

EFFECTIVENESS OF ONLINE ADVERTISEMENT ON CONSUMER BUYING BEHAVIOUR OF CLOTHING AND ELECTRONICS PRODUCTS IN KATHMANDU VALLEY

Sandeep Yadav¹ & Dr. Deepmala Singh²

¹ PG Scholar, Lord Buddha Education Foundation, Kathmandu, Nepal

² Assistant Professor (Mgmt), Lord Buddha Education Foundation, Kathmandu, Nepal

ABSTRACT

With the rapid growth of technology, internet has become wide market where consumer can fulfil their needs and wants. People has become familiar with the internet and it has become necessity in their lives. The main objective of the study is to determine the effectiveness of online advertisement in buying behavior of the consumer. The targeted consumer is the one who purchase clothes and electronic products. As these consist of diverse consumers, they are the targeted population. The time spent on online advertisement, impact of online advertisement and factors that influence consumer to buy the product is studied.

A descriptive research design is used in the study to determine the variables. Deductive approach is applied where the hypotheses are set and tested using various tools. The sample size for the study is 203 and the convenience sampling is used. The primary data was collected through set of structured questionnaires. Filled questionnaires from the respondents are checked to remove errors if there is any. Microsoft Excel and SPSS are used to record and process the collected data and information. The multiple linear regression is used to determine the relationship between the variables.

The results of the study revealed that there is relationship between time spent on online advertisement and consumer buying behavior. However, most respondents are neutral on the statement on the impact of online advertisement and factors that influence them to buy the product. This may be due to consumers are still not sure about the reliability of the online advertisements as it is still growing. Therefore, the study suggests that there should be reliability and insurance of the product that is displayed online. The quality must be maintained as displayed online so that people can believe that online advertisement is effective as it seems. Similarly, proper marketing must be done so understand the needs and demand of the consumer.

1. INTRODUCTION

1.1 Background of the study

The Internet is the worldwide computer network which links different computers, their system and several networks. It is the largest network. So, it is called network of networks. The Internet has great impact on people, society and the environment especially because of its unique attributes of interactivity, flexibility and individuality as well as wide range of features and applications. Today, each and every person is familiar with the usage and application of the internet and its sites. The internet has become an effective medium for information sharing, communication, education, entertainment, business transactions and electronic trade (Zhou, et al., 2007). There are greater changes in daily lives by information technology. The internet has also appeared as an effective medium for advertising goods and services.

As per the information published by International Telecommunication Union (ITU), United Publication Division and World Bank release the frequency of internet users in Nepal in 2000 A.D. was 48,585 and in 2016 it increased to 4,962,323. Those published data reveal that the number of internet users is increasing rapidly and people are becoming more and more familiar with the internet uses. Many organizations now have started to use internet to promote and display their products and services as people are always active on the internet. Companies are now spending lots of money into advertising to get greater return (Blech & BLEch, 2008). Internet advertising is one of

the best tools available today. It has become the best platform for consumer as well as producer for knowing and searching information about the products and services.

Advertisement in internet has become popular nowadays. People are always updated with the technology and the news posted in the technology. So, people are more influence by the advertisements that is shown in the internet. There are different types of internet advertisements which helps in identifying and understanding the needs and preference of consumers. A business should advertise their product where they have their customer. As we know that, the people are accessible 24/7 on the internet, so internet is the better place for a businessman and marketing team to promote their products and services. The various types of internet advertising are given below:

- a) Advertisement in Social networking sites
- b) Optimization of Search engine
- c) Pop-up advertisement
- d) Pay per click advertisement (Banner, YouTube and Search Engine advertisement)

1.2 Problem statement

Consumer can be referred to the person, household or firm that benefit from the goods and the services which is provided by the business organization. The nature of customers determines the demand and habits of buying the products. So, it is very essential to understand and study individual's buying behavior before developing and marketing the product and services. One of the most challenging jobs of marketer is to look according to the customer point of view, once it is done it makes marketer to sell its product.

There is a challenge for the internet marketers regarding the number of internet users on segmentation and targeting. As per the data provided by International Telecommunication Union (ITU), United Nations Population Division and World Bank found that around 17.2% of the people uses internet that means only 17.2% people of Nepal are access to the advertise done in the internet. Not only that, customers also complained about the authenticity of the product as same product is not delivered as shown in advertisement.

1.3 Objectives of the study

The objectives of the study are as follows:

- a) To determine time spent on online advertisement which influence on consumer's buying behavior.
- b) To analyze the impact of online advertisement on consumer's buying behavior.
- c) To determine the factors influencing the perception of consumer's online purchasing behavior towards the online advertisement

1.4 Research Questions

The research questions for the study are as follows:

- a) How does the frequency of time spent on watching online advertisement influence in buying behavior of the consumer?
- b) How does the online advertisement affect purchasing behavior of the consumers?
- c) What factors influence the consumer to purchase the product online?

1.5 Research Hypothesis

The hypotheses for the study are listed below:

H1: There is a significant relationship between time spent on online advertisement and consumers' buying behavior.

H2: There is a significant impact of online advertisement on consumers' buying behavior.

H3: There is a significant relationship between factors of online advertisement and consumers' buying behavior.

1.6 Scope of the study

The research mainly studies the impact and effectiveness of online advertisement especially in the clothing and electronic segments. The study is based on the responses that is given by the

consumers who purchase clothes and electronics in Kathmandu. The study also studies various factors of online advertisement which help in the buying behavior of the consumer. The research will be helpful in getting an insight into the perception of consumers on online advertisements and its effectiveness.

1.7 Limitation of the study

The limitations of the study are:

- a) The research is limited to Kathmandu valley.
- b) The research is limited to clothing and electronics consumer only.
- c) There is a small number of sample size.

2 LITERATURE REVIEW

2.1 Previous Studies

There have lots of research done regarding internet advertisement. Various studies have been conducted and those studies have examined and analyses the impact of advertisement in the last few years. In those studies, authors recognized various measures of effective advertisement such as ad recognition, click through rate, ad recall, brand awareness and attitude towards the advertisement, brand and the company as well as the consideration in the purchase. The main focus of the study are the attitudes towards the ad, clicks on ad, and ability to recall ad. The efficacy of these three measures was determined by their capability to forecast effective decision for purchase. According to (Kenzi & Lutz, 2008), consumer attitude can be determined by consumer favorable and unfavorable response towards a particular advertisement. It is all about positive or negative attitude towards the advertisement. The use of internet will not replace other advertisement media like radio, newspaper, TV, magazines and brochures, etc., but internet may reduce the percent of mass media advertisement. It has been big challenge to create interactive and interpersonal communication mechanism through the use of internet to target market for the advertising company.

2.2 Theoretical Framework

The concept and consumer decision making and their factors has long been of great interest to many researchers. The previous authors and researchers concentrated on the purchase action for the decision behavior. The modern concepts of marketing were incorporated after 1950s and they included studies of consumer decision making, behavioral aspects and wide range of other related activities (Engel, et al., 1995). The recent research shows that more factors are involved in the consumer buying decision rather than the purchase itself. There exist various other elements which influence and affects the consumer behavior in making the final decision in the purchase. Similarly, various studies have examined this situation and different models and framework have been developed accordingly. These models basically try to analyses the process of decision making in the consumer purchase and its various influential factors.

2.3 Online advertisement

Advertisement of the product has been vital function to create awareness and attention of the customers. In this, there is a system "pay for click" where search ads are sold on the per click basis. It is the powerful tools and methods to promote the product and services. It has wide range of marketing and promotion elements compared to the traditional marketing techniques because it involves various communication channels and web mechanisms to deliver the service. There are various advantages of online advertisement. Some of the advantages of online advertisement are:

- Competitive advantage
- Reduce expenses
- Improvement in communication
- Improve in customer service

Consumer not only get information about product and services but by clicking them can get product

in their home and download product such as E-book. This kind of facilities was not available in traditional advertisement. So we can say that internet helps customer to interact directly with vendor sitting anywhere in the world (Ahasanul, et al., 2007).(Osewe, 2013)Defines a mass communication medium as the communication medium as the communication from “one person or group of persons through a transmitting device (a medium) to a large audience or market”. It is an alternative interactive mass media communication through email and web pages (Osewe, 2013). As we know that internet user is large in number, which helps to reach the targeted consumer in least time.

2.3.1 Awareness

The main objective of the advertisement is to communicate to targeted customer about products, services, ideas. Compared to other media online media offers more stimuli and create brand awareness and keeps user attention(Alvin, 2017). Online advertisement may create an idea how to present its product and services to its targeted customer. The internet user is high in number these days and because of what it has become easy to reach customer in short period of time. We can see different advertisement like goods, services, colleges, universities. Students come to know about the colleges and university by sitting in their home. The most important factor of online advertisement is that company can get feedback of their customer about the product.

2.4 Barriers of online advertising

2.4.1 Attitude of the consumer

Attitude means the way someone thinks, feel and behave in a certain way about something (Alvin, 2017). It is the mental position of a person towards other. It is the state of mind what s/he thinks about anything. It can be negative as well as positive. If its positive customer goes for the product and vice-versa.

2.4.2 Privacy risk

The customer can think of the risk of losing its privacy to other. Consumer think of their data is collected, used and sold to other in the market to different companies. Data can be personal, which can't be used by other for different purposes which is very much bad. Because of what European Union also took an action against display advertisement after implementing privacy directive (Alvin, 2017).

2.5 Consumer Buying Behavior

Consumer buying behavior is the factors, specialty and the characteristics which affects the buying behavior of the customer. It is the decision and the processes that determine the customer's purchase. (Kotler, 2004)argues that there are various factors which are affecting the behavior of a consumer. Those factors can be social beliefs, values, economic status, age, education and the surroundings. Those factors are identified and analyzed to develop the methods and products which enhance the performance of the company and its sales revenue.

2.6 The impact of consumer impulsiveness

The consumer who is engage in online shopping have different purchase tendency. To understand the consumer impulsiveness different study have been done previously. Buyers who have more interested in purchasing products are more inclined to increase urge and actual process (Suman, 2016). A consumer's impulsive tendency facilitates purchasing behavior.

2.7 Marketing in the internet age

Internet market can be seen as parallel market to shop, store. It is virtual trading as deals are made through screen (smart phone, computer) over a network. Internet advertisement is related to digital technologies(Ngowi, 2015). Online advertisement can also be said as electronic commerce. In this internet age online selling, online bill payment, home shopping, home banking, dealing with supplier and customer has become easier and fastest way.

2.8 Business benefits from the internet

2.8.1 Market penetration

Internet helps to sell the existing product in existing market. By the help of internet, it has become easy to advertise increase awareness about the product, the steps to use product, as well as helps to lift the profile of the company. Internet has allowed the new business to easily enter into the market. It has made easier for them to introduce and display the product in the mass audience.

2.9 Effects of strategies on online advertising

2.9.1 Display advertising

It is all about creating brand awareness by using web banner ads placed in other's website. It is said that banner ads are more effective in influencing product and services. Consumer notice banner ads because of its colors, brightness, interactive, videos, graphics, logos, size. Companies uses it to create brand awareness and create customer satisfaction.

2.9.2 Email marketing

It is all about electronic type of messages sent to database which present promotional information by clicking the company's website. The campaign is done for return on investment. This type of online marketing is cheaper and less time consuming and reached to targeted customer easily. This creates good impression to the public and seen as stander which helps to create brand image in the public.

2.10 Relationship between online advertisement and consumer buying behavior

The evolution of internet worldwide has created new platform advertiser and advertisement agencies to utilizes and provide new opportunity as well as threats. Psychological factor like thinking, feeling, sensation, intuition is directly related to online advertising experience (Osewe, 2013). As people experience and respond to stimuli around them, emotion appear. Likewise, people react to online stimuli. They have emotional response which is directly related to stimuli.

When customer thinks that they got benefited by the product they become emotionally attached with the advertisement and promotion. They think of the product will make them happier, give them pleasure and improve their life. The repetition of advertisement reminds the customer and because of what sales is increased. Because they think of that advertisement which they have seen time to time(Osewe, 2013).

2.11 Research gap

Kathmandu valley is capital city of the country having diverse culture, tradition, language and ethnic groups. People all over the world migrate to Kathmandu due to various reasons such as education, employment and health. People from various demography and geography areas stay here. But the scope of sampling in this research is limited. The number taken in this study cannot justify whole Kathmandu. Research done is mainly focused in how internet advertisement determines clothing and electronics consumer buying behavior in Kathmandu valley. With help of limited sources, the study tries to show and analyses the relationship between buying behavior and internet advertisement.

2.12 Research framework

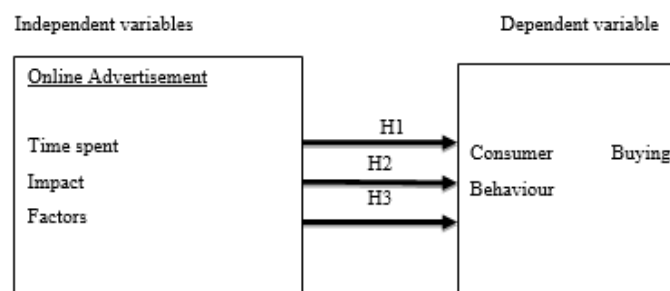


Fig 1: Research framework

3 RESEARCH METHODOLOGY

3.1 Introduction

This paper focus on the research methodology that was used in the study. It provides all the description of the research used in this study. First, the objectives and the hypothesis of the research are set then the research methodology are determined. Research methodology provides the guidelines on how to do the research about the subject. It also helps in developing the plan to conduct the research. The details of research design, target population, instruments, data collection and analysis method are presented in the section below.

3.2 Research design

A research is designed in line with the nature of the problem identified and the questions to be addressed (McGivern, 2006). The stated objectives of this research are confirmatory and explanatory in nature, as they sought to describe and confirm the consumer behavioral on purchase in Nepalese market. Descriptive research is used in the study. Descriptive research involves collecting data that describe events and then organizes, tabulates, deficit and describes collection.

3.3 Sources of data collection

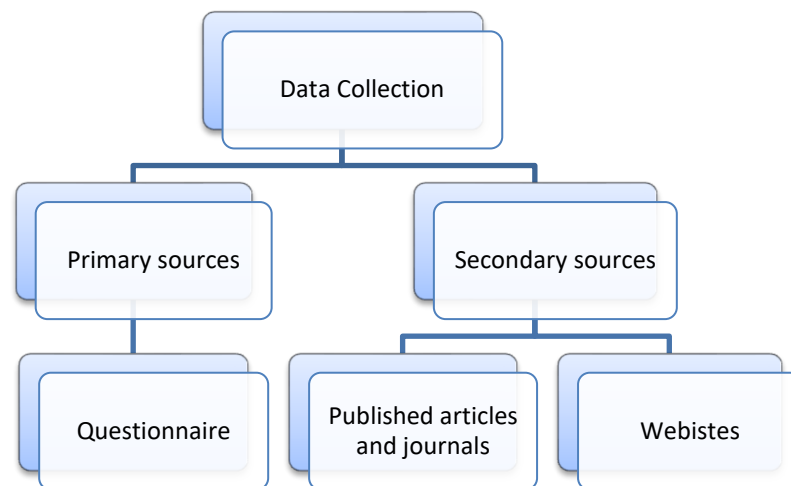


Fig 2: Sources of data collection

The research includes both primary and secondary data. Primary data is the data which is collected by the researcher for their own purposes. Secondary data is the data which has already been collected by other researchers for other purposes. The primary data of this research are collected through sources such as interview and questionnaire to the customers who purchase clothing and electronic products. Similarly, the secondary data are collected to understand the basic knowledge and previous studies conducted by various authors. Those data are collected through books, journals, articles and other website documents which are related with the study.

3.4 Questionnaire

Questionnaire is the most common used methods of data collection. Questionnaire includes set of questions which is related with the research objectives. Those questionnaires will be prepared to test the research hypothesis. They will be distributed to the targeted people.

The questionnaire prepared for the research will be divided into three sections. The first section will consist of the demographic information of the respondent such as age, gender and education level. The second section will involve questions related with the attitude and awareness level of the respondents towards online advertisement. This section will try to know how much respondent know about the online advertisement and to what extent they have seen those advertisement.

Similarly, the third section will be about the effects of online advertisement in the purchase decision of the respondent. The questions in this section will consist of the independent variables which will

have effect on the dependent variable. A 5-point Likert scale will be used in the research as it helps to know the extent of perception.

3.5 Sampling

Sampling plays an important role in a research because it provides guidance in selecting the population and the techniques which can be used in the study. It is used for analysis of the statistical data which are later used for data analysis and interpretation. It includes population size and sampling methods.

3.6 Population

This study is mainly targeted to the consumer with the age group of twenty to forty. The population is the consumer who purchase the clothing and electronic products from the internet. Consumer from different background and exposure to internet advertisement are targeted. Students as well as job holder who are in direct touch with internet access is the targeted population for the study. The people who have direct access of online advertising make me easy to get data. On the basis of different background college students and job holders of different office is chosen for the study.

3.7 Sample size

The questionnaire was distributed to the consumer who purchase clothing and electronic products based on the online advertisement. Although, the questionnaire was distributed to 270, only 203 gave the responses. Therefore, the sample size is 203.

Table 1: No. of responses

Mode of distribution of questionnaire	Distributed	Received
Hard Copy	270	203
Total	270	203

3.7.1 Sampling Technique

Convenience non probability sampling is used for the study. Convenience sampling is the sampling which draws the sample where it is convenient and close. Since the convenience sampling is easy to use and there is limited amount of time, this sampling technique is used. It is also easier to target the population.

3.8 Data analysis

First, the questionnaire is distributed to the targeted respondents. The questionnaire is then collected from the respondents and process for the data analysis. Filled questionnaires from the respondents are checked to remove errors if there is any. Microsoft Excel and SPSS is used to record and process the collected data and information. Those data are then analyzed using various methods. After that, MS-Excel is used to present the data in tables and graphs.

4 ANALYSIS AND INTERPRETATION

4.1 Introduction

This paper consists of analysis of the database which was collected through primary questionnaire data. In this paper, different types of graphical representation and statistical analysis tools has been used to represent the data. Some test has been applied on given data to find out results. Chi square test, regression and descriptive analysis is used to find out the results.

4.2 Respondent Feedback

The questionnaire was distributed to consumer who purchase clothing and electronic products online. The questionnaire was delivered directly in hand. The study mainly targeted 270 respondents out of which 203 respondents responded and return their questionnaires. The period of data collection was conducted around two weeks. According to (Mugenda & Mugenda, 2003), the estimation of response rate of 50% is sufficient for the analysis, response rate of 60% is a good

whereas response rate of 70% or over is extremely good. The response rate for this study is 75%. The paper covers the frequency of demographic information, and also the analysis done based on the research objectives and hypothesis.

4.3 Descriptive Analysis

This section includes the demographic data and the findings related with the age, gender and education.

Table 2: Online Advertisement

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	87	42.9	42.9	42.9
No	75	36.9	36.9	79.8
Sometime	27	13.3	13.3	93.1
Don't know	14	6.9	6.9	100.0
Total	203	100.0	100.0	

Interpretation: The above table represents the perception of respondents whether they like online advertisement or not. Out of the total respondents, 42.9% of the respondents like online advertisement while 36.9% do not like online advertisement. However, 13.3% of the respondent sometimes like online advertisement and 6.9% do not know about online advertisement. It can be seen that most of the respondent know about online advertisement and they also like them.

Table 3: Time spent on online advertisement

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 1 hr	47	23.2	23.2	23.2
1-2 hrs	61	30.0	30.0	53.2
2-4 hrs	49	24.1	24.1	77.3
4-6 hrs	25	12.3	12.3	89.7
more than 6hrs	21	10.3	10.3	100.0
Total	203	100.0	100.0	

Interpretation: The above table represents the frequency of time spent on online advertisement by the respondents. As the respondent replied that 30% of respondents spend 1-2 hrs online advertisement, 23.2% spend less than 1 hour, 24.1% spend 2-4 hours, 12.3% spend 4-6 hours and 10.3% spend more than 6 hours on online advertisement. It can be seen that most respondent spend 1-2 hours watching the online advertisement.

Table 4: Mode of advertising

	Frequency	Percent	Valid Percent	Cumulative Percent
Magazines and newspaper	87	42.9	42.9	42.9

Friends and relatives	75	36.9	36.9	79.8
TV Commercial	27	13.3	13.3	93.1
Online advertisements	14	6.9	6.9	100.0
Total	203	100.0	100.0	

Interpretation: There are various mode of advertising the product which influence the customer to purchase. The above table represents the various mode of advertisement that influence the respondent to buy any product. Out of the total respondent, 42.9% responds magazines and newspaper influence them to buy any product, 36.9% responds friends and relatives, 13.3% responds TV Commercial and 6.9% responds online advertisements. Therefore, from the table we can see that most of the respondent prefer magazine, newspaper and friends and relatives to buy specific product. The frequency of using online for the advertisement is only 6.9%.

Table 5: Frequency of online ads or mails

	Frequency	Percent	Valid Percent	Cumulative Percent
Never	65	32.0	32.0	32.0
Sometimes	67	33.0	33.0	65.0
Often	48	23.6	23.6	88.7
every time	23	11.3	11.3	100.0
Total	203	100.0	100.0	

Interpretation: The above table represents the frequency of online ads or mails respondent check when they use the internet. In question to checking online ads or mails when surf the internet, 33% of the respondent said sometimes, 32% said never, 23.6% said often and 11.3% said every time. This implies that most of the respondent only check the online ads sometimes.

Table 6: Purchase seeing internet ads

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	53	26.1	26.1	26.1
No	94	46.3	46.3	72.4
Sometimes	56	27.6	27.6	100.0
Total	203	100.0	100.0	

Interpretation: The above table presents the frequency of purchasing the product after seeing internet ads. From the above table, respondents made any purchase after seeing internet ads which is 26.1%, 46.3% respondent had not made any purchase while 27.6% sometime made purchase respectively.

4.4 Anova Test

The Anova test is basically used to find out the significant result of the experiments. In this section, Anova test is used to find out the relationship between age group and effects of consumer buying behavior and between gender and consumer buying behavior.

Table 9: One-way ANOVA of consumer purchase behaviour with age

Age	N	Mean	Std. Dev.	F	Sig
20-24	68	18.02	4.22	1.779	0.152
25-29	36	16.47	4.46		
30-34	63	17.50	4.85		
35-40	36	16.11	5.05		
Total	203	17.25	4.64		

The table represents the relationship of age and consumer buying behavior. This test tries to examine whether age is the factor that affects purchase behavior of the consumer. As it can be seen that that p-value is 0.152 which is greater than 0.05. This indicates that there is no significant relationship between consumer purchase behavior among the respondents of different age groups.

4.5 Chi Square

Chi-Square test is used to determine the relationship between observed frequencies and expected frequencies with one or more categories. Here, Chi-square test is used to determine the relationship between gender and consumer buying behaviors.

Table 10: Chi-square test of consumer behaviour with gender

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.404 ^a	2	.817
Likelihood Ratio	.403	2	.817
Linear-by-Linear Association	.116	1	.733
N of Valid Cases	203		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 21.93.

The above table represents the Chi-square test examining the relationship between gender and consumer buying behaviors. As it can be seen from the table, the value of the Pearson chi square is 0.404 and the sig value is 0.817 which is > 0.005 that means there is not a significant relationship between gender and consumer buying behavior.

5 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This paper contains the summary of the findings of the study that was found with the help of data analysis. Based on these findings a few recommendations have been made that can be adopted as it will be beneficial for the future.

5.2 Summary

The summary of the findings are as follows:

- 58.6% of respondents are more in higher than female respondents.
- The men age of respondents are 29 years with SD 6. 33% of the respondents have higher frequency in range 22-24.
- The higher proportionate of the respondents are undergraduate i.e. 53.7%.
- 42.9 % of respondents like online advertisement whereas 36.9% do not like online advertisement.
- 30% respondents spend 1-2 hours on online advertisements in a day.
- 42.9% of respondents are influenced by magazines and newspaper to buy any product.
- 33% of respondents check sometimes-online ads or mails when they surf the internet.
- 46.3% of respondents do not buy any purchases after seeing internet ads.

Effects of Online Advertisement on Consumer Decision states that,

- 35% of respondents are disagree on online advertising that creates interest and brand awareness.
- 32% of respondents are neutral in decision on online advertisement that helped increase product and service awareness.
- 32.5% of respondents' decision is neutral on internet advertising is more effective compared to other media channels.
- 33% of respondents' decision is neutral on preferring online advertisement due to the wide variety it offers them.
- 34% of respondent's decision is neutral on online advertisement has created a positive attitude towards the company's product hence increased firms' performances.
- 33% decision is neutral on repeated advertising message that affect consumer behavior, which serves as a reminder to the consumer.

Factors influencing for buying

- 34% of respondents are neutrally influenced to low cost.
- 32% of respondents are neutrally influenced to offers.
- 33% of respondents are strongly agreed to huge variety.
- 33% of respondents are neutrally influenced to first sight attraction.

Similarly, one-way ANOVA has been tested on effect on online advertisement on consumer decision with age, which have not significant result (0.152).

Chi Square test was performed between gender and effect on online advertisement on consumer decision which identifies not significant relationship (0.817).

5.2.1 Research Question 1

How does the frequency of time spent on watching online advertisement influence in buying behavior of the consumer?

5.2.2 Findings of RQ1

The relationship between the frequency of the time spent watching online advertisement and its influence in consumer buying behaviour is tested. From the test results, it can be seen that there is significant relationship between time spent on online advertisement and buying behaviour of the consumer having sig value 0.002. Most of the respondents agree that the more time spent on watching online advertising changes the buying behaviour of the customers and influence them to purchase the product.

5.2.3 Research Question 2

How does the internet advertisement affect purchasing decision of the consumer?

5.2.4 Findings of RQ2

The relationship between the impact of internet advertisement and purchase behaviour of the consumer is tested using multiple regression analysis. The various effects of online advertisement are studied and analysed such as creating brand awareness, increasing product and service awareness, effective media channels, creating positive attitude and serving as a reminder. From the result, most of the respondent did not agree that there is impact of online advertisement on consumer purchase behaviour and decision. The sig value of all the impacts of online advertisement is greater than 0.005. Similarly. Most of the respondents are neutral to the statements related with the impact of online advertising. Therefore, there is either negative or neutral impact of online advertising on consumer buying behaviour. This may be due to most people still do not trust contents of online advertising. So, there is little or no significant impact of online advertisement towards buying behaviour of the consumer.

5.2.5 Research Question 3

What factors influence the consumer to purchase the product online?

5.2.6 Findings of RQ3

In research question 3, relationship between various factors and purchasing behaviour of the consumer is tested. The various factors are studied and tested such as low cost, offers, huge variety and first sight attraction. From the results, it can be seen that none of these factors influence the consumer to purchase the product. The sig value of these factors is greater than 0.05 which means that there is no relationship between these factors and buying behaviour of the consumer. Most of the respondents are neutral to these factors. They think that these factors moderately influence them to purchase. Therefore, there is little or no significant relationship between factors that influence consumer to purchase the product.

5.3 Conclusion

The purpose of the study was to identify the effectiveness online advertisement influencing consumer buying behavior. Different variable of online advertisement are used to determine the relationship between consumer buying behavior such as time spent on watching online advertising, their impact and their factors. Various statistical tools like Regression, chi square, descriptive, mean and standard deviation were used to analyze the data collected and obtained. The targeted respondents were the people who purchase clothing and electronic products. The data were collected from the questionnaire survey.

From the results, Time spends on online advertisement and impact of online advertisement has significant relationship with consumer buying behavior. Age factor and gender would not respond in relation with the consumer buying decision. According to the results, consumer buying behavior also do not responds in relation effects of online advertisement. The factors of online advertisement such low cost, offers, huge variety and first sight attraction won't be as an influencing factor for buying any product watching online advertisement. This may be due to respondent or the consumers are still having a doubt on online advertisement and their effectiveness. The reliability of the internet advertising is still low in Nepalese market. Therefore, it is advised to conduct the research in couple of years when online advertisement and online marketing has grown a lot bigger and better.

5.4 Limitations of the study

Though the study was conducted with utmost care yet it suffers from a few limitations and they are mentioned below:

- The study revolved around consumer behavior on online advertisement.
- The study was done in Kathmandu, so its applicability in other regions with different demography may not remain the same.
- Any study based on survey through questionnaire suffers from the basic limitation of possibility of difference between what is recorded and what is the truth, no matter how carefully the questionnaire has been designed. This is because respondents may not deliberately report their true perceptions and even if they want to do so, there are bound to be differences owing to problems in filters of communication process.
- Scope of study is confined to organized retail sector of Kathmandu so it is difficult to find conclusions about the whole population respondent may not deliberately report their true perceptions.
- Sample size of the study is small, so the results cannot be applied to whole population.

5.5 Recommendations

These finding would be helpful to ecommerce firms to know about what induces the online advertisement, effects and factors influencing the consumer behavior. Online companies may know what factors leads to customer decisions and factor influencing on buying products. The findings of the study revealed that the reliability of online advertising is low. Therefore, the companies should differentiate with their competitors and provide unique experience to the consumer.

Following are the recommendations to be followed by the companies:

- Internet advertising should be effective in convenience, reach and creation of awareness.
- The companies must adopt various online tools that increases the awareness of the product,

service and the brands.

- The companies should offer wide variety of the products and also ensure that the quality is up to the standard of the product.
- Proper marketing survey must be undertaken to know the needs, wants and demand of the consumer.
- Because the consumer has the doubt on the product which is displayed online, all the products which is purchased through online must be insured by the insurance companies.
- The government should provide good internet infrastructure so that it is accessible to everyone in Kathmandu valley.

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