



VILNIAUS GEDIMINO TECHNIKOS UNIVERSITETAS

VERSLO VADYBOS FAKULTETAS

ĮMONIŲ EKONOMIKOS IR VADYBOS KATEDRA

Inga Raudienė

**EFFECTIVE ONLINE ADVERTISING MODEL**  
**EFEKTYVIOS INTERNETINĖS REKLAMOS MODELIS**

Baigiamasis magistro darbas

**Verslo vadybos studijų programa, valstybinis kodas 62403S121**

Tarptautinio verslo specializacija

Vadybos ir verslo administravimo studijų kryptis

Vilnius, 2011

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2. Nustatyti internetinės reklamos savybes, labiausiai įtakančias formuojant teigiamą vartotojo požiūrį į reklamuojamą produktą;
3. Suformuoti efektyvios internetinės reklamos modelį;
4. Identifikuoti praktikoje naudojamas internetinės reklamos formas bei jų savybes ir, pritaikius siūlomą efektyvios reklamos modelį, pateikti pasiūlymus dėl reklamos internete efektyvumo didinimo.

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### Annotation

The Master's thesis provides an analysis of prior researches related to online advertising. The study basically reviews the online advertising formats, theories and models in order to better understand of how online advertising works and presents the effectiveness study of online advertising formats based on the most influential research works in this field. Discussion on findings in literature completes with hypotheses development, that have been tested based on results of descriptive research using questionnaire method, performed in this thesis. The research results, in conjunction with findings from literature, enabled to conclude with most effective online advertising formats, their effectiveness criteria and to propose an effective online advertising model. Moreover, in this study the web observation was performed in order to identify the online advertising formats are being used in practice by dairy sector participants in UK market. In order to assess the practically used online advertising activities in the effectiveness context, the proposed effective online advertising model has been practically applied and these activities had been analyzed in the light of the effectiveness criteria of proposed model. The thesis completes with recommendations of what improvements could be done by UK dairy sector participants in order to advertise online more effectively. The proposed effective advertising model, as a basis, can be applied by any company in order to launch new or to improve the existing online advertising campaign.

The work consists of 6 parts: introduction, theoretical framework, research, discussion on research findings, the conclusions and recommendations, references.

The volume of the thesis: 79 pages without appendixes, 12 Figures, 9 tables, 113 bibliographical sources. Appendixes are presented separately.

**Keywords:** effectiveness criteria, interactive advertising, internet advertising, online ad features, online advertising, online advertising formats, online advertising model, online advertising success factors.

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☒

užsienio

### **Anotacija**

Baigiamajame magistro darbe pateikta atliktų tyrimų, susijusių su reklama internete, analizė. Siekiant geriau suprasti kaip veikia reklama internete, iš esmės apžvelgtos reklamos internete formos, teorijos ir modeliai. Remiantis svarbiausiais atliktais tyrimais šioje srityje, atlikta internetinės reklamos formų efektyvumo analizė. Apibendrinus teorinius reklamos internete aspektus, suformuluotos hipotezės, kurios patikrintos remiantis darbe atlikto aprašomojo tyrimo, naudojant anketinės apklausos metodą, rezultatais. Remiantis minėto tyrimo rezultatais bei literatūros analize, identifiкуotos efektyviausios reklamos internete formos, jų efektyvumo kriterijai ir suformuluotas efektyvios reklamos internete modelis. Remiantis darbe atlikto tyrimas stebėjimo metodu rezultatais, nustatytos JK pienininkystės sektoriaus įmonių praktikoje naudojamos internetinės reklamos formos. Siekiant įvertinti praktikoje naudojamas internetinės reklamos formas efektyvumo kontekste, pritaikytas pasiūlytas efektyvios internetinės reklamos modelis ir atlikta analizė, atsižvelgiant į modelį papildančius efektyvumo kriterijus. Darbo pabaigoje pateiktos rekomendacijos, kaip JK pienininkystės sektoriaus įmonės galėtų efektyviau reklamuotis internete. Pasiūlytą efektyvios internetinės reklamos modelį, kaip pagrindą, gali panaudoti bet kuri įmonė, siekianti sukurti naują ar patobulinti esamą internetinės reklamos kampaniją.

Darbą sudaro 6 dalys: įvadas, teorinė dalis, tiriamoji dalis, tyrimų rezultatų apibendrinimas, išvados ir pasiūlymai, literatūros sąrašas.

Darbo apimtis: 79 psl. be priedų, 12 iliustracijų, 9 lentelės, 113 bibliografinių šaltinių. Atskirai pridedami darbo priedai.

**Reikšminiai žodžiai:** efektyvumo kriterijai, interaktyvi reklama, internetinė reklama, internetinės reklamos formos, internetinės reklamos ypatybės, internetinės reklamos modelis, reklamos internete sėkmės faktoriai.

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## INTRODUCTION

Online advertising (also known as internet advertising) is the delivery of advertising messages and marketing communications through the web. It has presented sustainable revenue growth since its inception in the mid 1990's and has been the fastest growing part inside the whole advertising industry. Online advertising is believed to be highly cost-effective relative to other media, particularly when taking into account its ability for more precise targeting and two-way dialogue with customers. With such advantages online advertising had important consequences on the market position of many traditional media such as print, audio and television. For some of these media the business model is under the threat of extinction due to competition from the internet for the placement of advertising. Due to its wide success and quick growth of Internet users, online advertising currently constitutes a significant marketing channel for a large number of firms and it is thus gradually gaining attention in the context of marketing communication strategy planning and implementation. The ability of the internet to deliver and obtain information in a flexible, effective manner at relatively low cost is very attractive. Online advertising has now reached the point at which many companies are considering it as being a viable alternative to traditional media. However, although the medium continues to enjoy dramatic growth, advertisers still have some concerns about the real effectiveness of online advertising.

**Topic relevance** - ever since John Wanamaker stated that *'Half the money I spend on advertising is wasted; the trouble is I don't know which half'*, marketers and advertisers are looking for the reasons why there is such wastage of marketers' money. According to Greg Stuart, CEO of the Interactive Advertising Bureau, the problem is in the practice of basing advertising campaign decisions on gut instinct rather than scientific research. However, there has been relatively little empirical research and actionable knowledge on the factors that affect the success of online advertising. Moreover, the contribution of the online advertising to the overall advertising effectiveness remains unclear because of lack of studies that deal with this issue. Consequently, when relying on insufficient knowledge to make decisions about internet marketing strategy, companies run the risk of wasting the funds, missing marketing opportunities or damaging their image.

Researchers on effectiveness of online advertising continue to show that the number one barrier to online advertising continues to be the absence of agreed measure of effectiveness. Since much of the focus in connection to online advertising has been placed on the click-through rates, rather than on attitudinal responses, it is necessary to evaluate the effectiveness of online advertising from a more comprehensive perspective. Studies found that online advertising has sizable effects on brand loyalty and attitudes that can't be reflected in click-through (Bergkvist & Melander 2000; Bruner II & Kumar 2000). In other words, the online ad itself provides a significant amount of brand enhancement even without being clicked. As a result, above contents show that online advertising features force

consumers to make relationship with company's brand which leads to increase brand image in consumer's mind.

**The object** of this study is to find the effectiveness of online advertising analyzing it based on customer response. The work presented in the context of this thesis attempts to make a number of contributions to the body of actionable knowledge pertaining to the effectiveness of online advertising. More specifically, this thesis aims at analyzing the impact of the type of online advertising format as well as specific ad features on user's response and on the effectiveness of online advertising in general. Based on this analysis, **the purpose** of this thesis is to propose an effective online advertising model. Regards to this, the following **tasks** carried out can clarify the direction of the research:

- What online advertising formats are most effective?
- What factors/features of online ads have major influence on consumer's mind?
- What online advertising formats are being currently used in practice by particular sector in order to promote their brands online?

**Methods:** in order to perform the research on effectiveness factors of online advertising, the descriptive research using questionnaire method and research using observation method has been used.

**Structure:** hence this study has been divided into six sequential parts. The first part is Introduction. Second part, which is the Theoretical Aspects of Online Advertising, basically reviews the online advertising formats, theories and models in order to better understand of how online advertising works and presents the effectiveness study of online advertising formats based on the most influential research works in this field. Second part completes with the discussion on findings in literature and develops the hypothesis based on the literature gaps. The third part presents the Research on Effectiveness Factors of Online Advertising, which is twofold as two different research methods are being used, explains the methodology and presents the research results. The fourth part, which is Effective Online Advertising Model Formation, presents the analysis of results that have been obtained using different research methods. Analysis of results obtained using questionnaire method has enabled to test the hypotheses and propose effective online advertising model. The analysis of results obtained using observation method has enabled to find of what online advertising formats are being used in practice. Proposed effective online advertising model is being used as the basis in order to discuss the research results of web observation. The suggestions of what improvements could be done in order to advertising more effectively in practice has been presented. Finally in fifth part conclusions and recommendations are provided. Furthermore, this part contains some implications (areas) for further research. Sixth part resents a list of references of literature has been used in this thesis.

# **1. THEORETICAL ASPECTS OF ONLINE ADVERTISING**

Kotler (2003) defines advertising as a 'paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor'. As part of the promotion activities in the marketing mix, advertising plays a significant role in an organization's communication with the target market (Belch & Belch, 2009). According to Evans (2008), advertising is ultimately designed to generate the sales of goods or services and does so in different ways. Some advertising is designed to generate sales directly by identifying "leads" with purpose to encourage sale, other is informative which provides consumers with information about prices and products they can use to make purchasing decision. Still other advertising is about branding or altering people's perceptions about a product or service. The lines between lead-generation, information provision, and branding are blurry (Evans, 2008).

Online advertising that is the delivery of advertising messages and marketing communication in the web platform (Hollis, 2005), has provided especially innovative technology for generating leads (Evans, 2008). According to Belch and Belch (2004) through online advertising, advertisers have attempted to meet one or a combination of their communication objectives, such as creating awareness of the company, generating interest around the company, information broadcasting across to the user, creating and developing the company's brand image. Those communication objectives can be achieved by multitudes of means as described in the following sections, ranging from tradition banner advertisements (further ads) to the recent rich-media ads.

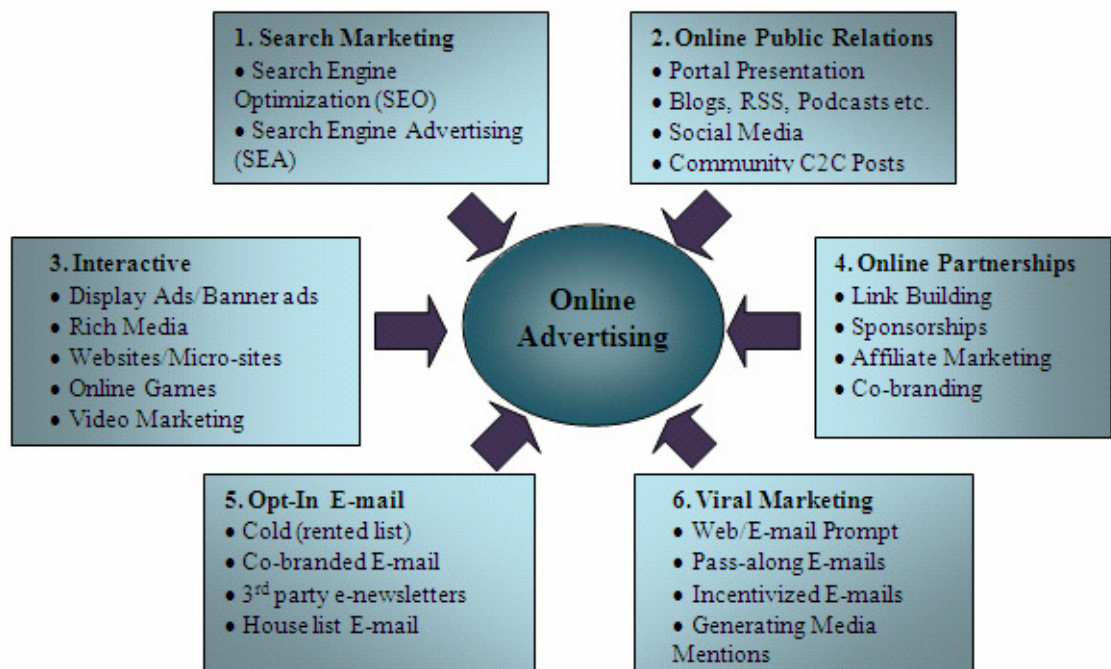
## **1.1. Online Advertising Formats**

The format of the ad simply refers to the manner in which it appears. In traditional media, ads are generally formatted in the same, basic fashion. For example, TV commercials generally are formatted in 30 or 60 second spots, whereas magazine ads have a half-page or full-page format. Not as common, all these formats are also being seen online. The internet has the ability to support a variety of online advertising formats, some of which we do not find in traditional media (Rodgers & Thorson, 2000). Since its introduction in 1994, 'online advertising has come a long way since those first ad banners on HotWired' appeared (Bruner, 2005). Not since the early days of color television has mainstream marketers been so excited by the many forms of marketing and advertising that enables permission email, keyword search, interactive rich media ads, streaming audio and video, and viral marketing, to name a few (Bruner, 2005). The internet offers marketers the widest spectrum of advertising formats (Interactive Advertising Bureau [IAB], 2007b). According to Wolin, Korgaonkar and Lund (2002), 'web advertising's broad format consists of commercial content paid for by sponsors, designed for audiences, delivered by video, print, audio, graphics or animation'.

In literature, no accepted framework for categorization of online advertising formats exists. Online advertising industry observers divide the online advertising industry into: (1) search

advertising; (2) display advertising; (3) classified listings and (4) e-mail based ads (Evans, 2008). McKinsey Global Survey (2007) in addition to established online tools such as e-mail, websites and display advertising, distinguished emerging online advertising vehicles, such as blogs, games, podcasts, social networks, virtual worlds, widgets, wikis and etc. These interactive and collaborative technologies collectively are known as Web 2.0. According to IAB (2009), the prevalent means of online advertising are search and display related advertising, which together are responsible for more than 70% of the total ad revenues.

From literature regarding online advertising methods, it was found that the possibilities for advertising methods that can be implemented in an online advertising campaign are endless and various. A wide variety of online ad formats, such as banner ads, sponsorship, e-mail and other emerging formats complicates online advertising campaign decisions (Burns & Lutz, 2006). Marketing managers must select advertising formats that will produce the best results for their online campaigns (DoubleClick, 2006). Chaffey, Chadwick, Johnston and Mayer (2006) mention several online advertising methods that can be utilized in a marketing campaign. Jensen (2008) argues that no accepted framework for categorization of online advertising methods exists and suggests a way to categorize these tools into six major disciplines in accordance with Chaffey *et al.* (2006). The categorization is inspired not only by literature but also by the way online activities are generally used and categorized by practitioners. The various activities are summarized in Figure 1.



**Figure 1:** Classification of Online Advertising Tools.

Source: Author, based on Jensen (2008) and Chaffey *et al.* (2006).

The proper use of these techniques together with a good website can help companies to draw the traffic as well as achieve internet marketing objectives they have set up. The online advertising formats

included in this research are based on studies conducted by the Belch and Belch (2004), Burns and Lutz (2006), Chaffey *et al.* (2006), IAB (2007a), IAB (2007b), IAB (2009), Jensen (2008), Rodgers and Thorson (2000), Wolin *et al.* (2002) and others. It is not within the scope of this thesis to discuss each and every of these tools. However, in this study many of these advertising tools available from the literature that are relevant for the online advertising campaign will be summarized and categorized. It must be mentioned that the reader should keep in mind that this list is by no means exhaustive of the ad formats found on the internet. Rather, this list should be viewed as example of the major types of formats found on the internet.

**Search Engine Marketing.** Chaffey *et al.* (2006) describes Search Engine Marketing as an encompassing term to denote all the techniques that can be utilized to make a certain website visible in the search engines. Search results page is divided into the ‘organic search results’ that are based on the relevance of the web page to the keywords entered by the user and the ‘paid search results’ which are clearly demarcated text advertisements that also look like search results (Evans, 2009). In turn, Search Engine Marketing can be divided into two components: Search Engine Optimization (SEO) and Search Engine Advertising (SEA) (Lee, 2007). Search engine optimization is the process of improving the volume and the quality of traffic towards a webpage from search engines (Pantea, 2009). Search Engine Advertising is the payment to search engine vendors for listing on users’ search results.

**Online Public Relations (PR).** Online PR includes all the activities performed by a company to maximize favourable mentions of its company, brand or website in a range of third party websites such as blogs, social networks and etc. where the target audiences of the company are likely to visit (Chaffey *et al.*, 2006). The most commonly used tools under online PR are described in brief below.

- Portals are defined as internet based applications that enable access to different providers through a common access (Moraga, Calero & Piattini, 2006). The most common services provided through a portal are directories, news, e-shopping and links related to websites (Rowley, 2004).

- Blogs. Chaffey *et al.* (2006) describes blog as ‘an online diary or news source prepared by an individual or a group of people’. According to Wright (2006) a blog has a marketing potential because it helps a company to provide information about its products with the possibility to get feedback. Moreover, it helps to share the positive experience of a good or service as well as enables businesses to respond to negative media (Jarvis, 2006). Regardless of whether a company decides to maintain a blog, they may post comments to other blogs in an effort to promote titles.

- ‘Podcasts are individuals’ and organizations’ post online media (audio and video) which can be viewed in the appropriate players including the iPod which first sparked the growth in this technique’ (Chaffey *et al.*, 2006). Podcasting is the ability to download audio or video on demand.

- RSS refers to web feeds which are used for publishing latest information and which are used to publish frequently updated content such as blog entries, podcasts and news. An RSS document

which is called a feed helps users to keep up with latest information without having to go and check all the individual posts. All that the user has to do is to subscribe to feeds.

- **Social Media (Social Networks and Brand Channels).** Social Networks allow members of specific sites to network with other users and to share digital assets. They also allow for the creation of personal profiles, which in addition to text, often include images and videos, comments from other members, and a public list of the people that a particular user identifies as ‘friends’ within the network (Lindmark, 2009). According to Morrissey (2007), the shift of audiences to social networking is causing some brands to rethink the need for a website altogether. While standard company websites require that consumers seek out the companies, a brand page allows companies to link directly into the online social network and interact with consumers in the online social network site. To help marketers connect more effectively with consumers, in 2006 YouTube announced a new advertising concept for online video entertainment - Brand Channels. The YouTube brand channels provide advertisers a place to showcase video content to help brands connect and engage with consumers.

- **C2C (Consumer to Consumer Posts).** When consumers communicate their impression of a good or a service in a social networks, forums, groups and etc. it can be termed as community C2C postings, which is yet another online advertising method for managing online public relations.

- Forums can be described as online communities where ‘a set of interwoven relationships built upon shared interests, which satisfies members’ needs’ (Lindmark, 2009). A business can run forums, not to generate revenue only but to supplement it with their offerings in order to create additional value to the users and to increase the total value of the offering.

- Wikis, such as Wikipedia, are systems for collaborative publishing. They allow many authors to contribute to as online document or discussion (McKinsey & Company, 2007). A wiki is essentially a database for creating, browsing, and searching through information.

- Micro-Blogging allows users to write brief text updates and publish them to be viewed either by anyone or by a restricted group. These messages can be submitted by a variety of means, including text messaging, instant messaging, email or the web (Lindmark, 2009).

**Interactive Ads.** Interactive advertising can be defined as the use of online display ads such as banners, skyscrapers, and rich media ads to achieve brand awareness and encourage click through to a target site. The most commonly used interactive tools are:

- Display Related Ads or banner ads are text and graphical displays hyperlinked to the uniform resource locator (URL) of the advertiser. The purpose of the banner ad is to grab the attention of the web surfer and encourage clicking on the ad (Dreze & Hussherr, 2003). A number of findings from various studies demonstrate the importance of including banner formats in a processing model of interactive ads. Banner ads have been shown to increase awareness even without click-through (Briggs & Hollis, 1997). When banners are clicked on, however, attitudes appear to become more positive and

purchase intentions stronger than un-clicked banners (Rodgers & Thorson 2000). Banners may be either horizontal or vertical (Burns & Lutz 2006; Rodgers & Thorson 2000) and often made of text and graphics, either static or animated (dynamic) (Li & Leckenby 2004). Static and animated banners are the most popular format for online advertisements due to its low cost in design and posting (Chang, Gao, Sheng & Shim, 2001).

- Rich Media Ads include a range of interactive methods that display motion and exploit sensory traits, such as video, audio, and animation (Appiah, 2006). The major purpose of rich media is to draw viewers' attention using dynamic video and graphics, effective images and sounds (Chang *et al.*, 2001). The widespread adoption of internet technologies (e.g., Flash, Java and etc.) has made rich media on the internet to enhance interactivity increasingly popular (Rosenkrans, 2009). Types of rich media include but are not limited to online commercials, floating ads, expandable ads, interactive ads, podcasts, in-games and video ads (Belch & Belch 2007; IAB, 2008b).

- Interstitials and Pop-ups are another type of advertisement utilised for creating awareness or recognition of brands or to entice users to explore a company website. Interstitials come in the form of advertisements that download whilst a user is waiting for a website to come up. Pop ups and pop downs are small windows that appear when users visit certain websites (Moe, 2006).

- Websites is a collection of web pages that are accessible on the internet, and may include images, audio or video. For a long time a website generally has been considered a 'carrier' of ad formats. Singh and Dalal's (1999) conceptualization of the website as ad, and Chen and Wells' (2000) measure for attitude toward the website demonstrate the importance of placing a website in a category with other ad formats. This seems logical when we consider that many corporations, at least initially, created their websites using promotional pieces (Appiah, 2006). So the corporate homepage has traditionally served the function of 'communication message' (Singh & Dalal, 1999) much like the function of any online ad.

- Micro-sites are smaller websites developed for a specific purpose such as a product launch or specific campaign. The overall aim of micro-sites in comparison to corporate websites is not information but rather to involve the user by means of a high degree of interactivity (Jensen, 2008).

- Online Games. Entertainment is a very traditional ad-supported medium (Chang *et al.*, 2001). Based on the study from Interactive Digital Software Association (IDSA) nearly 60% of all Americans or 145 million people play computer or video games. This makes the online computer games the natural fit for online advertising.

- Video Marketing. Bruner and Singh (2007) suggest that 'video is the hottest new format for online advertising'. The high engagement factor of video, combined with the internet's tracking and targeting capabilities, offers a valuable revenue stream and a highly accountable method for brand advertisers to sway the hearts and minds of target audiences' (Hallerman, 2007).



**Online Partnerships.** The most commonly used tools of online partnership format are:

- **Link-building.** McGaffin (2004) has said that ‘Create great content, link to great content and great content will link to you’. The main goal of link building is to maximize the number of good hyperlinks to website (Chaffey *et al.*, 2006). Hyperlinks take users from one website to another, and are used by advertisers to link potential customers from another web page to their website (Belch & Belch, 2004). A hyperlink (or ‘hypertext link’) is a highlighted word, phrase or graphic that allows users to link to another website by simply clicking on the hyperlink (Rodgers & Thorson, 2000).
- **Sponsorship** is a popular form of online advertisement in which advertisers link their brand to the content of a webpage or as part of a list of sponsors (Rodgers, 2004; Rodgers & Thorson, 2000). According to Chaffey *et al.* (2006), sponsorship relations on website usually contain specific visual indicators like ‘Sponsored by’, ‘Powered by’ or ‘In association with’. Although no common definition of sponsorship in a traditional medium has been accepted up to this point, a sponsorship in an online context can be defined as ‘an indirect form of persuasion that allows companies to carry out marketing objectives by associating with key content’ (Rodgers, 2000). The aim of online sponsorship is to build good-will more than traffic to its site (Li & Leckenby, 2004).
- **Co-branding** can be defined as an arrangement between two or more companies where they agree to jointly display content and to conduct joint promotions using brand logos or banner advertisements. It could be considered as the lower-cost form of sponsorship where existing synergies between two companies are exploited (Rowley, 2004).
- **Affiliate Marketing** can be described as a scheme where a company pays another affiliate for links that are generated via affiliate’s website to the company’s website in return for different kinds of commission.

**Opt-in E-mail.** E-mail marketing is a form of marketing which exploits electronic mail. There are several types of e-mail advertisements. The first type is e-mail newsletters which are created by businesses to focus on a group of people who share the common interests on product and updates of products or services (Chang *et al.*, 2001). The second type is known as e-mail discussion lists, which are created among a group of members who are interested in a particular topic. The third type includes the subscribed e-mail marketing channels that offer subscribed web surfers real-time broadcasting commercial e-mails based on their interested channels. Since commercial e-mails can be easily created and delivered using internet, e-mail-based advertising offers inexpensive and effective advertising opportunities to reach a targeted set of audience in a niche market (Chang *et al.*, 2001).

**Viral Marketing.** Viral marketing is an advertising method that encourages people to pass along a message. Terms as ‘buzz marketing’, ‘word-of-mouth’ and ‘word-of-mouse’ are being used as synonyms of ‘viral marketing’ in the literature. Its goal is to generate buzz about a specific product, service, a company or an idea (Rowley, 2004). Viral Marketing is an efficient way to distribute a

message to a wide audience and facilitate building a list (Blumberg, Forman & Miller, 2005). This is beneficial because the customer is doing the work. For viral marketing to get a successful result, the content plays a very important role which should give online users the feeling that what they pass is fun and useful for their friends. Viral marketing can be carried out by multiple 'agents' (e.g. e-mail, streaming video and audio, games, etc.). E-mail is used on a regular basis by most of the online audience and is therefore an obvious choice for viral marketing.

- Viral Marketing through e-mails can occur most commonly in three different ways: through pass-along e-mails, e-mail or a web prompt and incentivized e-mails. In a pass along e-mail, the messages are made amusing enough so that the recipient on his or her own initiative passes along the e-mail to others. A prompted e-mail contains an e-mail with a prompt for the user to pass it along to others, whereas a web prompt consists of links to directly send an e-mail to his or her friend or a colleague. Incentivized e-mail has incentives in the e-mail, in the form of some kind of reward that encourages the recipient to forward it to others (Rowley, 2004).

- Media Mentions. Today online media can be used to communicate and give information to others. Media appears in the virtual world with a powerful ability and provides many things for online users. Generating media mentions are useful and effective way for viral marketing taking place.

## **1.2. Theories of Online Advertising Effectiveness**

Since online advertising is quite recent concept, there is a lack of standardization on metrics for measuring the effectiveness of online advertising. Definitions of the similar terms are varied, there is a lack of comparability and completely unique systems of measurements exist that do not allow for scalable auditing. A theoretical understanding of models that have been used to explain how online advertising works is of great help to investigate the effectiveness of online advertising. There is a fundamental agreement that online advertising can be audited through factors such as brand awareness, product or service recall, changes in the attitudes and behaviour. The studies and theories of such processes focuses on information processing on the internet, which investigate how recipients perceive and process messages communicated by online advertisements (Rodgers and Thorson, 2000). Such processes can be illustrated by online advertising information processing models, which are mostly the integration of old theories with some new elements specific to online advertising (Ha, 2008). Among the most commonly used theories are the product involvement theory, information processing theories, psychological theories which used to explain the effects on interactive and other execution elements in online advertising (Ha, 2008). The traditional theories indicate that online advertising works according to the same principles as traditional advertising and the effectiveness can be evaluated according to the same 'Hierarchy of Effects' model (Bergkvist & Melander, 2000; Bruner II & Kumar, 2000; Li & Leckenby 2004). According to Flores (2000) the measure of successful internet advertising are not

only relying on 'Hierarchy of Effects' as in the traditional media, but also on a measure of Alienation, which is the fourth element on his 'Internet Advertising Consumer Model'. Rodgers and Thorson (2000) proposed their own conceptualization of how consumers respond to online advertising. Their 'Interactive Advertising Model' was designed based on functional elements (inputs), structural elements (outputs) and also information process (Chavosh, Ghajarzadeh, Halimi, Sahaleh & Sahebjamnia, 2010). Papadopoulos, Menemenis, Kompatsiaris and Bratu (2009) in his 'Model of Key Success Factors of Effectiveness of Online Advertising' considered the click-through rate impact on online advertising effectiveness and in addition to structural and functional elements distinguished important factors such as new online activity (article reading, tagging and etc.) and social context.

### **1.2.1. Criteria of Online Advertising Effectiveness**

**Measures of Online Advertising Effectiveness.** In previous work on the effectiveness of online advertising, it has been widely argued that the effectiveness of online ads should be evaluated by their ability to generate click-through, which refers to a user's clicking on a certain web ad, or some other behavioural responses, such as sales or interactions on a website (Rodgers, 2000). The attraction of the click-through variable lies in its behavioural nature, its measurability, and the fact that it indicates immediate interest (Briggs & Hollis 1997). Others have argued that direct response is a complex phenomenon which is partly determined by factors relating to the predisposition of the audience, not the advertising itself (Baltas, 2003; Bruner II & Kumar, 2000). A single measure cannot provide an integrated picture of online advertising. The appropriateness of a method for the evaluation of an online advertising depends on the objectives of the advertiser. According to Li and Leckenby (2004) any discussion of advertising effectiveness necessarily must involve the role of objectives in advertising management contexts. If the objective is to attract online users to visit its website or some other behavioural responses (e.g. click-through, sales or etc.), then the ability of ads to generate the desired behavioural responses should be measured. If the objective is to build or increase brand awareness, then the simple level of click may be misleading and even more so, irrelevant. The attitudinal responses of branding effects such as recall, communication and persuasion should be measured (Flores, 2000). It is usually the case that an advertiser's goals are a combination of two types of responses - behavioural and attitudinal (Bergkvist & Melander, 2000; Li & Leckenby, 2004). These two goals are joined through the use of theoretical models, indicated in the Section 1.2.2.

**Determinants of Online Advertising Effectiveness.** Online advertising differs from traditional advertising in its high level of interactivity between advertisers and customers. Vast majority of research has been conducted to scrutinize the factors that may influence this interactive process. Literature on advertising and user behavior indicates that the effectiveness of online advertising depends on factors from both the advertiser-specific aspect (objective ad features) and the customer-

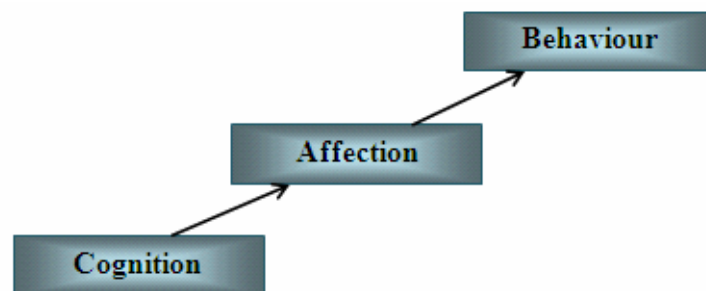
specific aspect (subjective ad features) (Rodgers & Thorson 2000). Advertiser-specific aspect concerns ads factors that are under the control of the advertiser (Rodgers & Thorson 2000). Most of these factors include structural elements, such as ad features, formats and types. Unlike in traditional media where advertisers have overwhelming control over the advertising procedure (i.e. which ads consumers see, when and how), in the online environment, the control has switched from advertisers to consumers. Online users have the options of not paying attention to, becoming involved with or ignoring the ads. Factors that are specific to users, such as their personal propensities, perceptions, and motivation etc., may influence the effectiveness of online advertising as well. User's disposition plays a key role in determining how people respond to objects. These personality variables include need for cognition (Tam & Ho, 2005), risk-taking propensity (Jin & Villegas, 2007), variety seeking tendency (Rohm & Swaminathan 2004), and ad avoidance tendency (Cho & Cheon 2004; Jin & Villegas 2007).

**Control Ownership.** Although there are undoubtedly many aspects of communication of messages using the internet that may require extended thought about advertising effectiveness, one outstanding issue is that of 'control' (Li & Leckenby 2004). But how much of the communication surrounding an ad is under the volition of the 'user' and how much is under the control of the 'advertiser'? Leading scholars dealing with effectiveness early on in the development of internet advertising pointed to this issue. In their seminal article, Pavlou and Stewart (2000) drew this distinction in the following terms: (1) Process Control and (2) Results. By 'Process Control' authors refer to the parts of the process of communication through the internet which is largely under the control of the user of the message. Control process measures focus on when and with what consequences consumers and marketers choose to use particular interactive advertising media and content (Pavlou & Stewart, 2000). The focus here is on the user deciding whether or not to be exposed to the message and the manner and time of the exposure. The study draws the issue of 'control ownership' as the basic concern providing the difference between internet advertising effectiveness measurement and that in other media (Li & Leckenby 2004). The 'Results' measures concern the outcomes of consumers having been exposed to messages on the internet. The ad is the independent variable while standard CAB (Cognition, Affection and Behaviour) measure such as attention, memory, knowledge, attitudes and intentions become the dependent variables (Li & Leckenby 2004).

### 1.2.2. Online Advertising Effectiveness Models

**Hierarchy-of-Effects Model.** Many hierarchy-of-effects models have been advanced for advertising effectiveness. In the well-known hierarchy-of-effects model DAGMAR (Defining Advertising Goals for Measured Advertising Results) it is assumed that advertising works in the sequence of awareness, comprehension, conviction, and action (Scholten 1996). In another early model proposed by Lavidge and Steiner (1961) (quoted in Li & Leckenby, 2004) the authors postulated a

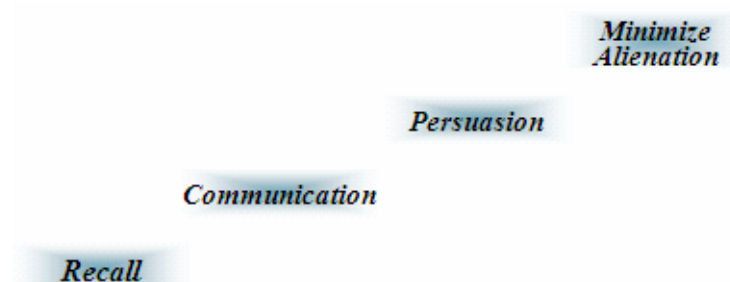
“hierarchy of effects” in a stair-step fashion with attention leading to interest leading to conviction to desire and finally to action. Importantly, they also categorized these elements into the three broader categories of ‘Cognition’, ‘Affection’ and ‘Conation’. ‘Conation’ was then a popular term for behavioral intentions but it has been replaced by ‘Behavior’ as the organizing term (Li & Leckenby 2004). ‘Cognition’ refers to the knowledge in a person’s mind and how that is obtained. ‘Affection’ concerns both emotional and attitudinal aspects of meaning, liking and disliking. ‘Behavior’ refers to the observable acts on the part of persons or, at minimum, their intentions to act. Lavidge and Steiner (1961) postulated, in general, that cognition leads to affection which, in turn, leads to behavior. Figure 2 shows the traditional CAB ‘Hierarchy of Effects’ model.



**Figure 2:** Traditional CAB ‘Hierarchy of Effect’ Model

Source: Li and Leckenby (2004).

**Internet Advertising Consumer Model.** Since much of the focus in connection to online advertising has been placed on the click-through rates, rather than on attitudinal responses, it is necessary to evaluate the effectiveness of online advertising from a more comprehensive perspective. Studies found that advertising on the web has sizable effects on brand loyalty and attitudes that can’t be reflected in click-through (Bergkvist & Melander 2000; Bruner II & Kumar 2000). The findings of the AdKnowledge EAnalytics Online Advertising Report (quoted in Flores, 2000) emphasize the need to measure effects induced by ad exposure itself and antecedent to any kind of behaviour such as click. This measurement will likely take place before the last stages of the ‘Expanded ARF Model’ proposed by Harvey in 1997, where measures of level of attention, perception and persuasion can help predict and better understand the branding effects of online advertising (Flores, 2000).

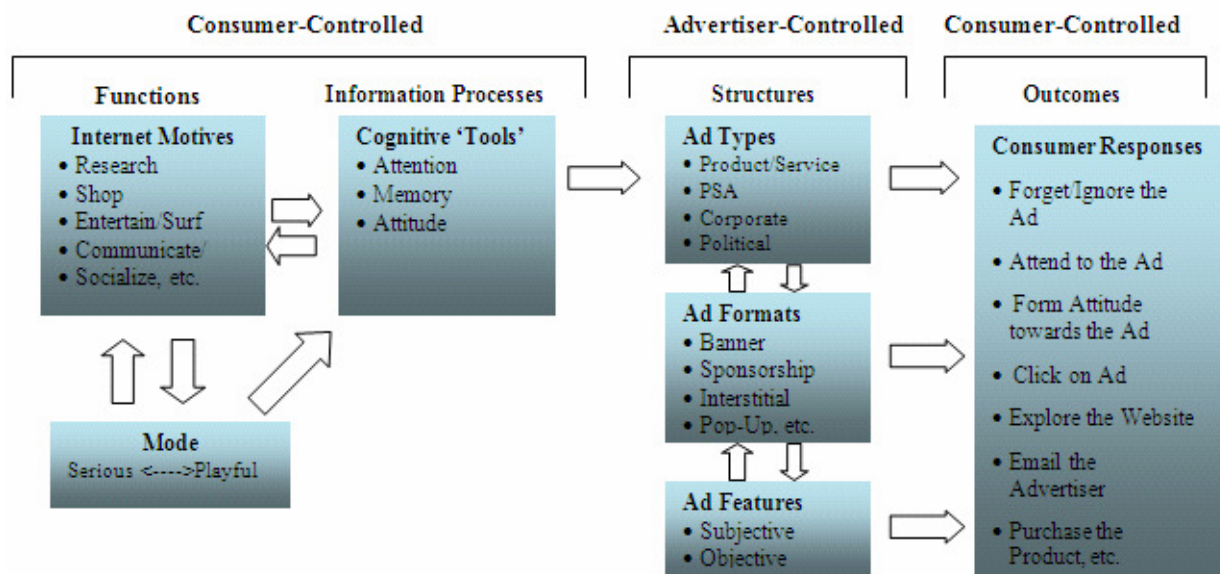


**Figure 3:** ‘Internet Advertising Consumer Model’

Source: Flores (2000).

Indeed, since early 1997, it was thought that, like for traditional advertising, the consumer experience of online advertising depends on his/her ability to be exposed to the stimulus (Flores, 2000). Once exposed, he/she needs to notice the stimulus (Recall), to get the message (Communication) before being persuaded (Persuasion). Persuasion can take different forms - from attitude change to behaviour change - depending on the advertising objective (Flores, 2000). However, the internet introduces an additional dimension that we call 'Alienation'. This refers to the fact that the internet is an active medium and puts the consumer in control of the experience, moving the role from being a passive receiver to that of an active receiver. The challenge is then to build advertising pull strategies, rather than advertising push strategies (Flores, 2000). The measures of successful internet advertising are not only relying on Recall, Communication, and Persuasion as in traditional media, but also on a measure of Alienation. The former measures refer to the ad's ability to involve rather than to disturb consumer's surfing experience.

**Interactive Advertising Model.** Rodgers and Thorson (2000) draw a distinction in their Internet Advertising Model (IAM) that demonstrates some extra features of online ads than other media which are interactivity, attitude toward online ads and attitude toward websites.

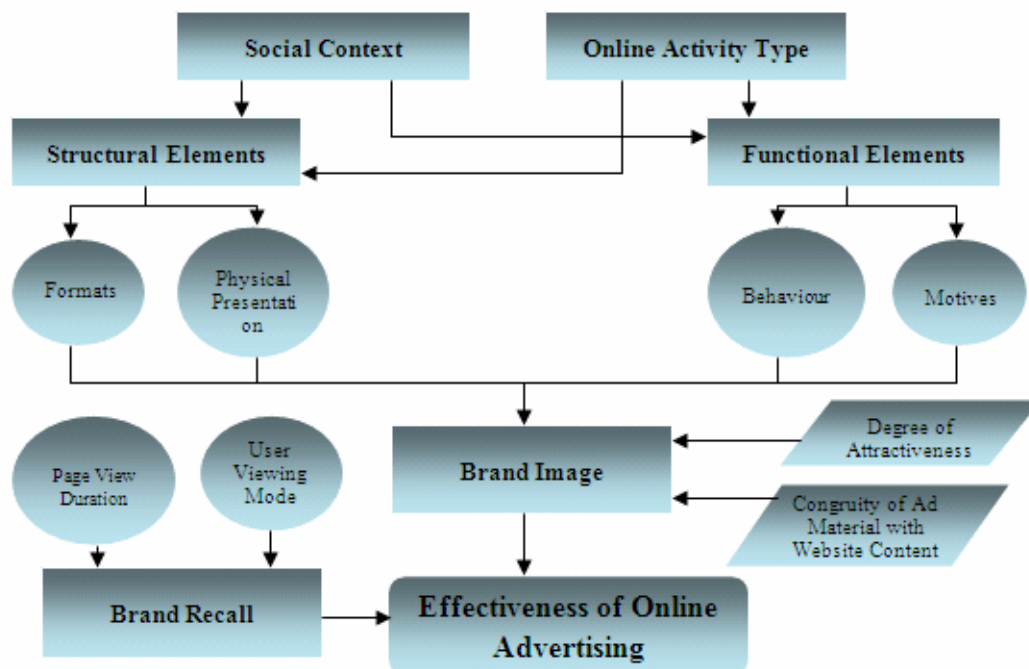


**Figure 4:** 'Interactive Advertising Model'

Source: Rodgers and Thorson (2000).

The model was designed based on functional elements (inputs), structural elements (outputs) and also information process in which cognitive tools such as attention, memory and attitude affect consumers to show considerable response by different types of online ads. These factors divided into consumer-controlled (functions and information process) and advertiser-control (structures) that lead to consumer response such as emailing to advertisers, clicking on ad, and exploring the website (Chavosh *et al.*, 2010).

**Model of Key Success Factors of Effectiveness of Online Advertising.** Papadopoulos *et al.* (2009) considered some key success factors of online advertising which are measured by click-through rate. His study provides considerable knowledge about impact of this variable on online advertising effectiveness. First factor is online activity type including article reading, picture tagging, social bookmarking and message exchanging. These kinds of new activities on the web lead to create Rich Internet Application (RIA) technologies which vary in terms of receptiveness based on the type of online activity that the users involved (Chavosh *et al.*, 2010). Second is social context, that is the perceptual influence that the friends of a user as well as their online behaviour have on his/her attention and processing of advertising content within a web setting (McCoy, Everard, Polak & Galletta, 2007). Social web application has considerable influence on effectiveness of ads through forming and maintaining online friendship (Richardson & Domingos, 2002). Third key success factor is functional elements, in which motives and behaviour within online setting must be considered (Rodgers & Thorson, 2000). Finally, fourth factor that has been interpreted as the key success factor is structural element, which are devoted to physical presentation and format of the ads for example their position on the screen, size and etc. (Papadopoulos *et al.*, 2009). Obviously the longer users view the pages, the more likely they would remember the advertising material on this page. Therefore this effectiveness can be denoted as the page viewing duration (Danaher & Mullarkey, 2003) which affects brand recall. Moreover Bagherjeiran and Parekh (2009) considered the impact of banner ad design elements and the provision of incentives through the advertising message on the achieved click-through rate (CTR) which were investigated by Donthu, Hershberger and Lohtia (2003).



**Figure 5:** 'Model of Key Success Factors of Effectiveness of Online Advertising'

Source: Papadopoulos *et al.* (2009).

### 1.3. Effectiveness of Online Advertising

The research presents the secondary analysis of online advertising effectiveness, based on the studies, researches and surveys made by scholars, practitioners, advertising research agencies and advertising market research specialists. The effectiveness is being reviewed in the light of models, presented in the chapter 1.2. Many previous studies have validated the influence of various ad features on internet advertising effectiveness. Five studies by ARF, IAB, CNet.com, MSN and DoubleClick all concluded that online advertising builds the brand (Briggs, 2001) and the degree to which online advertising improves metrics such as brand awareness, purchase probability and brand perceptions will vary based on the size, placement, format and other features of the ad.

Among the variety of online advertising formats available, display related ad formats are the most frequently studied. Other formats such as search based, email and other non-traditional online advertising formats such as online partnerships, public relations and viral received much less attention. Statements regarding effectiveness of those less studied formats are based upon confirmed findings and affirmed opinions of practitioners, and studies, researches and surveys made by marketing and advertising research agencies and specialists were academic literature fall short to provide needed information. Many online advertising features, such as size, location, creativity and etc. are being discussed within the analysis of each particular format. But some effectiveness criteria is distinguished in a separate section, as the effectiveness analysis presented in broader context and can be applied to more than one online advertising format.

#### 1.3.1. Effectiveness of Online Advertising Formats

**Banner Ads.** In one of the early studies of banner ad effects, Briggs and Hollis (1997) used a proprietary system to measure the impact of banner ads, and they found that even without click-through, banner ads resulted in heightened ad awareness, brand perceptions and attitudinal shifts for brands. Their findings confirmed the dual role of banner ads in both direct response and image building though the latter was then often overlooked. With respect to Rogers and Thorson's (2000) information processing category, several online advertising features and strategies of banner ad have been investigated, for example in terms of size, incentives and emotions, location on the webpage and effect of animation on the user.

Josephson (2005) investigated the significance of animation and location of banner ad with the help of eye tracking technology. The finding of study revealed that animation was not important to attract viewer's attention. In contrast, location appeared to play a significant role. Banner advertisements at the top of the webpage were more often viewed than those at the bottom of the webpage (Josephson, 2005). Similar to Josephson's (2005) findings concerning animated banners ads, also Diao and Sundar (2004) did not find support for their hypothesis that 'individuals who view



animated banner ads will exhibit orienting responses'. An orienting response is defined as a short-term attention reaction evoked by certain categories of stimuli.

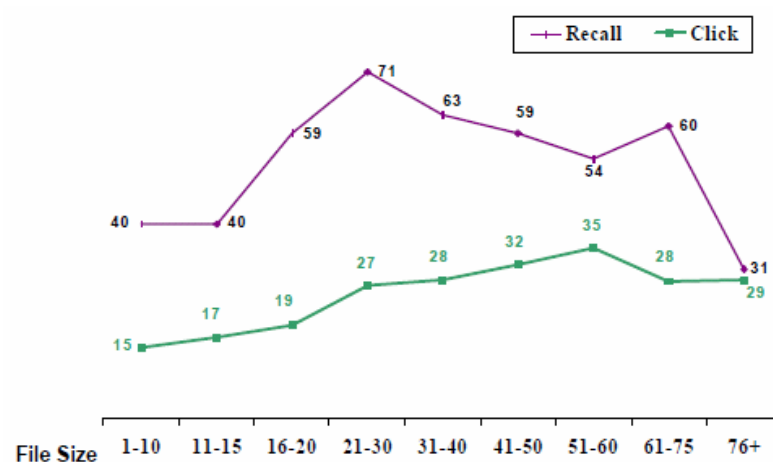
Josephsons (2005) and Diao and Sundar's (2004) findings contradict the results of a study conducted by Kim, Sout and Yoo (2004) who found that animated banner ads generates higher recall, more favourable attitude towards the ads and higher click-through intension than static ads (Kim, *et al* 2004). Similar findings came from the research of Dreze and Hussherr (2003) who found that the content of a banner's message influences both advertising recall and brand recognition. Animated banner ads resulted in quicker response and better recall than non-animated banner ads did (Briggs & Hollis, 1997; Li & Bukovac 1999). Sundar and Kalyanaraman (2004) investigated the effects of animation speed of banner ads and found that fast-animation speeds to be more attention grabbing and able to elicit greater physiological arousal, particularly when contrasted with slow-animation speeds. In some cases, however, animation has negative effects on users' attitude towards the ad (Zhang 2000). Li and Leckenby (2004) examined the recall, click-through and response time as functions of banner ad type (static or animated), banner ad size (small or large) and user mode (surfing or seeking) in a lab experiment. The results indicate that animated banner ads cause better recall and faster click-through than static banner ads and large banner ads generate higher click-through than small ones ads but no effect of user mode was found.

Donthu, Lohtia, Osmonbekov and Xie (2004) investigated the effect of incentives in banner advertisement on banner advertisement click-through rates moderated by advertisement-induced emotional appeals. The results revealed that positive emotions in banner ads enhance the effectiveness of incentives, whereas banner ads with negative or no emotions seemed to be more effective than the ad included no incentives. In addition to Donthu *et al.* (2004) also Hand, Robinson and Wysocka (2007) conducted a study to investigate the effect of incentive in banner ad but together with six other creative characteristics, namely, banner size, message length, animation, action phrases, the existence of the company brand or logo and the presence of information (Hand *et al.*, 2007). The results revealed that banner ad generates more click-through rates when it contains a long message, appears in a larger size and when is does not include promotional incentive but information. In contrast, action phrases and the presence of the company brand/logo were ineffective (Hand *et al.*, 2007). The researchers further found that in their study the presence of animation had a insignificant effect on the click-through rate, which support the study findings of Kim *et al.* (2004) and Dre`ze *et al.* (2003).

Studies on the effects of banner advertisement size have found contradicting results. Cho (1999) as well as Li and Bukovac (1999) found that larger banner ads are more effective than small banner ads. Hand *et al.* (2007) raised one concern, which limits their finding of the effectiveness of the banner size. They tested banner ads by placing them on different locations on a webpage. Through this, the researchers argue, the effect of banner size became inseparable from the effect of the banner sizes

location on the webpage (Hand *et al.*, 2007). As Josephson (2005) pointed out, the location of a banner advertisement on a webpage plays a significant role in attracting awareness. Dreze and Hussherr (2003) did not find support that banner ad size has an effect on advertising effectiveness.

The study conducted by Ipsos-ASI Interactive (quoted in Flores, 2000) revealed that not only can larger ad units get substantially more notice and can communicate more, but they can also double the level of click in comparison to smaller banners. However, this does not necessarily mean that bigger is always better. In fact, experience shows that in some cases this could happen to the disadvantage of the consumer experience. This is where the Alienation factor of ‘Internet Advertising Consumer Model’ comes into play (Flores, 2000). The same study, conducted by Ipsos-ASI Interactive, revealed that Recall and Click tend to decline when the file size of the ad is bigger.



**Figure 6: ‘The Impact of File Size’**

Source: Flores (2000).

The ad can be too disruptive for the value it brings to the consumer; he/she will take away a negative perception of the ad and the brand and in some cases of the site itself (Flores, 2000). Bigger file sizes may bring better effect and animation, but they also bring higher downloading time resulting in consumers’ waning captive attention and higher propensity to leave the page.

Flores (2000) has systematically found that interactive components built into a simple banner ad can double the levels at which consumers will click. The more surfers can do within an ad and thus with the brand without leaving the content, the more likely they will interact with it. But the lesson must always be remembered is that the medium is an active medium. Creativity must be within the space and limitations that the medium offers (Rodgers & Thorson, 2000).

The study by Burns and Lutz (2006) studied consumers’ attitudes to six different online ad formats (banners, floating ads, large rectangles, interstitials, skyscrapers and pop-ups) and found banner ads score highest on the information factor and received highest overall positive attitude from consumers. Banner ads did best in all behavioural measures such as click-through percentage, percent visit later and click-through frequency among the six online ad formats they tested.

**Interstitials.** Interstitials (include pop-ups and pop-under) are the most controversial format of internet advertising. Interstitials are perceived to be intrusive because they put audiences in a forced exposure mode (Cho, Lee & Tharp, 2000). Forced exposure ads interrupt an audience's viewing process (like TV ads). In the case of voluntary exposure audience may look or may not at them (like newspaper ads). Forced exposure ads are often perceived to be intrusive, resulting in negative response such as feelings of irritation and ad avoidance (Edwards, Li & Lee, 2002). Edwards *et al.* (2002) found in an experimental study that perceived intrusiveness in interstitials is a function of the viewer mode and ad characteristics. That is, viewers can be in a goal-directed, searching mode or a mindless surfing mode (less goal-directed), and they are likely to perceive a pop-up ad to be less intrusive when they are in a surfing mode than in a searching mode. Individuals that are less goal-directed, such as surfers, may find pop-ups appealing, interesting or possibly even fun to explore. For viewers in the same mode, forced exposure ads are likely to be perceived to be less intrusive if they are editorially congruent, informative and entertaining than otherwise.

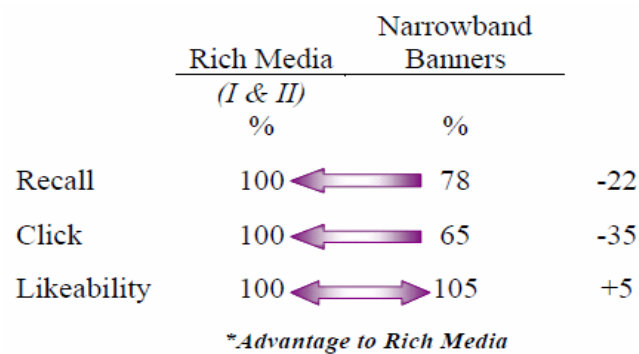
Studies that use the pop-up ads in the experiment show negative attitudes and reactance from the consumer resulting in ad avoidance and feeling of irritation (Cho & Cheon, 2004; Edwards *et al.*, 2002). Furthermore, highly intrusive forms of interactive advertising such as pop-up ads are perceived as annoying, distracting and disturbing by online consumers (Li & Leckenby 2004).

According Rodgers and Thorson (2000), unlike pop-ups, interstitials do not interrupt user's interactive experience because they tend to run while the user waits for a page to download. Users, however, have less control over interstitials because there is no 'exit' option to stop or delete an interstitial, which is common among pop-ups. In other words, with interstitials, users have to wait until the entire ad has run. They presume that these ad formats will have different effects on the internet user. Ads that interrupt the user's flow of work probably will be perceived as less favourable and more frustrating to the user, as in the case of a pop-up, than an ad that runs in between the user's activity, as in the case of an interstitial. In addition, they would expect an interstitial to have a greater effect on memory, considering the ad takes up the entire computer screen, whereas a pop-up takes up maybe one-tenth of the screen (Rogers & Thorson, 2000).

Burns and Lutz (2006) studied consumers' attitudes to six different online ad formats (banner, floating ad, large rectangle, interstitial, skyscraper and pop-up) and found that pop-up and floating ads scored highest on the annoyance factor, while interstitial ads scored highest on the entertainment factor. The Burns and Lutz (2006) study results contradict to the experiment by Cho *et al.* (2001), which shows that consumers do not have negative attitudes towards the ad with highest forces exposure. Moe's (2006) study of pop-up ads suggests that contextual factors (e.g., when and where an ad is placed during the session) can significantly impact advertising effectiveness.

**Rich Media.** Rich media is a generic term for a variety of highly interactive, visually influential internet advertising formats. According to Li and Leckenby (2004) with vector-based graphics, streaming audio and video, and Java-powered interactivity, rich media ads deliver enhanced impact and result in improved user response. Most rich media ads are displayed in a voluntary exposure mode so that they are generally acceptable for most internet users. The premise of rich media ads lies in the assumptions that messages appealing to multiple perceptual systems are better perceived than those that call on single or fewer perceptual systems, and that high quality messages are more effective than low quality messages (Rodgers & Thorson, 2000).

Most publications all seem to suggest an upside potential of rich media advertising in its ability to increase brand building. The paradox in the case of broadband advertising is the relative lower reach of high-speed connections in comparison to narrowband connection. Flores (2000) conducted research in order to compare rich media and narrowband advertising. Results clearly suggest the upside potential of broadband advertising in its ability to get recalled and get clicked. Interestingly, ad likeability is not significantly different between the two types of advertising.



**Figure 7:** 'Rich Media vs. Narrowband Banners'

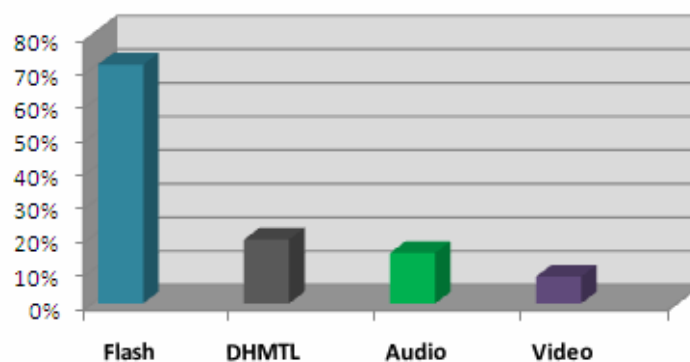
Source: Flores (2000).

Flores (2000) suggests that the value of the creative is the key to any positive consumer feedback; although broadband offers expanded possibilities, narrowband advertising can be effective when creativity is properly leveraged.

Li, Daugherty and Biocca (2003) research shows that compared with graphical presentation of products on the web, 3-D product visualization results in improved product knowledge, more positive brand attitude and heightened purchase intention for products for which touching is not essential for purchase decision. Schlosser (2004) found in a series of experiments that object interactivity, which allows the user to directly manipulate objects in the virtual world, led to higher purchase intentions than when the same product information is presented passively, either in block of text with graphics. Appiah (2006) in his study tested the impact of multimedia ads on commercial website found that the testimonial ads with audio and video results in users' better reception as more targeted to them, better rating on the site and the advertised product than testimonial ads with text and graphics only.

However, the visual impact of rich media ads is often positively related to the amount of information, which in turn, determines the size of an ad. The larger and richer an internet ad, the longer time it takes to download and display on the computer screen (Li & Leckenby, 2004).

New technologies improve the effectiveness of online advertising. Flash and DHTML appear to have the most potential in enhancing online advertising effectiveness based on two studies by Diameter and Dynamic Logic that were completed (quoted in Briggs, 2001). Flash technology allows an advertiser to develop a small size file with rich graphics. Diameter found that Flash technology increased branding metrics by 71% for three ads that were tested. DHTML was found by Dynamic Logic to increase brand awareness by 19%. Audio and video were also found to improve branding performance by 14% and 9% respectively (Briggs, 2001).



**Figure 8:** Brand Awareness Lift Using Technology

Source: Kameya and Zmija (2002).

According to the Wired Digital Rich Media study of tracking brand perceptions of three leading online advertisers (quoted in Chang *et al.*, 2001), Intel Corp., Novell, and barnesandnoble.com, rich media ads fuel significant enhancements over traditional animated GIF banner advertisements. The study found that 61% of the survey population noticed rich media ads and remembered them, versus 30% of the control population, which viewed an animated GIF banner. This result suggests that ‘while rich media banners may cost more to create than traditional banner advertising, the increases in performance are significant and appear to be worth the incremental costs’ (Chang *et al.*, 2001).

Rich media ads are found to be more effective than banner ads in professional studies. According to Emarketer (2002, quoted in Li & Leckenby, 2004), a June 2002 DoubleClick study of 400 million rich media found that the click-through rates of rich media ads averaged at 2.4%, that is six times higher than conventional online ads at 0.4%. A study by Dynamic Logic (2002) of 320 online campaigns and 338,184 interviews indicated that the average lift in message association was 21% for graphic ads, 37% for flash-based ads and 44% for rich media ads. Message association refers to the ability of a consumer to link a brand to a specific message and lift is the difference between users who are exposed to a message and those who are not (Li & Leckenby, 2004).

**Online Games.** Since most advanced online games usually are multimedia-based, game-based advertisements cost more to create and implement due their dependency on complicated technology. Although game-based advertising usually is very effective to drive the attention of game players, its audience is limited to game players only. In many cases, game players may feel annoyed with advertisements while they are playing games (Chang *et al.*, 2001).

**Video Marketing.** Bruner and Singh (2007) suggest that 'video is the hottest new format for online advertising'. The high engagement factor of video combined with the internet's tracking and targeting capabilities, offers a valuable revenue stream for web publishers and a highly accountable method for brand advertisers to sway the hearts and minds of target audiences (Hallerman, 2007). Compared with traditional media advertising, online video advertising is rated well by users (IAB, 2010a).

**Sponsorships.** Ipsos-ASI Interactive (quoted in Flores, 2000) conducted the study in order to assess the branding effectiveness of sponsorship advertising. The study analyzed different levels of brand presence varying from simple banner to heavy presence of the brand within the site. The results suggested that sponsorships can positively impact advertising awareness of a brand. When well executed, this impact can significantly enhance the value of a simple banner ad. Another study conducted by Ipsos-ASI Interactive (quoted in Flores, 2000) compared test and control group results for overall rating of the website. The results suggest that respondents exposed to the sponsored area have a better perception of the site than respondents just exposed to the site with no sponsoring. The study concluded that good sponsorship can be beneficial both for the sponsor and the site and can positively impact brand image and site perception over time.

Research on online sponsorship has explored factors that affect the effectiveness of this format of interactive advertising. Rodgers (2004) investigated the impact of online sponsor relevance from an association perspective. By sponsor relevance Rodgers means a match between sponsors and sponsees in terms of shared semantic features, as a travel service sponsoring the travel section of a website. The results indicate that relevant sponsors are more likely than irrelevant sponsors to elicit stronger recall, brand evaluations and purchase intentions.

In addition, electronic sponsorships can be interactive, such that a click of the mouse sends a visitor to the homepage of the sponsor (Rodgers, 2000). Another advantage of sponsorships is that they almost always take up little space and, as a result, demonstrate more 'consideration' of screen space, as well as the user's time (i.e., interstitials require longer download time, whereas sponsorships require almost no download time). Rodgers (2000) has speculated that this difference alone may account for sponsorship's popularity and seeming high credibility (compared to other formats) among web users.

In terms of psychological processing, sponsorships have been shown to outperform other ad formats, such as traditional ads (Rowley, 2004) in terms of recall and credibility. Although no study

has tested this proposition in an interactive environment, we assume the same would be true of, say, sponsorships versus banners and/or sponsorships versus pop-ups (Rodgers and Thorson, 2000).

The Interactive Advertising Model predicts that sponsorships will interact with internet motives to yield some response (Rodgers & Thorson). It may be, for example, that researchers are more responsive to sponsorships than, say, surfers, simply because sponsorships are more considerate of the user's time and space. Because sponsorships are often embedded in the content of a webpage, it would be logical to think that researchers would be more likely than surfers or, perhaps, shoppers, to 'stumble across' an embedded sponsorship while reading an article or researching. Either way, we believe the consumer's response to sponsorships depends partly on the format of the sponsorship and partly on the motive pursued at the time the sponsorship is encountered (Rodgers & Thorson, 2000).

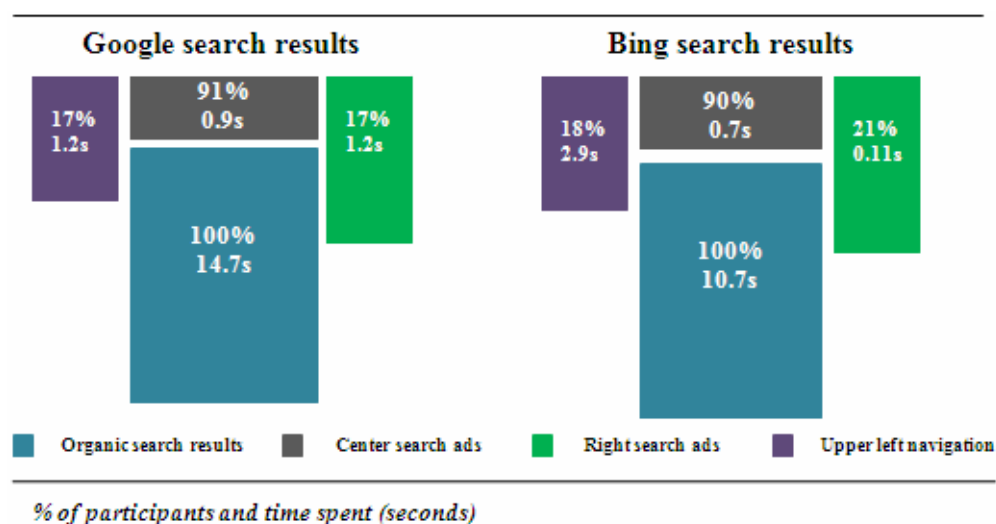
Hyperlinks are similar to sponsorships in that they generally take up less space than other ad formats, such as banners or pop-ups, and are generally embedded in the content itself. Several differences worth noting, however, is that there are no limits to the number of hyperlinks that can appear on any one webpage (IAB, 2009), and hyperlinks are often reciprocated, especially among popular websites (Rodgers, 2004). No study was found of has actually tested the psychological effects of hyperlinks as ad formats, but one study in particular demonstrates that too many clickable surfaces decreases the attractiveness, friendliness and usefulness of a webpage (Cho *et al.*, 2000).

Studies that examine sponsorship effects online also have revealed significant benefits for sponsors of content websites (e.g., newspapers). Sponsors whose products match the news content induce higher memory, attitudes, and purchase intentions for the sponsored brand than do sponsors and stories that do not match (Rodgers, Cameron & Brill, 2005). An experimental study also empirically demonstrates that users' attitudes toward the sponsor are more negative when the sponsorship ad appears in the middle rather than at the beginning of the news story (Rodgers *et al.*, 2005). Although attitudes toward the sponsor are positive when the ad occurs at the beginning of the news story, this study also confirms that memory (i.e., brand recognition) is highest in the middle and lowest for ads placed at the beginning (Rosenkrans, 2009).

**Search Engine Advertising.** Sponsored search is a promising new mechanism to combat the negativity associated with interactive advertising and bring consumers advertising information that is relevant and timely instead of intrusive and annoying. Lee (2007) indicates that sponsored results are just as relevant as non-sponsored results for search queries. However Jansen and Resnick (2006) research indicates that web users have a negative bias against sponsored link. Evidence suggests buyers ignore SEA: 60–86% of users follow the top two to three links in the organic lists of search results, and only 14–40% of users click on sponsored links (Sen, 2005). An organic selection will result in three to four more clicks than a sponsored search (Sinclair, 2007), possibly because SEO links are perceived as an independent referral source (Lee, 2007). Researches of web users verify that firms

need to be ranked on the first page of organic search rank results to match user behaviours (Miller, 2006; Schwarz, 2005). Sinclair (2007) research suggests that websites must appear in the top three to five search results to have any significant effect on directing search traffic. Newsome (2006) reports, that the first-ranked search gets seven times more traffic than the tenth rank. Others suggest that the first two organic selections are used almost exclusively and those ranked after the top five are completely ineffective (Miller, 2006).

An eye-tracking study carried out by user experience research firm User Centric (quoted in Emarketer, 2011a) indicates that most search users overlook search ads almost entirely. The findings showed organic search results were viewed 100% of the time, and participants spent an average of 14,7 and 10,7 seconds looking at organic search results on Google and Bing, respectively. However, only 28% of participants looked at right-side ads on Google, and just 21% did the same on Bing - spending around 1 second viewing all ads combined on each search engine. To put this in perspective, searchers who viewed the left-hand site navigation spent more time doing so than they did viewing ads on both search engines (eMarketer, 2011a).



**Figure 9:** 'Viewing Metrics for Search Results on Google and Bing, July-Aug 2010'

Source: Emarketer (2011a).

With users spending nearly all their time viewing organic search results, Hitwise's latest numbers give some further insight (Emarketer, 2011a). The study found that users were shown to spend the vast majority of their time looking at organic search results and this data indicates that SEO is more essential than ever. Users have learned to overlook search ads, and they will continue to ignore such ads as they become even more search-savvy over time.

Lee's (2007) study suggests that paid search strategies are a cost-effective tactic to communicate with target audiences in comparison with unsolicited banner, pop-up and email campaigns. Users are becoming resistant to interruptive and irrelevant online media strategies, such as unsolicited banners and pop-up ads (Kumar & Shah, 2004; McCoy *et al.*, 2007). Researchers as Beardi



(2000) and Koch and Cebula (2002) suggest these ads have high customer acquisition costs and so are not cost effective (quoted in Lee, 2007). In contrast to interruptive media strategies, SEM primarily targets users' information search behaviours and makes it possible to serve the right message to the right target user at the right time (Kumar & Shah, 2004). SEM aligns with 'permission marketing' because information can be customised according to customers' needs, with the result that the customers are more likely to become responsive (Lee, 2007). The benefits of SEM are its relative low set-up costs facilitating small but profitable campaigns, its targeting of specific audiences, the 'cut-through' from interruptive advertising, greater click-through rates as users perceive more independent search results, and the ability to analyse return on investment (ROI) in real time (Lee, 2007).

**Email.** E-mail is a significant communication medium since it is widely used. For instance, the most popular online activity among UK Internet users is sending/receiving email (90% of respondents) (Emarketer, 2010a). Email is a great form of communication however it is the least effective when it comes to marketing. Only if executed properly, email can be an efficient mean to communicate, build and sustain strong relationships with a target market (Nussey, 2004).

Personalization is important in marketing via email. Research of Vertis Communications (2007, quoted in Charlesworth, 2009) suggests that only 1% of adults read all email advertising available to them, 20% occasionally read emails personalized to them. With statistics like that, there is no wonder organizations continue to send direct marketing emails as part of their internet marketing strategy. US and UK internet user's survey carried out by eDialog suggests that consumers will open and read messages that are personalized to them based on their preferences (eMarketer, 2010b).

E-mail communication must be relevant and targeted. In the same eDialog survey respondents expressed a desire for e-mail targeted to their interests, demonstrating that marketers know what kinds of products they like (64%), what kind of offers appeal to them (61%) and their status (whether a new or returning customer 54%) (Emarketer, 2010b). Creating compelling newsletter titles and headers, as well as interesting and useful newsletter content, will influence readers to continue to open and read e-newsletters. Blumberg *et al.* (2005) discusses how a study conducted by Quris found that 80% of customers stop reading emails because they are deemed irrelevant. A technique to increase the relevancy of an email is to create a newsletter with content that can benefit the customer (Blumberg *et al.*, 2005). Emails that don't interest recipients could eventually push them to unsubscribe (Emarketer, 2011b). Segmentation can improve relevancy and ensure recipients are more likely to be targeted with messages that will interest them, keeping them subscribed and also getting them to open, click and convert. According to research from Experian CheetahMail, loyalty-related emails can be a powerful tool for this purpose (MarketingProofs, 2011). In the research, over 5,600 transactional emails were compared to bulk campaigns for the same time period. Among email campaigns studied, mailings targeted to loyalty program members outperformed overall bulk mailings, with open rates 40% higher,

click rates 22% higher and transaction rates 29% higher. Revenues per email were also up 11% for the loyalty program group (MarketingProofs, 2011).

According to the eDialog Survey, the top reason marketing e-mails are being ignored is frequency (Emarketer, 2010b). According to Nussey (2004), frequency is not always negative, but generally, email recipients prefer to receive fewer, rather than more emails. 'The goal in setting frequency is to squeeze the maximum benefit out of the minimum number of messages by making each message relevant - the lower the frequency, the more relevant each message must be' (Nussey, 2004). Marketing Sherpa study found that an average of 24 emails per year was the ideal number to send the recipient (Holland, 2007). Too frequent commercial emails create a negative impression on email advertising among web users (Chang *et al.*, 2001) and could be considered as spam email after a while. Consequently, such commercial emails are being deleted or opted-out (Chang *et al.*, 2001). Exact Target and CoTweet released research indicating that 9 in 10 email subscribers have later opted out of permission emails, mostly because they came too frequently (Emarketer, 2011b).

There is one more issue that affect the effectiveness of email advertising is email creativeness. Achieving an eye-catching e-mail is difficult using a plain text e-mail. For greater impact and branding, many marketers are turning to HTML mail, which tend to have higher response rates. But creativity must be within the space and limitations that the medium offers (Rodgers & Thorson, 2000). Not all customers can be able to read HTML mail.

**Public Relations (PR).** The best step to take to make online public relations activities successful is to add interactivity. Interactivity is the basis of online relations - the solution to more awareness and a change in attitude and behaviour of the target audience. As mentioned before everything that is done online is a public relations activity, which, if it is done with consideration, is promotion for the organisation. This means that undertaking nothing can have a negative influence on the organisation as well (Pantea, 2009). From the consumer side, there is an active interest and demand to participate and be involved in the digital economy. Opinions, reviews, and discussion of products or services are omnipresent on the web through blogs, forums, wikis and chat rooms (Moynagh & Worsley, 2002). Interaction with customers is central in understanding customers and developing more personalised marketing communications. In creating this personalisation and providing the opportunity to create positive brand perceptions, customers need to be engaged within the online environment. The phenomenon of consumption related online interactions is commented by Hodders (2002, quoted in Rowley, 2004) and perceived as an important strategic pillar for those who want to explore the opportunity of online branding through social networks. The increasing strategic significance of online communities is highlighted by research of Chiou and Cheng (2003, quoted in Varadarajan & Yadav, 2009) showing that they can impact perceptions of firms. Firms with a poor pre-existing brand image appear especially vulnerable to unfavorable consumer-generated content in online communities.

Blogs and collaborative projects (e.g., Wikipedia) have a low level of social presence and media richness, which Kaplan and Haenlein (2010) consider could be explained by that communication mostly consists of text. The amount of social presence and self-disclosure is much higher in blogs than in collaborative project. But still, the social presence is not very high because the only way users can interact with the author is through comments. Social networking sites and content communities both have more social presence and higher media richness (Kaplan & Haenlein, 2009). The communication does no longer only consist of just text but also pictures and videos. However, the authors argue that the social networking sites has a larger amount of self-presentation and self-disclosure than the content communities since information on the latter communities focus on content, while the earlier more on individuals. Through content communities people share for example videos or music and an interest for the content makes them visit and re-visit the community. The social worlds score high in both the social-presence and self-presentation which can be explained by that these virtual worlds try to recreate the face-to-face communication and social interaction between people (Kaplan & Haenlein, 2009). The virtual game worlds (e.g., World of Warcraft) has a high social presence since the game requires much participation from the players, according to Kaplan and Haenlein (2009), who states that the low level of self presentation is a consequence of that users interaction in the game world has its limitations.

Consumers' aim is no longer merely to look for product information or advices concerning a brand, but also to get together and share an experience (Cova & Cova 2002). Prior theory has already drawn attention to the experiential context of consumption. Social networking is becoming an important supplement to social and consumption behaviour. To gain insights in these important areas it is fundamental to understand the perspectives of viral marketing.

Burson-Marsteller's Fortune Global 100 Social Media Check-up study revealed that responsible engagement in social media can reap big rewards in building relationships with stakeholders online as well as social media is providing great benefits and opportunities by helping different niches of a company reach their target audiences. Of the Fortune Global 100 companies, 65% have active Twitter accounts, 54% have Facebook fan pages, 50% have YouTube video channels and 33% have corporate blogs. More than three-quarters (79%) of the top 100 companies in the rankings are using at least one of the social media platforms (Twitter, Facebook, YouTube or corporate blogs) to actively engage with stakeholders But only 20% of these companies are utilizing all four platforms to engage with stakeholders (Burson-Marsteller, 2010).

According to Emarketer (2011c), to build a community and engagement through social networks, the consistent conversation is needed – once or two company's posts a day is good. But companies should consider day, time and content than writing posts. The Buddy Media Survey revealed, that post content on the Facebook pages outside normal business hours see engagement rates

that are 20% higher than average. Additionally, the study found that engagement rates are 18% higher on Thursday and Friday than the other days of the week. While the timing of posts often determines how engaged fans will be, their content is also important. Buddy Media found that shorter is better, as posts with 80 characters or less have a 27% higher engagement rate. Certain words also encourage engagement, particularly those that are instructions such as 'like', 'post' and 'comment' as does asking a question at the end of a post (Emarketer, 2011c).

Regarding the role of social context on advertising effectiveness, most prior work has concentrated on the topic of word-of-mouth/viral marketing effects. For instance, an online recommendation network is studied in (Leskovec *et al.*, 2007) and the observation was made that online recommendations are not as effective as would be expected by epidemic or innovation diffusion models. In contrast, Richardson and Domingos (2002) found that viral marketing can lead to considerable profit increase over direct marketing when the social ties between individuals of a knowledge sharing network are taken into account to devise the marketing plan. Emarketer (2011d) reports, that social media is known as a venue for brand discussions, but social sites and digital in general, are still not the first choice for customers talking brands. A December 2010 survey by loyalty marketing researcher Colloquy found that several more traditional methods of discussion came out far ahead of social networking when consumers were asked how they share information about products and services. Face-to-face conversation was the number one channel. Only 35% of the overall population, and 56% of the young adult population, talked about products and services on social sites (Emarketer, 2011d). The overall brand conversations are decreasing and it could be hampering growth in those conversations on the social web. Earlier research suggests the figure for social network product discussions has been about one-third or lower for a while. An April 2010 survey from ROI Research found that 33% of Twitter users shared product opinions weekly; about a fifth of Facebook users did the same. Meanwhile, research has consistently shown figures in the 70% to 80% range for face-to-face discussions (Emarketer, 2011d).

The wide usage of social media and viral nature of discussions mean product recommendations on services like Facebook and Twitter are still worth fostering, but marketers must remember most word-of-mouth tips are still unseen as part of consumers' everyday conversations (eMarketer, 2011d). Such studies study social context under a different perspective compared to this thesis, since they do not focus on the "conventional" online advertising mechanism (implemented through sponsored link ads), but investigate the viral processes taking place on online social networks.

A recent study has dealt with the impact that a user's social network may have on his/her response to internet advertising. More specifically, the work in Bagherjeiran and Parekh (2008) provides evidence to support the claim that social links are correlated with ad response rates (measured by means of CTR) and whether they can be used as predictors of these rates.

**Viral marketing.** Researchers in the early fifties have revealed that word of mouth (further WOM) could not only influence consumers' choices and purchase decisions but also shape consumers' expectations, pre-usage attitudes and even post-usage perceptions of a product or service (Arndt, 1967). More than decade ago two authors focused on the impact of WOM in social learning. A study of Ellison and Funderberg (1995, quoted in Leskovec *et al.*, 2007) examines two related environments in arguing that individuals' reliance on WOM communication has interesting implications for their aggregate behaviour. Reingen and Kernan (1986) enlightened the importance of a relational database and stated that informal communication - such as word of mouth - should have a greater focus on relational data. Referring to previous works on WOM and on opinion leadership, they argue that relational data with its connections between individuals - e.g. information flow linkages, friendship ties, etc. - provide the foundation for a network analysis of those customers of a marketer who have been generated by interpersonal interaction in which word of mouth was a key player.

Bowman and Narayandas (2001) explain in their paper that the quantity of word of mouth related to a product, brand or a service is conditional on a customer's decision to engage in WOM behaviour. Brown and Reingen (1987, quoted in Leskovec *et al.*, 2007) presented a network analysis of word of mouth referral behaviour in a natural environment. Through an investigation into the relational proprieties of social ties they arrived to the conclusion that strong ties (e.g. a close friend) are more influential and serve as bridge through which WOM referrals will more likely flow.

Jeneanne (2006) in the Business Week reported that the influence of viral marketing (or word-of-mouth) is greater than that of classic advertising media. She said this referring to customer experience as one of the great frontiers for innovation. Hence the other key element in generating word of mouth is to deliver excellent consumer experiences which creates buzz in the marketplace and generates more revenue than traditional marketing (Rosen, 2000 quoted in Richardson, 2002).

### **1.3.2. Characteristics Affecting Online Advertising Effectiveness**

**Attitude toward Online Advertising.** Among the subsequent studies that examine consumer attitudes toward online advertising (Edwards, Li & Lee 2002, Wolin, Krogaonkar & Lund 2002; Schlosser, 2004; Rodgers *et al.*, 2005), most of them show that positive attitudes toward online advertising are positively related to the effectiveness of online advertising. Yang's (2004, quoted in Ha, 2008) study shows the diversity of internet users in Taiwan and their differing attitudes toward online advertising he identified three lifestyle clusters (traditionalists, experiencers and self-indulgents). Traditionalists are more likely to view online advertising negatively, while self-indulgents are more likely to view online advertising positively as providing information to consumers. Experiencers view online advertising as interesting and enjoyable. In their survey of Korean consumers, Yoon and Kim (2001, quoted in Ha, 2008) found that highly involved as well as rationally

oriented consumers are more likely to prefer online advertising. Bracket and Carr's (2001, quoted in Ha, 2008) study of US college students found that although they found online advertising irritable, they predicted a stronger acceptance and favourable attitude to online advertising over time. Hence, they showed that attitudes toward advertising in a medium could change.

While the internet has gained strong ground among marketers as a viable advertising medium and advertising spending on the internet has grown steadily over the past decade, nowadays consumers increasingly exhibit negative attitudes and scepticism towards many forms of advertising on the web. As evidenced in the recent low click-through rates of banner ads, the most common format of web advertising, more and more consumers deliberately avoid looking at banner ads or anything of similar shape (Cho & Cheon 2004).

**Interactivity vs. Ad Impression.** The potential for interactivity on the internet differentiates it from traditional media. This interactivity enables consumers to participate in the persuasion process by controlling advertising messages (Pavlou & Stewart, 2000). It also gives users control in a mediated environment by allowing them to select the content, timing, and communication act (Li, Daugherty & Biocca, 2002).

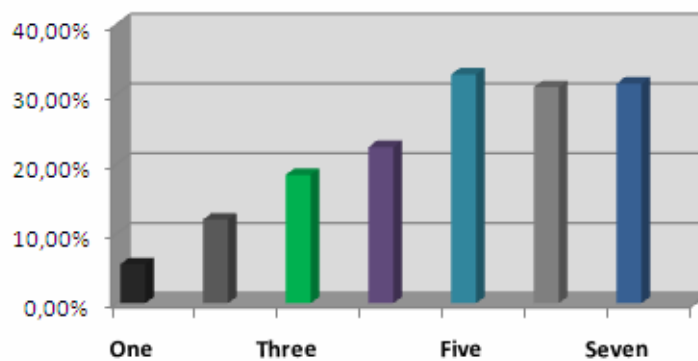
There is a big difference between the practitioners and academics in their view on the importance of interactivity in online advertising. Academic researchers all try to study the nature and perception of interactivity and how it affects advertising effectiveness. Yet advertising researchers in the industry, such as Briggs and Hollis (1997), Hollis (2005) suggest that online advertising creates brands image and ad impressions, similar to offline media advertising. Even if the online ads do not generate click-through, consumers can still be affected by the online ads. The Interactive Advertising Bureau (IAB) endorses these findings and supports ad impression as a good measure of advertising effect for online ads (Ha, 2008). Dahlen (2001, quoted in Ha, 2008) support this view of ad impression and maintain that traditional advertising theories be used in examining advertising effects.

The early study of Bezjian-Avery, Calder and Iacobucci (1998, quoted in Ha, 2008) on interactivity in advertising defines interactivity as non-linear presentation of advertising with choices of information for the consumers. Advertising copy characteristics and consumer psychographic orientation moderate the effect of interactivity. Their experiment comparing traditional linear presentation in online advertising versus non-linear online advertising shows that interactivity performs better for verbal consumers that think in words rather than visuals and for information-rich products. But for visual consumers and visual products, the linear presentation works better. They suggest that online advertising can be effectively presented both interactively and non-interactively.

While many researchers are interested to examine how an online ad or a website can be more interactive, Ying and Shrum (2002, quoted in Ha, 2008) argue that interactivity is not for everyone. Users with low desire for control and search for information on the Web do not appreciate interactive

features. They also try to explain the disparate results regarding interactivity effects on advertising effectiveness by tracing directly to how the construct is defined and operationalized.

**Online Ad Placement and Exposure.** A potential barrier to advertising effectiveness is the volume of ads to which consumers are exposed (Campbell & Wright, 2008). Consumers often limit their information exposures by engaging in selective perception, by which they process a limited number of ads and ignore others. Research by Dynamic Logic has indicated that 1 exposure leads to a 5,6% lift in brand awareness, 2-3 exposures add a 6,4% lift in brand awareness, while 4 or more exposures add an approximate 10,4% lift in brand awareness. After five exposures, however, returns were found to have diminishing returns (Kameya & Zmija, 2002).



**Figure 10:** Message Association Lift by Frequency of Ad Exposure.

Source: Kameya and Zmija, 2002.

Microsoft Advertising's European campaign research shows a clear impact of frequency on brand awareness (IAB, 2010a). While aided brand awareness rose by 3% after one contact with an online ad, six or more contacts led to an increase of 31%. Looking at 42 studies with almost 52,000 respondents, United Internet Media found similarly that a brand awareness lift of 22% can be achieved with six to seven contacts. Regarding campaign metrics such as purchase intent, impact seems to start increasing at a frequency of four to nine ad contacts (IAB, 2010a).

Internet advertising studies indicate that online ad position may play a role in attracting viewers, sustaining their interest, and determining their choices (Eyetrack III 2004; Heo & Sundar 2000; Lohse & Spiller 1998, quoted in Rosenkrans, 2009). Serial position also matters. According to Murphy's (1999, quoted in Rosenkrans, 2009) study of web users clicking behaviour and the Eyetrack III (2004, quoted in Rosenkrans, 2009) study on ad placement performance, an image at the bottom of the screen prompts less clicking behaviour, whereas an ad toward the top of a web page garners more attention. When an image appears at the top of the page, it attracts a majority of site visitors (Rosenkrans, 2009). In addition, Murphy's (1999, quoted in Rosenkrans, 2009) study, online visitors who saw four images on the top of the web page clicked significantly more (61%) than online visitors who received four images on the bottom of the web page (50%).

Heo and Sundar (2000, quoted in Rosenkrans, 2009) also study emotional responses to online advertising and find that viewers pay more attention to ads near the top of a page than ads near the bottom or along the side. Viewers approach media content with the expectation that the most important information will appear at the beginning of the page. Ads placed within the article text may attract the most attention (Eyetrack III 2004, quoted in Rosenkrans, 2009). Embedded ads within an article attract 56% of study participants, better than half-page ads next to the news articles, skyscrapers ads placed on the upper left portion of the page, standard banner ads at the bottom or top, and small banner ads in the right column. The embedded ad is becoming one of the most popular sizes, especially for the delivery of rich media ads. Table 1 summarizes some findings regarding the performance of ads on pages with articles according to their sizes (Rosenkrans, 2009).

**Table 1:** Ad Performance per Size

Type of Ad (size and placement)	Average Viewing Time (seconds)	Percentage Seeing Ad
Half page (368x60)	5.8	38
Embedded in article text	4.6	56
Skyscraper (160x800)	3.9	44
Standard banner, bottom of page (468x60)	2.0	3
Standard banner, top of page (468x60)	1.6	12
Small banner, right column (184x90)	1.3	8

Source: Eyetrack III (2004, quoted in Rosenkrans, 2009)

Yet the metrics revealed the interactive rich media ad ran below the fold line of the site, which meant users had to scroll down the page to view the ad, still garnered more clicks than the non-interactive rich media ads above the fold line. It even outperformed the industry average CTR of 0,01% for online ads (Cherecwich, 2009) and 0,06-0,17% for online rich media ads (Emarketer, 2008). Apparently, users were engaged not only with the interactive rich media ad but also with the website. This finding offers additional insight into online ad placement and suggests the need for further research in this area. Some previous research indicates the benefits of placing ads at the top of websites (Eyetrack III 2004; Heo and Sundar 2000; Lohse and Spiller 1998; Murphy 1999, quoted in Rosenkrans, 2009), but other research (Rodgers *et al.*, 2005) indicates that brand recognition is highest when the ad appears in the middle of a news story and lowest when placed at the beginning.

#### **1.4. Theory Conclusions and Hypothesis Development**

The effectiveness analysis of different online advertising formats revealed some controversial results as well as for some non-traditional formats the scientific literature fell short to provide enough statements to conclude regarding the effectiveness of those formats. Still, the literature analysis in this chapter provided a solid foundation for the research direction and hypotheses formulation.



In literature, many studies revealed, that positive advertising attitudes toward online advertising are positively related to the effectiveness of online advertising. But consumers that have negative attitudes towards online advertising still, in some cases, can found it interesting or attractive and tend to click on advertisement. Moreover, even with no clicks, the advertisement can build brand image. Concluding from that, the following hypothesis developed:

**H1 Internet advertising can be effective even if consumer have negative attitude toward online advertising in general.**

Literature suggests that no single ad model works like a magic bullet. In other words, research show that no single ad type has consistently outperformed the others. Concluding from effectiveness study of different online ad formats, the following hypothesis developed:

**H2 Rich media ads attract most attention, pop-ups are most irritating**

The effectiveness study of different banner ad features, such as location, animation and size revealed the most controversial results. Most of the studies indicate that the animation feature and top page ad location affect the effectiveness of this format. Moreover, studies revealed that bigger size ads may bring better effect, but higher downloading time may result in higher propensity to leave the page.

**H3 Most effective banner ads are large animated banners, located on the top of the web page.**

Not much support form literature was found in order to conclude what makes sponsorships an effective mean for advertising. Most studies revealed that sponsorships effectiveness depends on the internet mode and relevancy to content of the page the viewer is in.

**H4 Sponsorships are effective only if they match the content of the page or section and the viewer is in surfing internet mode.**

Some authors indicate that sponsored results are just as relevant as non-sponsored results for search queries, but other studies revealed that web users have negative bias against sponsored links. Researchers have different opinions regarding the ranking position on organic search results that can be considered as most effective to get clicks.

**H5 Search results that can be considered most effective to get clicks are organic search results ranked on the first page of search result list.**

Not much scientific literature analyzed the effectiveness of email marketing. Studies indicate that the top reason marketing emails are being ignored is frequency. Consumers will open and read messages that are personalized to them based on their preferences and if they found the content interesting and useful.

**H6 Consumers will open and read personalized, interesting and useful commercial emails with frequency of one or two times per month.**

Studies indicate that online ad position may play a role in attracting viewers, sustaining their interest, and determining their choices. Some previous researches indicate the benefits of placing ads at the top of websites. Others indicate that brand recognition is highest when the ad appears in the middle of a news story and lowest when placed at the beginning.

**H7 Ads placed within the article text may attract more attention than ads placed at the top, bottom or on a side of the article.**

The effectiveness study of ads interactivity feature revealed controversial results. While some studies suggest that interactive components built into a simple banner ad can double the levels at which consumers will click, others revealed that online advertising can be effective presented both interactively and non-interactively. Moreover, some researchers argue that interactivity is not for everyone as users with low desire for control does not appreciate interactive features. But the online advertising effectiveness study systematically found that the more surfers can do within an ad without leaving the content, the more likely they will interact with it.

**H8 Higher degree of interactivity of online ads has positive impact on effectiveness of online advertising.**

Consumers' aim is no longer merely to look for product information or advices concerning a brand, but also to get together and share an experience. In providing the opportunity to create positive brand perceptions, customers need to be engaged within the online environment.

**H9 Consumers seek to participate and be involved in discussions about products/services through communication on forums, blogs, groups, social media and etc.**

Social networking is becoming an important supplement to social and consumption behaviour. Social media is known as a venue for brand discussions, but social sites and digital in general, are still not the first choice for customers talking brands.

**H10 Consumers prefer face-to-face conversations in order to share opinions about products or brands.**

Some studies show that online recommendations are not effective. In contrast, other researches found that viral marketing can lead to considerable profit increase when the social ties between individuals of a knowledge sharing network are taken into account. Strong ties are more influential and serve as bridge through which word-of-mouth referrals will more likely flow. Moreover, word of mouth could not only influence consumers' choices and purchase decisions but also shape consumers' expectations, pre-usage attitudes and even post-usage perceptions of a product or service.

**H11 Consumers read the information about the products/services recommended by close friends and tend to forward the messages to their friends or colleagues.**

**H12 Online recommendations by close friend shape the consumers' attitude toward the product and influence purchase decisions.**

## 2. RESEARCH ON EFFECTIVENESS FACTORS OF ONLINE ADVERTISING

### 2.1. Methodology

**Research Using Questionnaire Method.** The literature analysis did not provide enough comprehensive statements to propose effective online advertising model. But the theoretical framework provided with the guidance needed to determine what kind of data to collect and how to analyze it. According to Merriam (1998), this can be recognized as a deductive starting point since the researchers conduct a theoretical based study with hypotheses that will test the theory they have studied. Yin (2009) agrees with the authors and stresses that the theory the researchers use in their study is essential since it will affect the whole research process and its results. In this thesis a deductive approach has been used since the hypotheses were derived from the theories provided by theoretical framework. To test the hypothesis the quantitative method has been used since it was found the most suitable as it enables to get the objective insights. The quantitative method consists of internet based questionnaire in order to gather the primary data which will enable to test the hypothesis and answer the first two research questions raised in this thesis. The questionnaire consists of 24 questions related to hypothesis developed from literature analysis and 4 additional questions in order to get the demographic and internet motive data. The audience of this research is all internet users. Initially, respondents were contacted via email and Social Network (Facebook) on April 2011 requesting to answer an online questionnaire. Total of 121 respondents answered the questions. The Questionnaire sample is presented in the Annex No 1.

**Research using Observation Method.** The third research question has been raised in order to test what online advertising model is being used in practice by large businesses in order to promote their brands on internet. This RQ3 can be divided into few sub-questions, such as what formats are being used and how those formats are being presented physically on the internet. In order to answer these questions, observation method has been used. Scientific observation can be defined as systematic process of recording the behavioural patterns of people, objects, and occurrences without questioning or communicating with them. The researcher utilizing the observation method of data collection witnesses and records information as events occur or compiles evidence from records of past events.

The observation has been performed on the web during the February, March and April of 2011. The results enable to conclude what internet advertising model is being used in particular sector in which selected companies operate. This model was compared with proposed model which resulted from literature analysis supported by research using questionnaire method.

United Kingdom was chosen owing to statistics that online advertising share of overall ad spend (30%) is the highest in Europe with average of online advertising share of overall ad spend of 18-19% (IAB, 2010b). The UK companies selected operate in Dairy sector of Food Industry in which the

author has an exceptional interest as it is directly related to work activity. The companies operating in the dairy sector was selected not based on their size or popularity, but on the popularity of brands that they own. The Grocer magazine yearly announces the Britain's 100 Biggest Brands. The last report available is for year 2009 and published in The Grocer magazine on 20 March 2010. The reports are being produced in association with Nielsen, as the data is taken from Nielsen's Scantrack service, which provides comprehensive information on actual purchases, market shares, distribution, pricing and promotional activities. The most valued UK dairy sector brands, such as Muller Corner, Lurpak, Danone Activia, Cathedral City, Cravendale, Muller Light, Actimel, Dairylea, Philadelphia and Anchor participated in this observation. These brands have turnover between £85-227 million yearly and invests millions in marketing campaigns (up to 10% of turnover). As the statistics show that UK companies tend to invest a solid portion of overall ad spends into the online marketing, it is presumed that ads for these brands will be found on the web. The brands are being owned by UK dairy producers such as Muller Dairy, Arla Foods UK, Danone UK, Kraft Foods UK and Dairy Crest. It must be mentioned, that depending on the online ad format, the research was performed in order to find if the companies are advertising online. For some online advertising formats, like SEO or permission email, the company's (as a brand) promotional activities are particularly important in order to have stronger promotional presence for the brands the company owns.

The observation was being performed on the web in order to identify the online promotion activities for each brand indicated in paragraph above. Most of online promotional activities were observed in UK best ranked websites. To indicate such websites, the Web Information Company Alexa's data were used (Alexa.com). Alexa provides website information such as Top Sites (by Country, Industry), Internet Traffic Statistics, Metrics and etc. Additionally, widely used websites and search engines to find blogs in global blogosphere and podcasts were accessed as any blog or podcast search engines were not found in the top ranked site list of the UK, presented by Alexa.

## **2.2. Research Data**

**Research Data Using Questionnaire Method.** Total of 121 respondents answered the questions presented in the online questionnaire, out of which 61% female and 72% of age group between 25-44 years. Most of the respondents (90%) are heavy internet users, accessing it every (or almost every) day. Among the most popular online activities are sending/receiving email (90%), reading online news, newspapers or magazines (82%), searching for information (79%) and banking online (70%). Regarding the general attitude toward online advertising, only 15% have negative attitudes (consider as irritating, indulgent and interruptive), 31% have positive attitudes, 14% does not pay attention and 40% affirm having different attitudes toward online advertising (depends on product, advertising features, etc.). The 55% of respondents that have negative attitudes (15%) or have different

(negative or positive) attitudes depending on product being advertised (40%) were asked to answer the additional questions in order to investigate if the overall negative attitude toward online advertising has an impact on the effectiveness of online advertising. Total of 66 respondents answered this question out of which 55% states that they may respond to online advertising if they find the product interesting or relevant to their personal needs and 26% states that they may find it interesting if the advertisement is eye-catching or exceptional from others.

As the most effective online advertising formats the rich media (22%), banner ads (20%) and contextual advertisements (19%) can be mentioned. The pop-ups (74%) were found as the most irritating online advertising format. The most acceptable online advertising format features are idea uniqueness (50%), eye-catching design (44%) and photos or pictures embedded in the ad (29%). As the most irritating ad features are no "exit" option to stop or delete the ad (74%), moving across the screen or blinking (flashing) ads (57%) and ads that cover the content the consumer is watching/reading (52%). Regarding the online ad features that attracts the viewer's attention the most, the results show that viewers pay attention to the ads that are relevant to their personal needs (55%), not interruptive (39%) and exclusive from the context, contrastive ads (24%).

The results show that the banner ad size has no impact on the effectiveness of this format (64%), but banner ads located on the top of the page (47%) are more attention-grabbing than ads on the side (29%) or on the bottom of the page (3%). Moreover it was found that banner ads with short ad phrase (38%), logo/brand name (35%) or animated banner ads (27%) have more chances to grab attention than banner ads with long text message (0%).

The results indicate that relevant to content sponsorships are more likely (63%) than irrelevant sponsorships (16%). Depending on internet motives, the researchers are more likely to respond to relevant sponsorships (60%) than internet surfers for entertainment or leisure (16%). Moreover results of subsequent questions in the questionnaire indicate that web users have a negative bias against sponsored search results (50%) and 32% of respondents indicate that sponsored results are just as relevant as non-sponsored results for search queries. Only 18% of respondents in most cases use sponsored results. In organic search result list 42% of respondents are more likely to view the results ranked in more than one page of result list and 34% of respondents indicate that only first page of organic search results are more likely to be viewed. 24% of respondents are more likely to view only up to top five of organic search results.

Further the research indicate that 52% of respondents open and read advertising emails if they found the email title interesting and 29% do not open advertising email at all. Investigating the features of what make email advertising effective, respondents indicate that the personalization (49%) and creativeness (36%) does not influence much on their interests, the loyalty programs were found equally influencing the interest. The strongest influence on interest to open and read email advertisements have

the interesting and compelling title of the message (37%) as well as interesting and useful email message content (38%). In order to investigate the desired frequency of email messages being received, 32% of respondents prefer one or more advertising emails per week, 39% of respondents prefer one or two advertising emails per month and 23% of respondents prefer less than one advertising email per month.

Some questions presented in the questionnaire are overlapped between different formats were categorized in the literature review. Questions related to viral marketing and public relations may be used for both, viral marketing and public relation effectiveness discussion. Regarding interactive pictures embedded in the article text that can get most attention, one third of the respondents indicate that the most attention attracts the pictures or photos placed right after the article title (33%) and one fifth of the respondents say that the picture or photo placed in the right or left side of an article may attract the most of their attention (20%). Less attention is being paid to photos or pictures embedded in the article text (16%) or on the bottom of the article (13%). Regarding the advertisement interactivity, the majority of respondents find the interactivity of high importance (60%) with only 7% of respondents that would look for more information on product was advertised by non-interactive ad. Regarding the attitudes towards online discussion issues, 57% of respondents indicate preferring more traditional methods for product discussions as they usually discuss such issues on face-to-face conversations. Only 4% of the overall population talks about products and services on internet (social sites, forums and etc.) and 21% of respondents discuss it equally on the internet and face-to-face. But 67% of respondents find the information in online discussions interesting and useful with 19% of respondents saying that have never read the brand discussions or post their own opinion as the information there are not objective and reliable. Further, the issues regarding the viral marketing indicate that respondents tend to read and recommend the information to their friend and colleagues if they found it useful and interesting themselves (62%). Further results indicate that 24% of population tend to read the information by themselves but do not recommend it to their friends and colleagues with only 15% ignoring such recommendations as they do not have time or do not think it will be useful. Moreover, the question related to creating online buzz was asked in order to investigate if respondents are tending to forward buzz related messages to their friend and colleagues. The results indicate that 40% of respondents forward the buzz creating messages to their friends and colleagues either they found it interesting themselves and others will like it as well (31%) or forward the message as it is required in order to get the benefit 9%). 60% of respondents say that never forwards such messages to their friend and colleagues even if they found it interesting by themselves (29%) and 31% state that never read or recommend such messages as they never interest in such offers. Further, the results regarding the word-of-mouth influence on consumers' choices, purchase decisions, attitudes and perceptions suggests that 48% of respondents think the opinion of their friends, relatives or

colleagues are of high importance and shapes positive attitudes towards the product. 42% of respondents state the opinions of other people are important, but the choice to purchase is determined by other criteria (price and etc.) with only 10% saying that the opinions of other people do not influence the choice to purchase. Out of 48% of respondents that say the other people opinions shapes positive attitudes toward the products, 46% of population will recommend the product to others without purchasing themselves (pre-usage attitude), 39% of population state it influences the decision to purchase and 15% state that it shapes their expectation so strong that after making the purchase they found it difficult to objectively assess the product (post-usage perceptions).

### **Research Data Using Observation Method.**

- Search Engine Marketing. The keyword searches were performed in order to identify if the selected companies and brands (further brands) are marketing their websites via search engines. The overall success of SEM depends on selecting the proper keywords that can be specific (organization/product specific) or common (industry specific). Specific keywords for each website were selected using Alexa's web information database. Food industry related and product category related terms have been selected to perform common keyword searches. In general, the search expressions chosen encompassed a representative sample of terms that ordinary internet users may use to search for company or product and for which companies are likely to buy advertisements on search engines. A selected portion of the sample keywords used in this study is given in Table 2. The sample contains 15 specific and 24 broader keywords.

**Table 2: Sample Keywords.**

Producer/Brand	Websites	Specific keywords	Common keywords
Arla	arlafoods.co.uk	Arla foods	Dairy, Dairy UK, milk, milk UK, dairy milk, dairy milk UK, dairy products, dairy products UK, foods UK, cheese producers UK, butter, Butter UK, cheese, cheese UK, cheddar UK, cream cheese, cream cheese UK, yogurt UK, yoghurt UK, pro-biotic drink UK, pro-biotic yogurt UK, Cheese producer UK, cheese snack UK, children cheese snack UK
Cravendale	milkymatters.co.uk	Cravendale	
Anchor	thefreerangebutter.co.uk	Anchor butter	
Lurpak	lurpak.co.uk	Lurpak	
Dairy Crest	dairycrest.co.uk	Dairy crest	
Cathedral city	cathedralcity.co.uk	Cathedral city cheese	
Danone UK	danone.co.uk (danone.com)	Danone	
Activia	danoneactivia.co.uk	Activia	
Actimel	actimel.co.uk (actimel.com)	Actimel	
Kraft Foods UK	kraftfoods.co.uk	Kraft Foods UK	
Philadelphia	philadelphia.co.uk	Philadelphia cheese	
Dairylea	dairylea.co.uk	Dairylea	
Muller Dairy	mullerdairy.co.uk	Muller light	
Muller Corner	thankyoucows.com	Thank you cows	
Muller Light	mullerlightspree.co.uk	Muller light spree	

Based on keyword type, research in search engines is divided into two parts: specific keyword search and common keyword search. Performing the searches the main focus was to determine if the website appeared within the first 2 pages ('+' or '-') of search result list. To perform effectiveness analysis, the additional data as the position of the websites in the organic search results list were retrieved (first page 1 to 10, second page >10). The study was performed on March 22-29, 2011. Searches were performed using 3 search engines: Google UK (google.co.uk), Yahoo! UK & Ireland (uk.yahoo.com) and MNS UK (bing.com) that were selected from a top 100 UK websites list based on highest visitor traffic rankings. Search results are presented in Table 3.

**Table 3:** Search Engine Advertising Activities

Search Engine/ Website	mullerdairy.co.uk	thankyoucows.com	mullerlightspre.co.uk	kaftfoods.co.uk	philadelphia.co.uk	Dairyalea.co.uk	Arlafoods.co.uk	Milkmmatters.co.uk	Lurpak.co.uk	Thefreerangebutter.co.uk	Dairy crest.co.uk	Cathedralcity.co.uk	Danone.co.uk	Danonectivia.co.uk	Actimel.co.uk
<b>Search Results Using Specific Keywords</b>															
<i>Google.co.uk</i>	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
<i>Position(s)</i>	1,2	1,2	1,2	9	1,2	1,2	1,2	1,2	4,5	>10	1,2,3	1,2	4,5	2,3	2,3
<i>Uk.yahoo.com</i>	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
<i>Position</i>	1	1	1,2	1,4	1	1,4	1,4	1,3	2,4	3,7	1,7	1,6	1,5	1,9	2,4
<i>bing.com</i>	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
<i>Position</i>	1,2	1	1,2	1,3	1,2	1,2	1	1,3	1	>10	1,7	1,6	1,4	1,4	1,4
<b>Search Results Using Common Keywords</b>															
<i>Google.co.uk</i>	+	+	+	-	+	-	+	+	+	-	+	+	+	+	+
<i>Position*</i>	2/4	>10	>10	-	2/8	-	6	3	>10	-	4/4	>10	>10	>10	7
<i>Uk.yahoo.com</i>	+	+	+	+	+	-	+	+	+	-	+	+	+	+	+
<i>Position</i>	9	>10	>10	>10	7	-	3	7	>10	-	6	>10	8	>10	2
<i>bing.com</i>	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
<i>Position*</i>	8	>10	>10	>10	1/2	8	4	3/5	>10	>10	2/3/9	>10	5/10	>10	6/2

\*results obtained using different queries are slashed

45 searches using specific keywords and 72 searches using common (industry/sector) keywords were performed. All searches were performed (100%) using specific keywords gave the results. 98% (43 searches) resulted within the first page of results list. The results using specific keywords indicate that all websites are registered to all three search engines' organic search. Using common keywords, not all the searches gave the results. 3 brands in *Google* and 2 brands in *Yahoo* did not result performing searches with 24 common keywords in each of search engine. Out of 49 searches that gave the results, 21 searches (43%) resulted within the first page of results list. Websites resulted only once



per page using one particular common keyword. But occasionally the same keyword resulted with more than one website performing in this research. To sum up the results, it was chosen to look at relative percentage of all searches that match at least one result for each brand was being observed. If the same website appeared twice using one particular keyword, it is treated as one resulted search. Total 117 searches were performed using either specific or common keywords. 104 searches (89%) gave the results out of which 80% (83) resulted within the first page of the search list. Performing the searches the attention has been paid to the sponsored links as well. Using specific keywords no sponsored links for selected websites appeared. Using common keywords, one sponsored link was noticed. Performing the search on google.co.uk using keyword 'Milk UK' the link sponsored by milkmatters.co.uk showed up on the right side of the page.

The research limitation is that it is not feasible to perform searches with all possible common terms that exist for particular product or business. Therefore, the search results are time sensitive as the same search engine using the same search terms with respect to time can retrieve different results.

- **Public Relations (PR)**

*Article Marketing:* the purpose of article marketing is twofold. Firstly, article marketing is a long-term traffic building strategy which helps to increase the website ranking using relevant keywords or key phrases, incorporated in the text. On the other hand well written content articles have the potential to increase the business credibility within its market and helps in attracting new clients. The free article submission directories ezinearticledirectory.co.uk, articledepot.co.uk and freearticledirectory.co.uk were access in order to find if the articles related to the brand names or company titles were submitted. There were any articles found on selected directories. Further, the websites containing business, food and drink news were accessed in order to investigate if there are any articles related to the companies and their brands are participating in this research. The websites were selected from Top 100 UK websites lists, provided by Alexa. Most of the articles found on news portals were published by companies' press and media agents. Most of them contain images, interactive banners or rich media ads (video), highlighted interactive keywords incorporated into text as well as links to websites on the bottom of the article. Results are presented in Table 4.

*Portal Presentation:* websites containing directories or classified ads as Yahoo! Classifieds (dir.yahoo.com), Food Industry Directory (therightinfo.co.uk) and UK Directory (ukdirectory.co.uk) were accessed in order to find if selected brands are being presented. Searching for brands on directories or classified ads, in some cases the results show the company's website instead of brands website. It is considered as the brands are being submitted to directories/classifieds as the companies' websites have links to their brands' websites. The results are presented in Table 4.

*Blogs:* to find corporate blog websites, the search engines for blogs as Twingly (twingly.com), Technorati (technorati.com) and World Press (wp.com) were used which are search engines enabling

to find blogs by tag or keyword through the global blogosphere. Blog for Philadelphia brand was found on [blogspot.com](http://blogspot.com) ([philadelphia-creamcheese.blogspot.com](http://philadelphia-creamcheese.blogspot.com)). The blog mostly contain news, recipes with links or recipes video. Literature suggested that regardless of whether a company decides to maintain a blog, they may post comments or send messages to other blogs in an effort to promote titles. It is important of finding the blogs that people are reading, and attempting to position themselves on these blogs. Twinlgy and World Press have been used in order to find if the brands were mentioned in any blogs. It enabled to indentify a number of Food related blogs, which featured the brands are being investigated. To name a few, the 'Food and Drink' on [telegraph.co.uk](http://telegraph.co.uk) and 'Life and Style' on [guardian.co.uk](http://guardian.co.uk) can be mentioned as these websites are ranked high enough to be on UK Top 100 list. Most of blog posts found contain tags, links to sites and links to other blogs. Some posts included video, images and was commented by users. Most mentions were in food, cooking and business or advertising related blogs.

*Groups:* to find if selected brands are being discussed in common interests groups, the websites containing such availability were selected from Top 100 UK website list. Websites like Google, Yahoo and Facebook provide availability to create, find or participate in the discussion groups. The results of groups were found for selected brands are summarized in Table 4. Most of the groups were on Google and Facebook websites, much less discussions indicated in Yahoo. Discussions on advertising campaign, product features, employment information, appreciation societies, entertainment (fan clubs), recipe books can be mentioned as the most popular topics discussed on groups. Corporate groups (company) were mostly employee discussion groups, but the information shared is available for public and interesting enough to read for members outside the company.

*Forums:* food related forums were selected to observe if the selected brands are being discussed. The results presented in Table 4. Brands found on forum discussions contain topics such as price check, coupons share, product, advertising campaign discussions, buzz on product promotional activities and etc.

*Podcasting:* to find podcasts related to selected brands the podcasts directories such as [podcastnation.co.uk](http://podcastnation.co.uk) and [podcastdirectory.com](http://podcastdirectory.com) we used. No podcasts for selected companies or brands were detected.

*Answers:* the community-driven question-and-answer sites were accessed in order to find if selected brands were mentioned in users' submitted questions and answers. The sites were selected from top 100 best ranked UK sites list, presented by Alexa. There were many questions-and-answers found related to the brands are being observed. The questions-and-answers found related to company location, website addresses, product features, product usefulness, advertising comments, recipes, delivery service, health issues, calorie count and etc. The results are presented in Table 4.

**Table 4: Public Relation Activities**

Advertising Channels/Brands	Muller Dairy	Muller Corner	Muller Light	Kraft Foods UK	Philadelphia	Dairy/lea	Arla Foods UK	Cravendale	Lurpak	Anchor	Dairy Crest	Cathedral City	Danone UK	Activia	Actimel
<b>Article Marketing</b>															
> bbc.co.uk	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
> dailymail.co.uk	+	-	+	+	+	+	-	+	+	+	+	+	-	+	+
> Guardian.co.uk	+	-	-	+	-	+	+	-	+	+	+	+	+	+	+
> telegraph.co.uk	-	+	+	+	-	-	-	+	+	-	+	+	+	+	+
> thegrocer.co.uk	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
<b>Portal Presentation</b>															
>Yahoo Directory	-	-	-	+	-	-	-	+	-	-	+	+	+	+	+
>Food Industry Directory	-	-	-	+	+	+	+	+	+	+	+	+	+	-	+
>UK Directory	+	+	+	+	-	-	-	-	-	-	+	+	-	-	-
<b>Groups</b>															
>Google Groups	-	+	+	+	+	+	-	+	-	+	+	+	+	+	+
>Facebook Groups	-	+	+	+	+	+	+	+	+	+	+	+	+	-	-
>Yahoo Groups	-	-	-	+	+	-	-	-	-	-	-	-	-	-	-
<b>Forum Marketing</b>															
>forums.moneysavingexpert.com	+	+	+	-	+	+	+	+	+	+	+	+	+	+	+
>netmums.com	-	+	+	+	+	+	-	+	+	+	+	+	+	+	+
>jamieoliver.com	-	+	+	-	+	+	+	+	+	+	+	+	-	+	+
<b>Questions and Answers</b>															
>Yahoo! Answers	+	+	+	-	+	+	+	+	+	+	+	+	-	+	+
>help.com	-	+	-	+	+	+	-	+	-	-	-	+	+	+	+
<answers.com	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
<b>Social Network Active Accounts</b>															
>Facebook	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
>Twitter	+	-	-	+	+	+	-	+	+	+	+	-	+	+	+
>MySpace	-	+	+	-	+	+	+	+	+	+	+	+	-	+	+
<b>Brand Channels</b>															
>YouTube	-	-	-	+	+	-	-	+	+	-	-	-	+	+	+
>World News	-	+	+	+	+	+	+	+	+	+	+	+	+	+	+

*Collaborative Activities:* the most widely used collaborative tool Wikipedia was access in order to find if the selected brands have editable articles containing information and related page links. All companies and brands participating in this observation were found on Wikipedia. All articles contain

detail company/product information, history, description of manufacturing processes, marketing campaigns and most importantly, have links to related websites.

*Social Bookmarking:* social bookmarking tools allow users to share online bookmarks with each other and even allow the possibility to vote on each other's bookmarks. To search bookmarks for companies and brands participating in this research, the website delicious.com enabling to search for bookmarks by typing an URL address, was accessed. Bookmarks of all companies and brands participating in this observation were found.

*Social Networking:* the social networking sites, such as Facebook, Twitter and MySpace were access in order to find if the companies explore the opportunity of online branding through social networks. The active pages/accounts were found are summarized in Table 4. All brands have accounts in at least two social network sites. Some had even two or more accounts in each particular social network site.

*Brand Channels:* You Tube (youtube.com) and World News (wn.com) provide and availability to create brands channels. The channels found contain profile information, videos, images, subscriber information and more features. As well as channel pages also display links that let users to interact with brand by sending messages, sharing channel with friends, or adding comments. The results are presented in Table 4.

- Interactive Formats

*Banner and Rich Media Ads:* during the period of three months of searching for information on the selected brands on the web, no real banner or rich media ads appeared except those that were incorporated in company or brand related articles. All brands participating in this research are UK brands and the online advertising campaigns, if there is any, presumably are targeted to UK market. Following that, the ads shown on one particular page may differ depending on the country the web page is access from.

There were many articles found containing the information about the online display ads campaigns were launched on brands are being observed in this thesis. For instance, the digital activity for brands like Lurpak, Cravendale and Arla are supported by online display ads on sites including Facebook, Mumsnet and Nickelodeon. To find if any display or rich media ads are being created (presumably were displayed as online ads), the google search engine which enables to find images and video were used. Display and rich media related ads were found for all brands participating in this research.

*Websites and Micro-sites:* all brands participating in this research has their websites. Brand websites themselves are as micro-sites of company websites. Additionally, some brands have micro-sites, created for particular online or offline advertising campaign. To name a few, brands like Muller Corner and Muller Light has created micro-sites for their offline campaigns, like 'Mix it Your Way',

Muller Lights ‘Sex and the City 2’ ([Mullermixologycorner.co.uk](http://Mullermixologycorner.co.uk), [mullerlightsexandthecity2.co.uk](http://mullerlightsexandthecity2.co.uk)), Cravendale brand has [makethetea.co.uk](http://makethetea.co.uk) micro-site which offers highly interactive game-based entertainment as well as micro-site for “Kitchen Collectables” campaign ([rewards.milkmmatters.co.uk](http://rewards.milkmmatters.co.uk)), Lurpak offers to join a Bake Club ([bakeclub.co.uk](http://bakeclub.co.uk)) where currently 11838 people are ‘baking’, Philadelphia cream cheese campaign “Breakfast from Heaven” ([lovemyphilly.com](http://lovemyphilly.com)) were run in many countries such as Canada, UK and US.

*Online Games and Video Marketing:* the Facebook, MySpace pages and official brand websites were accessed in order to find if any games were created. The results are presented in Table 6. To find if any video ads are available, the YouTube website was accessed. There were found videos for all the brands are being observed in this research.

- Partnerships

*Sponsorships:* a lot of sponsorships were identified during the 3 month period of surfing the web for brands’ online advertising campaigns. Philadelphia brand sponsored the ‘Adams and Tylers Big Idea’ ([snagwiremedia.com/adamandtyler/](http://snagwiremedia.com/adamandtyler/)), Muller Light was found as a sponsor of ‘Slimming World Recipe Book’ ([nhsappointments.co.uk](http://nhsappointments.co.uk)), sponsor of Diabetic Recipes ([on.diabetes.org.uk](http://on.diabetes.org.uk)) and Scottish Slimmers' 2010 ([Scottishslimmers.com](http://Scottishslimmers.com)), Lurpak sponsored the Unilever Innovation ‘Roll-On butter stick’ ([madmadrileno.wordpress.com/2011/02/17/innovation/](http://madmadrileno.wordpress.com/2011/02/17/innovation/)), Muller Dairy sponsored the LACA Awards ([laca.co.uk/awards.php](http://laca.co.uk/awards.php)), Cravendale, Anchor and Cathedral City were found as sponsors of some videos in YouTube.com (not related to their brands), Muller Corner was found as sponsor of 'Poetry Corner' ([thefootballnetwork.net/boards](http://thefootballnetwork.net/boards)), Dairy Lea sponsored School Pack Lunches Ideas ([bbc.co.uk](http://bbc.co.uk)), Nation Cup sponsored by Actimel ([nationcu.com](http://nationcu.com)), Activia was found as sponsor for website AlkalineEarth.com. The sponsorships mentioned above are regular sponsorships. Few content sponsorships were detected mainly on article reading activity, where the food related articles were sponsored by brands such as Cravendale, Lurpak, Muller Light and Philadelphia.

*Co-Branding:* for some brands the co-brand arrangements were identified. Link exchange were found between Muller Dairy and Shropshire Tourism (The Official Tourism Website for Shropshire), Dairy Lea and Tweddle Children’s Animal Farm ([tweddlefarm.co.uk](http://tweddlefarm.co.uk)), Lurpak and Jamie Oliver ([jamieoliver.com](http://jamieoliver.com)), Anchor and Ocado Shop Online ([ocado.com](http://ocado.com)), Tesco ([tesco.co.uk](http://tesco.co.uk)), Asda ([asda.co.uk](http://asda.co.uk)) and other UK supermarkets, Dairy Crest and Dairy Co ([dairyco.org.uk](http://dairyco.org.uk)), Danone UK and Nation’s Cup World Final, brands Activia and Actimel have link exchange arrangements with Milk and More ([milkandmore.co.uk](http://milkandmore.co.uk)). Banner ad exchanges were found between Cathedral City, Activia, Actimel, and Milk and More Company ([milkandmore.co.uk](http://milkandmore.co.uk)).

- Email Marketing

The companies’ and brands’ websites have been accessed in order to sign up for newsletters. Not all the websites provided the possibility to sign up to get the advertising information via an email.

Some sign ups required to fill in the forms or just register in order to get e-newsletters, others provided availability to check box with the requirement to get newsletters' only if the question is being formulated. The Table 5 summarizes the email newsletter availability and features. Ten out of fifteen websites had availability to subscribe for email newsletters. The newsletters were received occasionally around 1 to 3 times per month. All the newsletters received were offering the loyalty programs, contain pictures, logos and were highly interactive (contain website links).

**Table 5:** Email Marketing Features

Email Marketing Features/Brands	Muller Dairy	Muller Corner	Muller Light	Kraft Foods UK	Philadelphia	Dairylea	Arla Foods UK	Cravendale	Lurpak	Anchor	Dairy Crest	Cathedral City	Danone UK	Activia	Actimel
Newsletter Availability	+	-	-	-	+	+	+	+	+	+	-	+	-	+	+
Newsletter Frequency (per month)	1	x	x	x	1	2	1	1	3	1	x	2	x	3	1
Loyalty programs	+	x	x	x	+	+	+	+	+	+	x	+	x	+	+
Hyperlinks	+	x	x	x	+	+	+	+	+	+	x	+	x	+	+
Personalization	-	x	x	x	-	-	-	-	-	+	x	-	x	+	-
Creativeness	+	x	x	x	+	+	+	+	+	+	x	+	x	+	+

- Viral Marketing

*Buzz Creating Campaigns:* there were many buzz creating campaigns found during the web observation. For instance, Muller Light's 'win a 1000 shopping spree everyday' promotion invites consumers to submit a code online to be entered into a free prize draw to win. The buzz are being created as to submit these codes, the consumers must become a fan of Muller Light on Facebook and share it with friends. Every unique code gives consumers the chance to enter a free prize draw to win for them and 3 of their Facebook friends. The Cravendale buzz campaign must be mentioned as the discussions about it were found everywhere – on forums, social network pages, groups, questions-answer discussions and etc. The promotion invites to collect unique codes which can be found on milk bottles and can be exchanged into various rewards on the brand's website. There are many different prizes available to exchange into each particular code and to get the whole prize collection the codes were exchanged with other customers via internet. The most popular buzz creating project is Lurpak's Bake Club as it attracted the biggest online audience to share the ideas about cooking, exchange the recipes and participate in the competitions. The Lurpak's Bake Club website is among the most popular food/cooking related website in the UK. The other buzz campaigns, such as Activia TLC plan, Dairylea project of best places for outdoor competition, Actimel winter activity suggestions can be mentioned as being highly interactive and attracts customers to share opinions, experiences and etc.

Table 6 summarizes the data gathered during the web observation. The result is considered as positive (+) if it was detected in at least one advertising channel of each format being observed.

**Table 6:** Summary of Research Results

Online Advertising Formats	Muller Dairy	Muller Corner	Muller Light	Kraft Foods	Philadelphia	DairyLea	Arla Foods UK	Cravendale	Lurpak	Anchor	Dairy Crest	Cathedral City	Danone UK	Activia	Actimel
<b>Search Engine Marketing (SEM)</b>															
SEO	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
SEA	-	-	-	-	-	-	-	+	-	-	-	-	-	-	-
<b>Public Relations (PR)</b>															
Article Marketing	+	-	+	+	+	+	+	+	+	+	+	-	+	-	+
Portal Presentation	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Corporate Blogs	-	-	-	-	+	-	-	-	-	-	-	-	-	-	-
Blog Posts	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Groups	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Forum Marketing	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Podcasting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Answers	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Wikis	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Social Bookmarking	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Social Networking	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Brand Channels	-	+	+	+	+	+	+	+	+	+	+	+	+	+	+
<b>Interactive</b>															
Banner Ads	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Rich Media	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Brand Websites	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Micro-sites	+	+	+	+	-	-	+	+	+	-	+	-	+	+	-
Online Games	+	+	+	+	+	+	-	+	+	+	-	-	-	+	+
Video Marketing	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
<b>Partnerships</b>															
Sponsorships	+	+	+	-	+	+	-	+	+	+	-	+	-	+	+
Co-Branding	+	-	-	-	-	+	+	-	+	+	+	+	+	-	+
<b>E-mail Marketing</b>															
Newsletters	+	-	-	-	+	+	+	+	+	+	-	+	-	+	+
<b>Viral Marketing</b>															
Buzz Creating Campaigns	-	+	+	-	+	+	-	+	+	+	-	+	-	+	+

### **3. EFFECTIVE ONLINE ADVERTISING MODEL FORMATION**

#### **3.1. Research Hypothesis Testing**

**H1.** The research revealed that 15% of respondents have totally negative attitude towards online advertising and 40% of respondents declare their attitude depends on product being advertised, advertising features and etc. These respondents (N=66) were asked to answer the additional question in order to test the hypothesis proposition. The results support the hypothesis as 81% of respondents state that they might to respond to online advertising if they found the product interesting, relevant to their personal needs or the advertisement is eye-catching, exceptional from other advertisements were seen on the internet. Consumers having negative attitudes towards online advertising may click on advertisement, but the advertisements with no clicks do not build brand images and ad impressions for them as only 2% of respondents having negative attitudes remembers the brands seen on ads. The hypothesis tested can lead to the conclusion that the online advertising is effective regardless the consumers' attitude towards online advertising in general.

**H2.** Research results completely supports the hypothesis as rich media ads (22%) were selected as most effective online advertising format and pop-up (74%) was found as the most irritating online advertising format. Moreover, as the most acceptable online advertising format features were found is the idea uniqueness (50%), eye-catching design (44%) and photos or pictures embedded in the ad (29%). These ad features reflect the Rich media ads. As the most irritating ad features have been mentioned was no "exit" option to stop or delete the ad (74%), moving across the screen or blinking (flashing) ads (57%) and ads that cover the content the consumer is watching/reading (52%). These features characterize the ad formats such as Interstitials and Pop-ups. The results of question related to ad features attracting the viewer's attention the most show that viewers pay attention to the ads that are relevant to their personal needs (55%), not interruptive (39%) and exclusive from the context, contrastive ads (24%). These results support the hypothesis as one of the rich media ads features is creativity which excludes the ad from context. Moreover, consumers prefer not interruptive online ads and this in additional supports the hypothesis as pop-up ads tend to interrupt user's online activity.

**H3.** Research results partly supports the hypothesis as it was found that banner ad size has no impact on the effectiveness of this format (64%), the animated ads (27%) have no as much chances to grab viewers attention as banner ads with short ad phrase (38%) or logo/brand name on it (35%) and banner ads located on the top of the page (47%) are more attention-grabbing than ads on the side (29%) or on the bottom of the page (3%). In turn, the hypothesis not supported results overlap the results of some researchers presented in literature review. But there were much more studies that found animated banner being more effective and large banner ads generate higher and faster click-through than small banner ads. To conclude, the feature of banner ad size will be considered as having no



impact on the effectiveness of this format as the majority of respondent found it insignificant. But the animation feature of banner ad will be considered as having an impact on the effectiveness of this format as almost one third of the respondents found it as feature to attract their attention.

**H4.** The results fully support the hypothesis indicating that respondents are more likely to respond to content relevant sponsorships (63%) than to irrelevant sponsorships (16%) and the researchers are more likely to respond to relevant sponsorships (60%) than internet surfers for entertainment or leisure (16%).

**H5.** The results support the hypothesis indicating that 50% of respondents have negative bias against sponsored search results and 58% of respondents indicate that first page of organic search results are more likely to be used.

**H6.** The results indicate that 64% of respondent open and read email if they found the title and content useful and interesting (52% with interesting title and 12% with useful and interesting content). These results are being supported by results of following question related to email ad effectiveness, as it was found that commercial email features that interests consumers the most are compelling and interesting email title (37%) and interesting and useful email content (38%). The email features which interests consumers the least are email personalization (49%) and email creativeness (36%). The most desired frequency of email messages being received is one or two emails per month (39%). The results partly support the hypothesis as the personalization was not found an effective feature.

**H7.** The results do not support the hypothesis indicating that the most attention attract the ads placed right after the article title (33%) and 20% of respondents say that the ads placed on a side of the article may attract most of their attention. Only 16% of respondents indicate the ads embedded in the article text my attract most of their attention. But the results support some researches in literature that indicate the benefits of placing ads at the top of an article.

**H8.** The results fully support the hypothesis indicating that consumers find the ad interactivity of high importance (60%).

**H9.** The overall attitude to online discussions about products is positive as the 67% of respondents find the information in online discussions useful and interesting out of which 57% not only find the information on online discussions useful, but also seek to participate in such discussions by themselves. The results fully support the hypothesis.

**H10.** The results support the hypothesis stating that consumers still prefer more traditional method to share information about products/brands. 57% of respondents prefer face-to-face conversations to discuss products/brands with only 4% discussing about the products/brands online.

**H11.** The results indicate that 85% respondents read the information about the products/services recommended by their close friends out of whom 72% tend to forward the messages to their close friends and colleagues if they found it useful and interesting themselves. Moreover, the

question related to creating online buzz was asked in order to investigate if respondents read and tend to forward buzz related messages to their friend and colleagues. The results indicate that 69% of respondents read such messages, but only 40% of respondents forward the buzz creating messages to their friends and colleagues and 60% of respondents say that never forward such messages to their friend and colleagues even if they found it interesting by themselves. The results partly support the hypothesis as it was found that the respondents in most cases read the information about products/services recommended by their close friends, but respondents tend to forward the message to their friends if the message itself does not push them to forward it to others. The hypothesis tested can lead to the conclusion that consumers read the information about the products/services recommended by their close friends, but tend to forward it to others only if the message does not require doing so.

**H12.** 90% of respondents indicate that the opinion or their friends, relatives or colleagues are of high importance out of which 54% state that such opinions shapes positive attitudes toward the products. But 42% of respondents state that they respect opinions of their friends but the choice to purchase the products is determined by other criteria and 10% say that the opinions of their friends are not important and never influence the choice to purchase. The hypothesis tested lead to conclusion that online recommendations shape the attitude but do not necessarily influence the decision to purchase.

**Table 7:** Synopsis of Hypotheses Testing

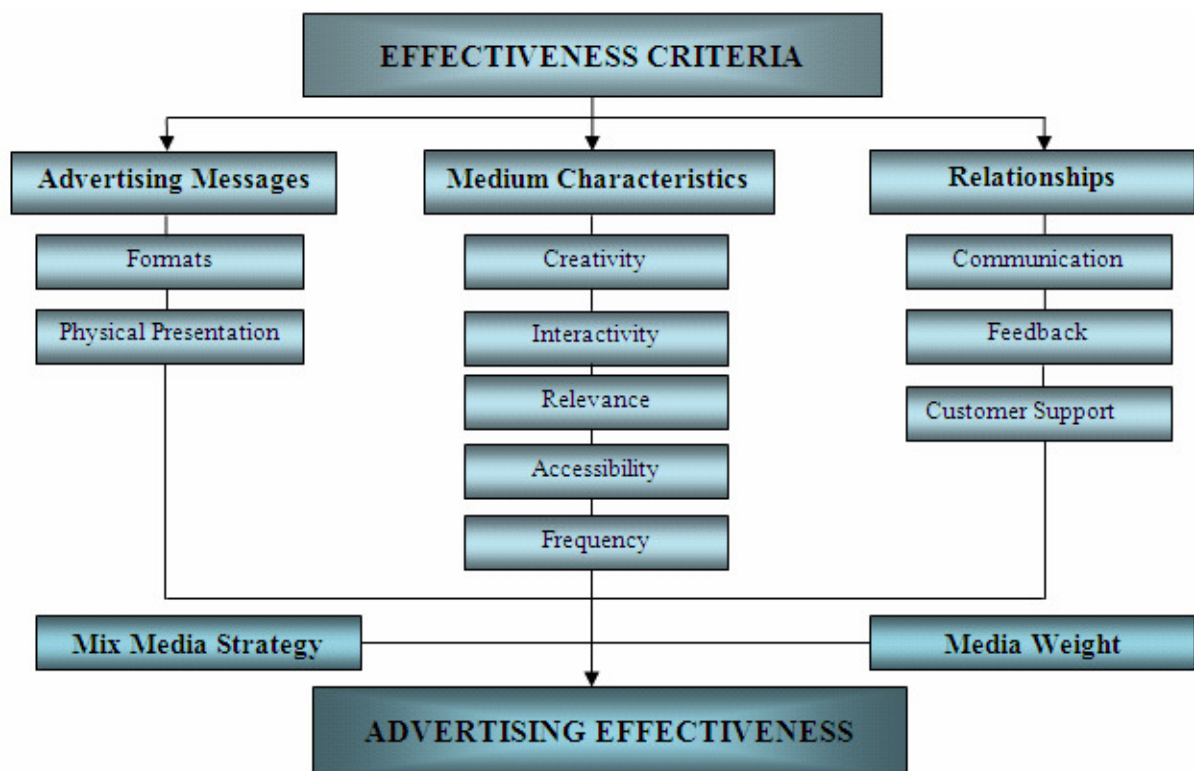
Hypothesis	Description	Status
H1	Internet advertising can be effective even if consumer have negative attitude toward online advertisements	S
H2	Rich media ads attract most attention, pop-ups are most irritating	S
H3	Most effective banner ads are large animated banners, located on the top of the web page	PS
H4	Sponsorships are effective only if they match the content of the page or section and the viewer is in surfing internet mode	S
H5	Search results that can be considered most effective to get clicks are organic search results ranked on the first page of search result list	S
H6	Consumers will open and read personalized, interesting and useful commercial emails with frequency of one or two times per month	PS
H7	Ads placed within the article text may attract more attention than ads placed at the top, bottom or on a side of the article	NS
H8	Higher degree of interactivity of online ads has positive impact on effectiveness of online advertising	S
H9	Consumers seek to participate and be involved in discussions about products or services through communication on forums, blogs, groups, social media and etc.	S
H10	Consumers prefer face-to-face conversations in order to share opinions about products or brands	S
H11	Consumers read the information about the products/services recommended by close friends and tend to forward the messages to their friends or colleagues	PS
H12	Online recommendations by close friend shape the consumers' attitude toward the product and influence purchase decisions	PS

**S – Supported; NS – Not Supported; PS – Partly Supported**

The hypotheses tested are summarized in Table 7. The results suggest that most of the hypothesis were accepted, some were partly accepted with only one being rejected. The results of descriptive research analysis complemented and extended the effectiveness criteria of online advertising formats obtained in the literature.

### 3.2. Effective Online Advertising Model

The literature analysis of online advertising formats effectiveness and the results of descriptive research performed in this thesis have been used in conjunction in order to propose the effective online advertising model. The proposed model of this study is based on categorization in order to simplify understanding and clearance of effectiveness of each factor on online ads. In this model factors such as *Advertising Messages*, *Medium Characteristic* and *Relationship* having significant impact on effectiveness of online advertising are presented. This effectiveness was being analyzed on customer response. Moreover, two more factors, such as *Mix Media Strategy* and *Importance of Media Weight*, affecting the effectiveness of online advertising have not been left aside. The proposed effective online advertising model is being visualized in Figure 11.



**Figure 11:** Effective Online Advertising Model.

The one strategy of modern world is and should be ‘One to One 360° Branding\_ to make sure that the consumer is surrounded by the brand anytime, anywhere. In this strategy, the internet offers the invaluable asset of building individual relationships, whereas other media, such as television, offer brand building for the mass. When used together, television and the internet can dramatically benefit the brand and the consumer. The awareness of both television and internet advertising image

endorsement is at its highest. This suggests that the additional interaction provided by online advertising makes a difference thanks to its ability to better connect with the consumer, giving them the chance to better experience the brand, its usage, etc. Moreover, evaluating internet advertising effectiveness can't be completed without exploring the contribution of media weight to advertising effectiveness. Media weight is an important component of effectiveness. Online tracking data regularly shows that branding effects can't be observed without a minimum of media pressure.

The main factors, such as advertising messages, medium characteristics and relationship management, proposed in effective online advertising model are highly interrelated between three groups of variables and must be analyzed in conjunction.

Further, the factors presented in the model are being analyzed based on the online advertising effectiveness study performed in this thesis. In this model, the online advertising formats selected as the effective forms to transfer the messages are presented in Table 8.

Based on literature and descriptive research results, the least effective online advertising formats are pop-ups, interstitials and sponsored results on search engines. As the most effective formats can be mentioned banner ads, rich media and contextual sponsorships. Descriptive analysis results did not indicate email advertising as one of the most effective online advertising formats. But since it is most widely used form of communication, email advertising format must be incorporated into every online advertising campaign. The literature suggests that email usage is the most popular online activity in the UK (90% of internet users). Moreover, the descriptive research that 90% of respondents use internet in order to send or read email messages and same percentage of respondents use the internet on daily basis. Furthermore, the importance of online public relations can't be ignored as interaction with customers is central in understanding customers and developing more personalized marketing communications. Moreover, public relation activities enhance the customer surrounding by brand name anytime and anywhere. Additionally, the viral marketing campaigns was found sufficiently important as the descriptive research results suggested that recommendations of close friends not only shapes positive attitudes toward the product, but stimulates to forward the information further to others. The last thing must be considered is the brand's website itself as the purpose of most advertising formats being used on the internet is to drive traffic to the website where the significant quantity of advertising material is presented. The website effectiveness study has not been performed as the scope of the thesis is too limited to study all formats available online.

The effective physical presentation of different online advertising formats is determined based on findings in literature and descriptive research results. The results indicate that customers tend to look at organic search results most of their time. But researches by scholars in literature showed diverse opinions regarding ranking position in organic search result list. In addition to this, the

descriptive research specified the diverse results and enabled to conclude that the best optimized results are ranked within the first page of search results list.

The effective presentation of public relation activities are based on researches by scholars in literature which suggested that to create positive brand perceptions, customers need to be involved and engaged in communication. The communication should no longer consist of just only text and to make public relationships effective, the consistent conversation is needed (one or two company posts a day).

The size effect of banner ads will be eliminated as researches on banner ad size in literature revealed diverse opinions and the results of descriptive research showed the banner ad size having no impact on the effectiveness on this format. The animation feature of banner ad was found as having a significant effect on effectiveness of this format in literature. The descriptive research results only partly supported this feature as important on the effectiveness of this format. But with one-third of respondents that found animation an important feature on format effectiveness and much support of researchers in literature, it will be considered as enough relevant feature of banner ad effectiveness. The top page located banner ads were found most effective in both literature analysis and descriptive research performed.

Rich media was found as the most effective online advertising format with features like video and audio streaming, flash technology and 3D visualization supported by either researches in literature and descriptive research results.

Contextual sponsorships effectiveness mostly depends on content relevancy. Attitudes toward the sponsorships are more positive when the ad occurs at the beginning of the content. Co-Branding format in the effective online advertising model was chosen as one of the cheapest types of online advertising. Same as sponsorships, relevant to content co-branded links is required in order to match the effectiveness criteria of this format.

In effectiveness analysis of email advertising, the importance of personalization, creativity and loyalty programs were not supported by the descriptive research results. But features that influence the effectiveness of this format, such as compelling title and content usefulness with frequency of one or two commercial emails per month were supported by researches and considered of high importance.

The effectiveness analysis of viral marketing indicate that customers read information recommended by their close friend or colleagues and tend to toward such messages further if they found them compelling and useful themselves. Moreover, the issue that customers tend to forward the message to their friends if the message itself does not push them in doing so is considered as important.

The results are summarized in Table 8 and extents the proposed effective advertising model in detailing the physical presentation of formats in order to meet the effectiveness criteria and shows the interaction of three main factors of proposed effective online advertising model.

**Table 8:** Effective Physical Presentation of Online Advertising Formats.

Advertising Formats	Physical presentation	Medium Characteristics	Relationships
SEO	Search results being optimized to show up within the first page of result list.	Relevance Accessibility	Communication
Public Relations	Company generated posts; Daily frequency; Video, audio, picture, photo consisting communication; Involvement stimulation; All possible activities in order to maximize favourable mentions and respond to unfavourable mentions.	Interactivity Frequency Relevance Accessibility	Communication Feedback Customer Support
Banner Ads	Animated; Located on the top of the web page; Frequency of 6-7 exposures to each viewer.	Creativity Interactivity Frequency Accessibility	Communication
Rich Media	Video, audio streaming content; 3D Visualization Graphics; Flash Technology	Creativity Interactivity Frequency Accessibility	Communication
Websites/ Micro-sites	N/A	Creativity Interactivity Accessibility	Communication Feedback Customer Support
Contextual Sponsorships	Matching the content sponsorships; Located on the top of the content;	Relevance Interactivity	Communication
Co-Branding	Content related links	Relevance Interactivity	Communication
Email Marketing	Compelling and interesting title; Useful content; Frequency of 1-2 commercial emails per month;	Interactivity Relevance Accessibility Frequency	Communication Feedback Customer Support
Viral Marketing	Compelling and useful content with no requirement to pass-along the message;	Interactivity Relevance Accessibility	Communication

In this research, it was systematically found that creative quality is a key to any brand success. Once the creativity has been accepted as being an important component of any campaign success, the next challenge is to optimize frequency of exposure. Different levels of frequency are necessary to generate different types of effect. But again, evaluation should depend on the campaign objective. If the campaign objective is sales lead, the common sense will agree on the fact that repetition cannot dramatically increase Return on Investment (ROI). People are either interested and then click, or not interested and then don't click. However, in the case of brand building, click may provide additional benefit but is not the only measure to look at. Recall, awareness, liking, image are keys to the evaluation process and are indeed likely to move with multiple exposures. Online brand building is in line with these findings and suggests that optimal levels of frequency depend on the value of the copy and the brand itself. Better copy means lower necessary frequency. A more reactive brand to online investment means lower necessary frequency. Ad frequency coupled with personal relevance impacts

the way individual's process information. More specifically, when individuals see messages that are relevant, their positive disposition to the message increases with every repeated message. Relevancy is considered positive when the content of the message is highly applicable to the recipient. Relevancy becomes negative and begins to undermine the brand when the message content has absolutely no applicability to the recipient. In addition to personal relevance, the interactivity does affect perceptions of online advertising. The online environment has been shown to be more interactive and have greater capability, compared to traditional media, to encourage one-on-one interaction. This ability of web interfaces to be manipulated by users provides high potential for interaction. Interaction in an online context requires active participation on the user's part. Unlike traditional media (e.g., television), internet advertising is not displayed through a media that encourages passive exposure. As internet advertising is developed with higher levels of interactivity to match the interactivity inherent in an online context the advertisement becomes more suited for the experience the user has on the internet. Therefore, the level of interactivity is expected to affect the ability of a user to interact in the online environment and consequently the user's attitude toward various aspects of the online environment. Moreover, the accessibility of online ads over internet must be indicated as an important component of successful online advertising campaign. The response to online ads is being reduced due to lack of accessibility of online ads (Chavosh *et al.*, 2010).

Any form of online advertising can be considered as a tool for communication between company and its stakeholders. The interactivity of online environment enables to get customer feedback which is a capability to collect information regarding the consumers' needs, preferences, attitudes and behavior. The ability to get customer feedback enables to provide customer support.

### **3.3. Practical Application of Effective Online Advertising Model**

In this section the proposed effective online advertising model is being used as the basis in order to discuss the research results of web observation. The analysis of Search Engine Marketing activities are being used by UK dairy companies in order to promote companies' or brands' websites via search engines revealed that all the brands are being registered in at least one of selected search engine organic result list and the majority of results (80%) showed up within the first page of organic result list. It was found that companies are not being advertising their brands in search engine paid (or sponsored) results (SEA), as only one search using common keyword resulted in the paid result list.

The research shows that companies are being involved in most of public relation activities available on the internet. Activities such as forums, groups, question and answer sites, social media, wikis and portal presentations can be mentioned where companies were being most highly involved. There were no podcasts and practically no corporate blogs of selected brands identified. But the absence of corporate blogs was being compensated by intense activities in posting on third parties'

blogs. The podcasting could be as an opportunity in order to improve PR activities online. But the overall results suggest that the UK dairy industry participants currently are being highly involved in creating relationships with their customers online. The research on public relation activities were more focused on the availability and accessibility of such activities rather than on content relevancy or ability to engage. But features such as 'company generated posts', 'video, audio, picture, photo consisting communication' and frequency of posts were observed of brands' pages in Social Network sites. The results suggest that companies constantly generate posts, most of them on daily basis. Moreover it was found that pages consist of video, audio, picture and photo communication.

The research results suggest that display and rich media related ads were found for all brands participating in the research. The features that were found as effective in proposed effective online advertising model are being discussed based on the display and rich media ads found on brand related articles. Most of the banner ads found were animated and located on the top of the content. Most of rich media ads contain audio and video streaming content.

All the brands participated in the research have websites and the majority of them have micro sites created for particular online or offline advertising campaign. The availability of brands' website is considered of high importance as most of the activities being performed online are mostly with aim to generate more traffic to the website where the majority of the advertising content is presented. The micro sites created for particular advertising campaign are being considered as supplementary activity in order to generate higher traffic to main website and build stronger relationships with the customers.

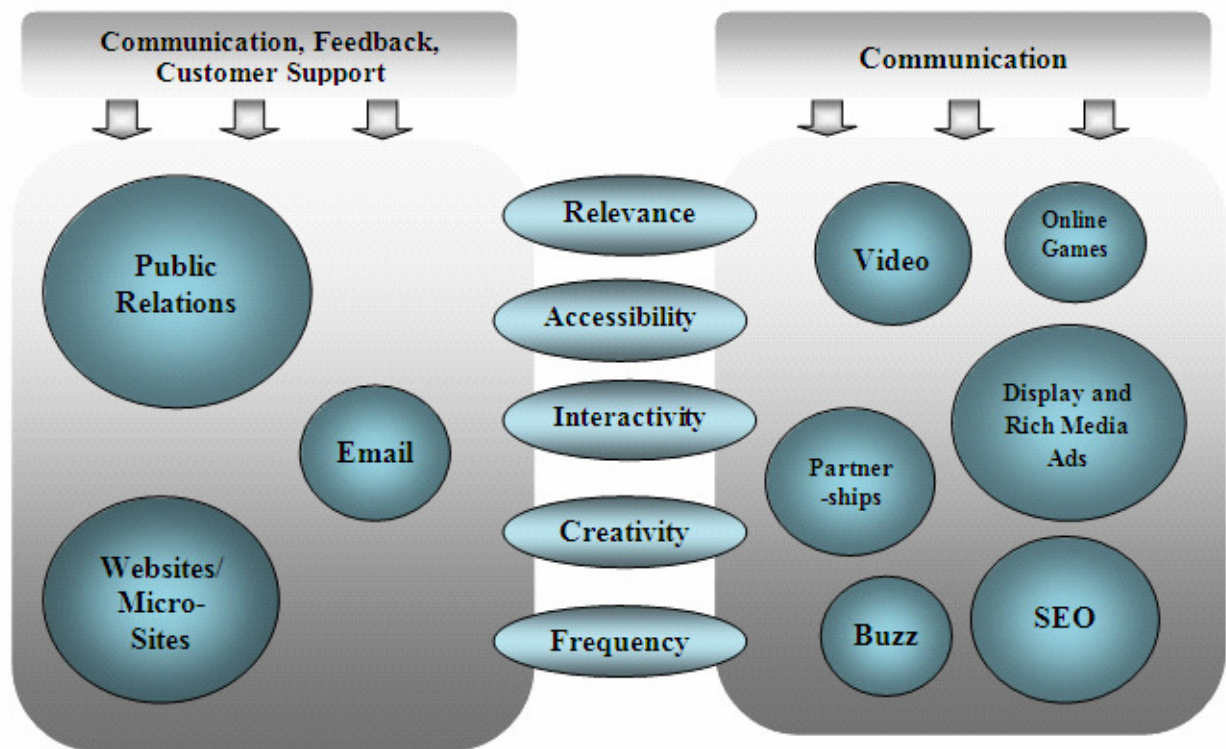
Contextual sponsorships, as one of the most effective online advertising formats, were not found as one of the most well utilized online advertising activity by brands participated in the research. Moreover, the location of contextual sponsorships did not match the effectiveness criteria in proposed effective online advertising model.

The research was not focused on content relevancy or usefulness hence the email advertising effectiveness criteria such as title attractiveness and content usefulness were not assessed. Criteria, such as email loyalty programs, creativity, interactivity, frequency and personalization were observed. But in the proposed effective online advertising model only frequency of email newsletters were found as having an effect on online advertising effectiveness. It was observed that email newsletters were being send periodically one to three times per month.

The viral marketing campaigns were found only particularly for brands, not for advertising the company itself. Most of the campaigns were highly discussed in the forums, groups and social media, but the viral campaign itself were not found as requiring in doing so.

The analysis of web observation results, based on the proposed effective online advertising model, enabled to conclude with the Effective Online Advertising Model Adopted for UK Dairy Sector.





**Figure 12:** Effective Online Advertising Model Adoption for UK Dairy Sector

The model in Figure 12 presents the online advertising formats were being used in practice by UK dairy sector participants as well as the relationship factors that are specific to each of the online advertising formats. Medium characteristics specific to each online advertising format are presented in broader context in the model and are being discussed further in the section below.

In the effective online advertising model, adopted for UK dairy sector, most of the online advertising formats found were suggested in the proposed Effective Online Advertising Model. The special attention attained formats such as public relations, search engine optimization, websites and video advertising. More attention should be paid to formats such as contextual sponsorships and co-branding (online partnerships), rich media, display related advertising and email advertising as it was found that these formats did not match some factors of the medium characteristics that effects online advertising success. These factors are accessibility and interactivity. Lack of accessibility was acknowledged for display related and rich media advertising, contextual sponsorship and email advertising. Moreover, the more interactivity could be embedded into the display related and rich media ads. But some extra factors of medium characteristics were specific for formats such as email and SEO in the practically used advertising model, that were not identified as the most effective in proposed model. Such factors are creativity and interactivity of email ads and repetitiveness of search results in optimized search engine results. The discussion of how online advertising activities used in practice by UK dairy sector match the effectiveness criteria of online advertising formats in the proposed effective online advertising model is presented in Table 9.

**Table 9:** Effectiveness Criteria of Effective Online Advertising Model vs. Online Advertising Activities Used in Practice by UK Dairy Sector

Effective Online Advertising Model Activities		Activities used in practice by UK dairy sector	
Formats	Physical Presentation	Results	Comments
SEO	Optimization	+	Optimization 100%
	Search results within the first page of result list.	+	First Page Result list Optimization 80%
PR	PR Activities	±	All online PR activities, except podcasting and corporate blogs.
	Company generated posts	+	Observed in Social Network pages only
	Daily Frequency	+	Observed in Social Network pages only
	Video, audio, picture, photo consisting communication	+	Observed in Social Network pages only
	Involvement stimulation	N/A	Too subjective in order to assess
	Activities in order to maximize favourable and to respond to unfavourable mentions	N/A	Research were not focused on content
Banner Ads	Banner Ad accessibility	N/A	No real banner ads appeared
	Animated	+	The majority of the ads were found within the articles were animated
	Located on the top of the web page;	+	The majority of the ads were found within the article were located on the top of the page content.
	Frequency of 6-7 exposures to particular viewer	N/A	
Rich Media	Rich Media Accessibility	N/A	No real banner ads appeared
	Video, audio streaming content;	+	The majority of rich media ads contain video, audio streaming content
	High quality;	N/A	No criteria was discerned in order to assess the quality
	3D Visualization Graphics;	-	No 3D visualized ads were detected
	Flash Technology	-	No ads created using flash technology were detected
Websites/ Micro-sites	N/A	+	Websites for all brands and micro sites for majority of the brands were found
Contextual Sponsorships	Matching the content sponsorships;	+	
	Located on the top of the content;	–	Most of sponsorships found were located within or on the bottom of the content
Co-Branding	Availability	±	9 out of 15 websites contain co-branded external links
	Content related links	+	Co-branding links were related to content
Email Marketing	Availability	±	Out of 15 company/brand websites, 10 provide the newsletter subscription availability
	Compelling and interesting title;	N/A	
	Useful content;	N/A	
	Frequency of 1-2 commercial emails per month;	+	The newsletters were being sent with frequency of 1 to 3 times per month.
Viral Marketing	Compelling and useful content with no requirement to pass-along the message;	+	

N/A – Not Available;

The results presented in Table 9 suggest, that most of the practically used online advertising activities by UK dairy sector participants match the effectiveness criteria of proposed effective online advertising model. It was found that few PR activities, like podcasts and corporate blogs were missing. The new challenge for companies would be to involve into the podcasting activity in order to provide customers an option to download the content they like to their PC or mobile devices. The absence of corporate blogs was compensated by intense activities in other blogs (third party blogs). Nevertheless, the corporate blog establishment could facilitate the maintenance of activities in order to maximize favorable and respond to unfavorable mentions. Rich media ads were found mostly contain video and audio streaming content. In addition to that, companies could invest more in creating flash technology based ads or even 3D visualized ads. Such ads may cost more to create but the increase in performance are significant. In the research it was systematically found that ads (regardless of it is banner ad, contextual or ad within the article) located on the top of the page/content grab more viewers' attention than ads located on the side or the bottom of the page/content. Contextual sponsorships were found as one of the most effective online advertising formats. This format could be better exploited by companies in taken into account the position of the ad making it more effective and attention-grabbing.

## CONCLUSIONS AND RECOMMENDATIONS

The literature analysis provided a review of researches related to online advertising. To investigate the effectiveness of this mechanism in a more comprehensive way, theories of how advertising works were discussed, followed by a summary of existing studies on the measures and determinants of online advertising effectiveness. The effectiveness analysis of different online advertising formats revealed some controversial results. For some non-traditional formats the scientific literature fell short to provide enough statements to conclude regarding the effectiveness of those formats. Still, the literature reviewed provided a solid foundation for the research direction.

Based on literature analysis as well as descriptive research results, online advertising formats such as pop-ups, interstitials and sponsored results on search engines were found as the least effective. As the most effective formats can be mentioned banner ads, rich media and contextual sponsorships. The online ad features, such as interactivity, creativity and content relevance were found as the most influent on consumer's mind. Moreover, features specific to each particular online advertising format such as top page location, animation and frequency (6-7 exposures) of banner ads; flash technology, 3D visualization graphics and audio/video streaming contents of rich media ads; the SEO results location within the first page of results list; top location, content related sponsorships; useful content, compelling titles and frequency of 1-2 times per month of email newsletters,; compelling and useful content with no requirement to pass-along the message of viral marketing and public relation activities with video, audio, picture and photo containing communication, involvement stimulation and company generated daily posts were found as effective.

Based on researches performed, the Effective Online Advertising Model was proposed, which was based on categorization in order to simplify understanding and clearance of effectiveness of each factor of online ads. The model consists of factors such as *Advertising Messages*, *Medium Characteristic*, *Relationship*, *Mix Media Strategy* and *Importance of Media Weight* that have significant impact on effectiveness of online advertising. In the Effective Online Advertising Model, the least effective online advertising formats were eliminated. The model consist of formats were found as most effective (banner, rich media and contextual ads) with additional formats that are of high significance and should not be ignored in any online advertising campaign (viral, email and public relations). Moreover, the corporate websites are being considered as the key driver of any online advertising campaign, as the purpose of most advertising formats being used on the internet is to drive traffic to the website where the significant quantity of advertising material is presented. The most effective formats together with features that were found as having the most influence on consumer's mind enabled to model effective online advertising messages.

From broader perspective, the proposed effective online advertising model has some limitations, as the effectiveness of online advertising formats must be judged in the context of an

overall philosophy or model of advertising effectiveness in general, regardless of medium or message characteristics. Research of online advertising should gradually be expanded from the effectiveness of individual formats of online advertising into the function of various formats in combination and integration with other advertising and marketing efforts. This does not mean that research on online advertising in isolation from other elements of the marketing mix is worthless. It does mean that the study of advertising in the context of the larger mix will need to complement this research.

The results of research using observation method revealed the online advertising formats, such as SEO, Public Relations, Partnerships, Video, Email advertising, Viral Marketing, Display related and Rich media ads were being used by UK dairy sector participants to advertise on internet. Most of the online advertising formats found were suggested in the proposed Effective Online Advertising Model. The special attention attained formats such as public relations, search engine optimization, websites and video advertising. It was found that formats such as online partnerships (contextual sponsorships and co-branding), rich media, display-related ads and email advertising were not sufficiently accessible and interactive. Lack of accessibility was acknowledged for display related and rich media advertising, contextual sponsorship and email advertising. More interactivity could be embedded into the display related and rich media ads.

The results of analysis of physical presentation of the formats used in practice by UK dairy sector in comparison to physical presentation of the formats in proposed Effective Online Advertising Model suggests that most of the practically used online advertising activities match the effectiveness criteria of proposed model. The following recommendations in order to advertise more effectively can be taken into consideration:

- The new challenge for companies would be to involve into the podcasting activities in order to provide customers an option to download the content they like to their PC or mobile devices.
- The corporate blog establishment could facilitate the maintenance of activities in order to maximize favorable and respond to unfavorable mentions.
- Companies could invest more in creating flash technology based Rich media ads or even 3D visualized ads. Such ads may cost more to create but the increase in performance could be significant.
- Contextual sponsorships could be better exploited by companies in taken into account the top of the page/content position of the ad making it more effective and attention-grabbing.

Question for further research:

More research is still needed to better understand how each media works in conjunction with the others. It raises a question: how can different media vehicles supplement each other to maximize the impact?

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# **APPENDIXES**

# Appendix A

## Questionnaire

Šios apklausos tikslas yra išsiaiškinti internetinės reklamos efektyvumą. T.y. į kokią reklamą atkreipiamas dėmesys, o kokia reklama lieka nepastebėta, kurie formatai, vartotojo požiūriu, yra efektyviausi, kokios atskirų formatų ypatybės lemia jų efektyvumą. Apklausos auditorija - visi interneto vartotojai.

**1. Kurios iš šių frazių geriausiai atspindi Jūsų požiūrį į interneto reklamą?**

- Reklama internete kelia susidomėjimą
- Reklama internete ypatingo susidomėjimo nekelia, bet žiūriu palankiai
- Nekreipiu dėmesio į reklamą internete, galiu atsiriboti ir nematyti
- Reklama internete kelia susierzinimą
- Reklama internete kelia pasipiktinimą
- Reklama internete trikdo, pertraukia įprastus veiksmus
- Reklama internete sukelia skirtingas emocijas, priklausomai nuo produkto, reklamos ypatumų (dydžio, teksto ir pan.)

**2. Reklama internete sukelia neigiamas emocijas (erzina, trikdo, kelia pasipiktinimą), bet:**

*\*atsakykite, tik jei klausime Nr.1 pasirinkote atsakymus 4,5,6.*

- Jei reklama kažkuo išskirtinė (dizainu, pateikimu ar pan.), tai gali sukelti susidomėjimą
- Jei reklamuojamas produktas/paslauga pasirodo įdomus ar susijęs su mano poreikiais, tai ieškau daugiau informacijos
- Dažnai įsimenu reklamose matytus prekinius ženklus, tekstą ar pan., nors daugiau informacijos neieškau
- Tuo pačiu sudaro ir neigiamą požiūrį į patį reklamuojamą prekinį ženklą ar paslaugą
- stengiuosi nekreipti dėmesio/nematyti

**3. Jūsų nuomone, kuri internetinės reklamos forma yra efektyviausia?**

- Paprasti reklaminiai skydeliai (langai su logotipu, žodinėmis nuorodomis arba animuoti)
- Reklaminiai skydeliai, su garsu, aukštos kokybės vaizdu ir pan.
- „Iššokanti“ ant ekrano reklama
- Reklaminiai tarpai (pilnaekranė užsklanda, pasirodanti kol kraunasi jūsų pageidauta informacija)
- Tekstinės nuorodos (paryškintas žodis ar frazė, paspaudus atsidaro puslapis)
- Reklama paieškos sistemose – google, yahoo ir pan.(tekstinis skelbimas su nuoroda, rodomas šalia arba virš paieškos rezultatų)
- Kontekstinė reklama (Reklama parenkama ir automatiškai rodoma, priklausomai nuo turinio, kurį mato vartotojas, pvz. skaitant straipsnį, šalia, viršuje arba apačioje rodomas skelbimas su nuoroda to straipsnio tematika)
- Reklama elektroniniu paštu

**4. Internetinės reklamos savybės, kurios pritraukia Jūsų dėmesį?**

*\*galimi keli atsakymų variantai*

- Tekstas
- Idėja
- Dizainas
- Animacija
- Garsinis apipavidalinimas (muzikinis fonas)
- Video pateikimas
- Nuotraukos/paveikslėliai

**5. Jūs atkreipiate dėmesį į interneto reklamą, jei ji:**

*\*galimi keli atsakymų variantai*

- Pasikartoja toje pačioje pozicijoje, ar skirtingose vietose
- Kontrastinga, išsiskirianti iš konteksto



## **Continue Appendix A**

- Dinaminė, judanti, blykčiojanti
- Netrukdanti, pasirodanti tinkamoje ekrano vietoje
- Susijusi su mano poreikiais (temos aktualumas)
- Iššaukia poreikį ją analizuoti (suintriguoja ar pan.)
- Nuspalvinta emociniais komponentais, pvz. humoru, liūdesių, pykčiu
- Reklamos skelbimo tekstas įsimenantis, prasmingas, ritmiškas/tinkamos formos

### **6. Kuri internetinės reklamos forma Jus labiausiai erzina?**

- Paprasti reklaminiai skydeliai (langai su logotipu, žodinėmis nuorodomis arba animuoti)
  - Reklaminiai skydeliai, su garsu, aukštos kokybės vaizdu ir pan.
  - „Iššokanti“ ant ekrano reklama
  - Reklaminiai intarpai (pilnaekranė užsklanda, pasirodanti kol kraunasi jūsų pageidauta informacija)
  - Tekstinės nuorodos (paryškintas žodis ar frazė, paspaudus atsidaro puslapis)
  - Reklama paieškos sistemose – google, yahoo ir pan. (tekstinis skelbimas su nuoroda, rodomas šalia arba virš paieškos rezultatų)
  - Kontekstinė reklama (Reklama parenkama ir automatiškai rodoma, priklausomai nuo turinio, kurį mato vartotojas, pvz. skaitant straipsnį, šalia, viršuje arba apačioje rodomas skelbimas su nuoroda to straipsnio tematika)
- Reklama elektroniniu paštu

### **7. Internetinės reklamos savybės, kurios labiausiai Jus erzina?**

*\*galimi keli atsakymų variantai*

- Mygtuko reklamai "uždaryti" nebūvimas
- Judanti po visą ekraną, mirksinti reklama
- Reklama, kuri be paspaudimo pradeda skleisti garsus
- Visą monitoriaus ekraną uždengianti reklama
- Lėtas reklamos krovimas
- "Spąstai" priverčiantys paspausti ant reklamos
- Reklama uždengia tai, ką norime perskaityti

### **8. Jūsų nuomone, kuris teiginys apie reklaminio skydelio dydį Jums yra priimtiniausias?**

- Didelis reklaminis skydelis labiau atkreipia mano dėmesį
- Mažas reklaminis skydelis labiau atkreipia mano dėmesį
- Reklaminio skydelio dydis neturi reikšmės

### **9. Jūsų nuomone, kurioje puslapio vietoje patalpintas reklaminis skydelis turi didžiausią galimybę atkreipti Jūsų dėmesį?**

- Skydelis puslapio viršuje
- Skydelis puslapio apačioje
- Skydelis puslapio šone
- Neturi įtakos

### **10. Jūsų nuomone, kuris reklaminis skydelis turi didžiausią galimybę atkreipti Jūsų dėmesį?**

- Reklaminis skydelis su ilga tekstine žinute
- Reklaminis skydelis su trumpa reklamine fraze;
- Reklaminis skydelis su prekiniu ženklu ar įmonės logotipu
- Animuotas reklaminis skydelis, su grafiniais, tekstiniais ir pan. elementais

## Continue Appendix A

**11. Ar reaguojate į kontekstinę reklamą?(kontekstinė reklama parenkama ir automatiškai rodoma, priklausomai nuo turinio, kurį mato vartotojas, pvz. skaitant straipsnį, šalia, viršuje arba apačioje rodomas skelbimas su nuoroda, susijęs su to straipsnio tematika):**

- Kartais reaguoju, bet tik tuo atveju, jei nuorodos yra susijusios su tema, kuria tuo momentu domiuosi ir yra naudingos
- Būna reaguoju ir tuo atveju jei nuorodos nelabai ar visiškai nesusijusios su tema, kuria tuo momentu domiuosi
- Niekada nereaguoju į kontekstinę reklamą
- Nesusidūriau su šia reklamos forma

**12. Jūsų manymų, kuris teiginys atspindi Jūsų požiūrį į kontekstinę reklamą:**

- Jei internete ieškau informacijos (pvz. darbui, mokslams), tai nuorodos ta pačia tematika man gali būti naudingos;
- Jei internete naršau be tikslo (pramogai, laisvalaikiui ar pan.), nuorodos ta pačia tematika yra mažiau svarbios;
- Nepriklausomai nuo to, ką veikiu internete, man šios nuorodos nenaudingos;

**13. Ieškant informacijos paieškos sistemose (pvz. Google, Yahoo, Bing ir pan) paieškos rezultatuose:**

- Dažniausiai naudojantės reklaminiais tekstiniais skelbimais su nuorodomis, rodomais šalia arba virš paieškos rezultatų (paryškinti, arba kitos spalvos fone);
- Naudojuosi ir reklaminėmis nuorodomis ir žemiau esančiomis ne reklaminėmis nuorodomis.
- Niekada nepaspaudžiu reklaminių nuorodų, nes tai man asocijuojasi ne su pačiais tinkamiausiais paieškos rezultatais

**14. Ieškant informacijos paieškos sistemose (pvz. Google, Yahoo, Bing ir pan), paieškos rezultatuose (ne reklaminiuose) visada peržiūriu/naudoju:**

- tik pirmas dvi nuorodas;
- tik pirmas penkias nuorodas;
- tik pirmame paieškos rezultatų lape esančias nuorodas;
- daugiau nei viename lape esančias nuorodas;

**15. Kaip elgiatės su reklaminiais elektroniniais laiškais?**

- Visada atsidarau ir perskaitau
- Atsidarau dažnai ir, jei sudomino, perskaitau
- Atsidarau tik tuo atveju, jeigu sudomino laiško antraštė
- Dažniausiai ištrinu neatidarys/-usi
- Nesusidūriau (nenaudoju elektroninio pašto, nesu gavęs/usi ar pan.)

**16. Kokią įtaką Jūsų susidomėjimui turi reklaminio elektroninio laiško ypatybės:**

	Neturi įtakos	Vidutiniškai	Turi didelę įtaką
Įtikinama/įdomi/intriguojanti elektroninio laiško antraštė			
Įdomus, Jūsų interesus atitinkantis žinutės tekstas			
Siūloma nauda (kuponai, nuolaidų kortelės ir pan.)			
Žinutės suasmeninimas (kreipimasis vardu ir pan.)			
Akį traukianti žinutės turinys (žinutės apipavidalinimas, paveikslėliai ir t.t.)			

**17. Jūsų manymu, koku dažnumu pageidautumėte gauti reklamines žinutes elektroniniu paštu (iš vieno siuntėjo), kad būtų didžiausia tikimybė, jog jas perskaitysite:**

## **Continue Appendix A**

- Dažniau nei kartą per savaitę;
- Kartą per savaitę;
- Kartą per dvi savaites;
- Kartą per mėnesį;
- Rečiau nei kartą per mėnesį;

### **18. Jūsų manymų, skaitant straipsnį internete (delfi.lt ar pan.), reklaminiai skydeliai (video, audio, paveikslėliai), susiję su straipsnio tematika, labiausiai atkreipia Jūsų dėmesį, jei:**

- yra patalpinti puslapio viršuje, po straipsnio antraštės;
- Įterpti į tekstą, t.y. jei straipsnis įdomus ir perskaitau dalį jo, tai skydelis straipsnio viduryje gali mane sudominti;
- Straipsnio apačioje – t.y. jei perskaitau visą straipsnį (tai reiškia buvo įdomus), straipsnio pabaigoje reklaminis skydelis gali mane sudominti;
- Straipsnio kairėje ar dešinėje pusėje, nes tai netrukdo skaityti straipsnio ir reklaminis skydelis straipsnio šone mane gali sudominti;
- Manęs niekada nesudomina reklaminiai skydeliai skaitant straipsnį, nepriklausomai kurioje vietoje yra patalpinti;

### **19. Jei mane sudomino reklama internete, tai:**

- Man yra aktualu, kad paspaudus reklamą pranešimą atsidarytų reklamuojamo produkto puslapis;
- jei paspaudus reklamą puslapis neatsidaro (nėra interaktyvus), tai daugiau informacijos neieškau;
- jei paspaudus reklamą puslapis neatsidaro (nėra interaktyvus), o produktas/pasiūlymas mane sudomino, tai daugiau informacijos susirandu naudojant paiešką sistemą ar tiesiogiai einu į svetainę (jeigu žinau adresą);
- niekada nepaspaudžiu reklaminių pranešimų;

### **20. Jūsų nuomone, ar naudinga yra informacija apie produktą ar paslaugą diskusijų grupėse, forumuose, socialiniuose tinklalapiuose ir pan. (supermama.lt, facebook.com, blogas.lt ir pan.)?**

- Informacija forumuose, grupėse, komentaruose ir t.t. yra naudinga, galima susidaryti aiškesnę nuomonę apie produktą ar paslaugą;
- Informacija forumuose, grupėse, komentaruose ir t.t. yra naudinga, galima apsisiekti nuomonėmis apie produktą ir paslaugą (ir paskaityti ir parašyti savo nuomonę);
- manau, kad informacija apie produktą ar paslaugą forumuose, grupėse, komentaruose ir pan. nėra objektyvi, todėl ten informacijos neieškau ir nereiškiu savo nuomonės;
- nesu susidūręs;

### **21. Jūs dažniausiai diskutuojate apie produktą/paslaugą su draugais, pažįstamais:**

- Susitikimo metu (esant kompanijose, užsiimant kokia tai veikla, esant darbe ir pan.)
- Apsikeičiate nuomonėmis internete - diskusijų grupėse, forumuose ir pan. (pvz. facebook'e);
- Pasikeičiate nuomonėmis ir susitikimo metu ir internetu;
- Nediskutuoju apie produktus/paslaugas nei susitikimų metu, nei internetu.

### **22. Jei Jums draugas/geras pažįstamas ar giminaitis rekomenduoja Jums internetu produktą/paslaugą ar informaciją apie kažką, kas Jums gali patikti ar gal būt norėtumėte nusipirkti/pabandyti (pvz. persiunčia laišką el. paštu, rekomenduoja straipsnį, Facebook'e pažymi, kad „Patinka“ ar pan.):**

- Jus paskaitote/peržiūrite informaciją, kurią Jums rekomendavo ir, jei patiko, persiunčiate/pasiūlote savo draugams
- Paskaitote/peržiūrite informaciją, bet kitiems draugams nerekomenduoju, nors informacija Jums buvo naudinga;
- Neperžiūrite informacijos, nes neturite laiko ar nemanote, kad tai Jums bus naudinga;

## End of Appendix A

**23. Jei produktas/paslauga ar informacija apie produktą ar paslaugą itin patiko mano draugui, giminaičiui ar pan. ir rekomendavo tai Jums, paprastai tai:**

- Suformuoja išankstinę teigiamą nuomonę apie produktą ar paslaugą ir dar nei nepabandę, rekomenduosite tai kitiems savo draugams;
- suformuoja išankstinę teigiamą nuomonę apie produktą ar paslaugą, nors dar ir nesate pabandę/nusipirkę, bet būtinai išbandysite;
- suformuoja išankstinę teigiamą nuomonę apie produktą ar paslaugą ir, produktą nusipirkus/pabandžius, Jums būna sunku įvertinti priešingai (neigiamai) ;
- man draugų/giminaičių ir pan. nuomonė svarbi, bet produktus renkuosi pagal kitus kriterijus (kainą ar pan.);
- man draugų nuomonė renkantis produktu visiškai nėra svarbi ir tai neįtakoja mano sprendimo rinktis vieną ar kitą prekę/paslaugą;

**24. Jei Jūs gaunate žinutę (el. paštu, Facebook'e ar pan.) su ypatingu pasiūlymu, kuris Jums patinka ir yra naudingas su prieraišu, kad naudą gausite tik tada, jeigu informuosite apie šį pasiūlymą savo trims draugams, Jūs:**

- Būtinai persiunčiate šią informaciją savo draugams , kuriuos greičiausiai irgi sudomins šis pasiūlymas;
- Persiunčiate draugams, bet tik todėl, kad gautumėte naudą;
- Nepersiunčiate, nes gal draugai nepageidauja šios informacijos (jeigu tai patinka Jums, nebūtinai patiks ir draugams);
- Niekada nesusidomiu tokiais pasiūlymais pats ir niekada nepersiunčiu kitiems;
- 

**25. Kaip dažnai naudojate internetu?**

- Kasdien arba beveik kasdien
- Mažiausiai kartą per savaitę
- Kartą per mėnesį
- Rečiau nei kartą per mėnesį

**26. Jūsų lytis:**

- Vyras
- Moteris

**27. Kuriai amžiaus grupei priklausote?**

- Iki 16 m.
- 16-24
- 25-44
- 45-59
- 60 ir daugiau

**28. Kokiu tikslu naudojate internetą?**

**\*galimi keli atsakymų variantai**

- Skaitau/siunčiu elektroninio pašto žinutes
- Ieškau informacijos apie produktus ar paslaugas
- Tvarkau finansinius reikalus (elektroninė bankininkystė)
- Skaitau naujienas, laikraščius, žurnalus
- Internetu klausausi muzikos, žiūriu TV laidas
- Rašau žinutes/susirašinėju forumuose, grupėse, bloguose, socialiniuose tinklalapiuose
- Siunčiuosi muziką, žaidimus, filmus, nuotraukas
- Ieškau su mokslais susijusios informacijos
- Ieškau darbo pasiūlymų/Siunčiu CV
- Parduodu ar perku produktus/paslaugas