisement performance, including click-through and conversion metrics, can be a tool in strategy refinement. In essence, these strategies are targeted at preparing online ads that are more focused, exciting, and reliable thus having the potential of effectively triggering consumer purchase intention to compete in the e-commerce landscape.

## 8. CONCLUSION

The presented study example provides a starting point for discussions both inside and outside the educational environment by revealing the ways the advertiser's message might be effectively employed to captivate the consumers and convert them into buyers. Although the research had certain limitations such as a restricted geographical area and self-reported data, it is packed with insightful ideas that would be very helpful to marketers and e-commerce businesses when planning their digital advertising campaigns.

This study is a research effort that clearly shows the utmost importance of advertisements being attractive and trustworthy and tailored to the needs of online consumers at the same time. As the Internet market grows, companies are not only required to change their marketing plans from time to time but even more important, to stay ahead of the competition by adopting a strategy that meets consumer expectations. After that, the researchers might want to explore the influence of cutting-edge technology and other behavioral factors on opening up more research avenues that can help understand the effectiveness of online advertising in such a fast-moving scenario of electronic commerce.

Future research may include larger sample sizes and advanced technologies such as AI-based advertising.

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