

# A Study on the Impact of Online Advertisement in the Launching of New Products

Mr. Hemanth S<sup>1</sup>, Dr. W. Saranya<sup>2</sup>

<sup>1</sup> Student, III B.com PA, Sri Ramakrishna College of Arts & Science, Coimbatore-641006

<sup>2</sup> Associate professor, Department of commerce with professional accounting, Sri Ramakrishna College of Arts & Science, Coimbatore-641006

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## ABSTRACT

In an era defined by digital dominance, this study scrutinizes the pivotal role of online advertising in new product launches. It explores the dynamic landscape where traditional advertising gives way to data-driven online platforms, aiming to uncover their profound impact on consumer perceptions and product success. Through comprehensive literature review, survey analysis, and chi-square tests, the study reveals demographic nuances, engagement patterns, and perceptions regarding online advertisements. Findings underscore the significance of targeted advertising strategies, platform optimization, and personalized content in maximizing product launch impact. Recommendations include leveraging demographic insights, platform preferences, and cost-effectiveness perceptions to refine marketing endeavors. This study serves as a strategic guide for businesses navigating the evolving digital realm, offering actionable insights to optimize online advertising and elevate new product launches in a competitive market.

**KEYWORDS:** perceptions of consumers, digital dominance, pervasive influence.

## I. INTRODUCTION OF THE STUDY

- In an era dominated by the digital landscape, the significance of online advertising in the successful launch of new products cannot be overstated. The pervasive influence of the internet has revolutionized the way businesses connect with their target audiences, and online advertising has emerged as a powerful tool in this transformative landscape. This study delves into the profound impact that online

advertisements wield in shaping consumer perceptions and driving the success of new product launches.

- As businesses increasingly migrate towards the virtual realm, the dynamics of consumer engagement have undergone a paradigm shift. Traditional modes of advertising are being overshadowed by the dynamic, data-driven, and interactive nature of online platforms. This study aims to explore how various facets of online advertising, such as social media campaigns, search engine marketing, and display ads, contribute to the overall success or failure of launching new products.
- The digital environment provides an expansive canvas for marketers to craft targeted and personalized campaigns, enabling them to reach specific demographics with precision.

Understanding the effectiveness of these targeted strategies is crucial for businesses seeking to optimize their online advertising expenditure and maximize the impact of their product launches.

## STATEMENT OF PROBLEM

In the contemporary marketplace dominated by digital interactions and e-commerce platforms, the role and effectiveness of online advertisements in facilitating successful product launches have become pivotal. However, amidst the vast array of online advertising channels, formats, and strategies available, there remains a distinct lack of comprehensive understanding regarding their tangible impact on new product introductions. This project aims to explore and elucidate the specific contributions, challenges, and

outcomes associated with online advertisements during the crucial phase of launching new products. Key questions include the extent to which online ads influence consumer awareness, engagement, conversion, and long-term brand loyalty. By addressing these critical gaps, this study endeavors to offer actionable insights that can inform strategic decisions and optimize marketing endeavors in the evolving digital landscape.

**REVIEW OF LITERATURE**

- **Azizul Yadi Siles Yaakop et. al. (2012):** The research identified online factors that influences the perception towards advertising in social networking sites. Privacy and advertisement avoidance were positively correlated with the attitude towards advertisement. But the respondent unfavourable towards the creditability of the Ads on the Internet Informational Interactivity assumed a greater role towards formation of attitudes.
- **Senthil M, Dr. N.R.V. Prabhu, S. Bhuvaneshwari (2013):** The study reveals consumers believable as compared to other medium and the study suggested that most reputable and well known companies may be more likely to meet these expectations, may help to lend creditability to the medium.
- **Kodandaramasetty (2013)** The study stated that facing some threat from online stores, Ads in the electronics categories, however in the big market of consumers durable we are safe

for now. A sad day for Newspaper and Magazine when the e-maker released a report early in 2012 that spending for online Ads would suppress spending for print Ads. Print publishes of course I knew that this doing was coming. After all in 2011, online Ad spending grew 23% in the US just passing that 32 billion mark. In 2012, spending on online Ads will grow another 23% takes as \$40 Billion.

**OBJECTIVES OF THE STUDY**

- To determine the extent to which online advertisements contribute to raising awareness about the new product among the target audience.
- To evaluate the level of engagement (likes, shares, comments, click-through rates) generated by online advertisements for the new product across various platforms.
- To determine the effectiveness of online advertisements in reaching the intended target audience based on demographics, interests, and online behavior.
- To assess the cost-effectiveness of online advertising channels compared to traditional advertising methods in the context of new product launches.

**TOOLS USED**

- Simple percentage analysis
- Chi-square test

**PERCENTAGE ANALYSIS**

PARTICULARS	VARIABLES	RESPONSES	PERCENTAGE
<b>GENDER</b>	MALE	76	63.33
	FEMALE	44	36.66
	TOTAL	120	100
<b>AGE</b>	18-24	56	46.66

	25-34	42	35
	35-44	17	14.16
	45-54	5	4.16
	55 AND ABOVE	0	0
	TOTAL	120	100
<b>OCCUPATION</b>	STUDENT	41	34.16
	EMPLOYED	42	35
	UNEMPLOYED	16	13.33
	SELF-EMPLOYED	19	15.83
	OTHER(PLEASE SPECIFY)	1	0.83
	TOTAL	120	100
	<b>EDUCATIONAL BACKGROUND</b>	HIGH SCHOOL	11
	BACHELOR'S DEGREE	79	65.83

	MASTER'S DEGREE	21	17.5
	DOCTORATE	6	5
	OTHER(PLEASE SPECIFY)	2	1.66
	TOTAL	120	100
<b>HOW OFTEN DO YOU ENCOUNTER ONLINE ADVERTISEMENT</b>	RARELY	22	18.33
	OCCASIONALLY	46	38.33
	FREQUENTLY	37	30.83

	VERY FREQUENTLY	13	10.83
	TOTAL	120	100
<b>WHICH ONLINE PLATFORMS DO YOU USE THE MOST?</b>	FACEBOOK	38	31.66
	INSTAGRAM	91	75.83
	TWITTER	40	33.33
	LINKEDIN	20	16.66

	TIK TOK	3	2.5
	OTHER(PLEASE SPECIFY)	11	9.166
	TOTAL	120	100
<b>HAVE YOU EVER PURCHASED A PRODUCT BASED ON AN ONLINE ADVERTISEMENT?</b>	YES	95	79.16
	NO	25	20.83
	TOTAL	120	100
<b>HOW LIKELY ARE YOU TO TRY A NEW PRODUCT INTRODUCED THROUGH ONLINE ADVERTISEMENT?</b>	VERY LIKELY	34	28.33
	LIKELY	42	35
	NEUTRAL	31	25.83
	UNLIKELY	7	5.83
	VERY UNLIKELY	6	5
	TOTAL	120	100
	YES	102	85
<b>DO YOU FIND ONLINE ADVERTISEMENT HELPFUL IN LEARNING ABOUT NEW PRODUCTS?</b>	NO	18	15
	TOTAL	120	100

<b>HOW OFTEN DO YOU ENGAGE WITH ONLINE ADVERTISEMENT? (LIKES,SHARES,COMMENTS,CLICK-THROUGH RATES)</b>	RARELY	15	12.5
	OCCASIONALLY	58	48.33
	FREQUENTLY	44	36.66
	VERY FREQUENTLY	3	2.5
	TOTAL	120	100
<b>ON WHICH PLATFORM DO YOU MOST COMMONLY ENGAGE WITH ONLINE ADVERTISEMENT?</b>	FACEBOOK	10	8.33
	INSTAGRAM	78	65
	TWITTER	14	11.66
	LINKEDIN	12	10
	TIK TOK	2	1.66
	OTHER(PLEASE SPECIFY)	4	3.33
	TOTAL	120	100
<b>In your opinion, do you think online advertising is more cost-effective than</b>	YES	85	70.83

traditional advertising for product launches?	No	24	20
	Unsure	11	9.16
	TOTAL	120	100
How likely are you to trust information about a new product from an online advertisement compared to traditional methods?	VERY LIKELY	50	41.66
	LIKELY	34	28.33
	NEUTRAL	28	23.33
	UNLIKELY	4	3.33
	VERY UNLIKELY	4	3.33
	TOTAL	120	100
Which device do you primarily use for accessing online content and advertisements?	Smartphone	69	57.5
	Tablet	31	25.83
	Laptop	13	10.83
	Desktop computer	7	5.83
	TOTAL	120	100
	Excellent	43	35.83

	Good	60	50
<b>How would you rate your overall experience with personalized online advertisements that cater to your interests?</b>	Fair	12	10
	Poor	4	3.33
	TOTAL	120	100
<b>What type of online advertisements do you find most engaging? (Select all that apply)</b>	Banner ads	41	34.16
	Video ads	62	51.66
	Social media posts	69	57.5
	Sponsored content	31	25.83
	Search engine ads	8	6.66
	Other (please specify)	10	8.33
	TOTAL	120	100
<b>How likely are you to share a new product advertisement with your friends or followers on social media?</b>	VERY LIKELY	43	35.83
	LIKELY	39	32.5
	NEUTRAL	23	19.16



	UNLIKELY	8	6.66
	VERY UNLIKELY	7	5.83
	TOTAL	120	100
<b>What factors influence your decision to engage with an online advertisement?</b> (Select all that apply)	Relevance to my interests	47	39.16
	Appealing visuals	61	50.83
	Discounts or promotions	51	42.5
	Trustworthiness of the brand	24	20
	Recommendations from others	11	9.16
	Other (please specify)	8	6.66
	TOTAL	120	100
<b>Have you ever made a purchase directly through a link in an online advertisement?</b>	YES	98	81.66
	NO	22	18.33

	TOTAL	120	100
<b>In your opinion, which advertising channel is more likely to catch your attention for a new product?</b>	Online advertisements	37	30.83

	Television commercials	55	45.83
	Radio advertisements	11	9.16
	Other (please specify)	17	14.16
	TOTAL	120	100
<b>How would you rate the impact of online advertisements on your purchasing decisions compared to traditional advertising?</b>	Higher impact	43	35.83
	Equal impact	51	42.5
	Lower impact	21	17.5
	Not applicable	5	4.16
	TOTAL	120	100
<b>How often do you click on online advertisements that are tailored to your demographic profile?</b>	RARELY	25	20.83
	OCCASIONALLY	45	37.5

	FREQUENTL Y	44	36.66
	VERY FREQUENTL Y	5	4.16
	TOTAL	120	100
<b>Do you feel that online advertisements are effective in understanding and addressing the specific needs of your demographic group?</b>	YES	79	65.83
	No	25	20.83
	Unsure	16	13.33
	TOTAL	120	100
<b>Which type of engagement (likes, shares, comments) do you find most influential in convincing you to consider a new product?</b>	Likes	41	34.16
	Shares	28	23.33
	Comments	24	20
	All are equally influential	19	15.83
	None are influential	7	5.83
	TOTAL	120	100
<b>Do you believe that online advertisements provide more detailed information about</b>	YES	73	60.83

a new product compared to traditional methods?	No	34	28.33
	Unsure	13	10.83
	TOTAL	120	100

**Interpretation**

The survey of 120 participants provides insights into their attitudes toward online advertising. Predominantly male (63.33%) and aged 18-34, with a focus on students (34.17%) and employed individuals (35%), the participants engage with online ads occasionally (38.33%) and favor Instagram (75.83%). A substantial 79.17% admit to making purchases based on online ads, while 70.83% find them more cost-effective than traditional methods. Trust in online ads is high

(41.67%), and smartphones are the primary device for accessing content (57.5%). Positive engagement on platforms like Instagram (65%) is coupled with a favorable perception of personalized ads (86%). Video ads (51.67%) and social media posts (57.5%) are most engaging, and participants believe online ads effectively cater to their demographic's needs (65.83%). Overall, the survey highlights the pervasive influence and positive impact of online advertising on the surveyed demographic.

**CHI-SQUARE**

**OCCUPATION/HOW LIKELY ARE YOU TO TRY A NEW PRODUCT INTRODUCED THROUGH ONLINE ADVERTISEMENT:**

	VERY LIKELY	LIKELY	NEUTRAL	UNLIKELY	VERY UNLIKELY	TOTAL	x <sup>2</sup>	df	p-value
STUDENT	11	21	10	1	0	43	36.20958	16	0.002706
EMPLOYED	14	11	11	2	2	40			
SELF-EMPLOYED	3	4	8	3	1	19			
UNEMPLOYED	3	8	3	1	2	17			
OTHER(PLEASE SPECIFY)	0	0	0	0	1	1			
TOTAL	31	44	32	7	6	120			

**Interpretation**

The chi-square test indicates a significant relationship between occupational status and the likelihood of trying a new product through online advertising among the surveyed participants. Students and employed individuals stand out,

showing a notably higher inclination, with 11 students and 14 employed respondents expressing a "VERY LIKELY" disposition. This suggests that occupational status plays a role in shaping attitudes towards online advertising, with potential implications for targeted marketing strategies.

**AGE/HOW OFTEN DO YOU ENGAGE WITH ONLINE ADVERTISEMENT (LIKES,SHARES,COMMENTS,CLICK-THROUGH RATES):**

	VERY FREQUENTLY	FREQUENTLY	OCCASIONALLY	RARELY	TOTAL	$\chi^2$	df	pvalue
18-24	0	18	27	11	56		9	
25-34	3	13	20	3	39	17.243		0.045
35-44	0	6	10	1	17	24		04
45-54	0	4	1	3	8			
TOTAL	3	41	58	18	120			

**Interpretation:**

The chi-square test results reveal a significant relationship between age groups and the frequency of engagement with online advertisements among the surveyed participants. Specifically, individuals in the 18-24 age range demonstrate a pronounced association with higher engagement, notably in the "FREQUENTLY" (18) and "OCCASIONALLY" (27) categories. The 25-34 age group also exhibits a notable correlation, with 13 respondents engaging "FREQUENTLY" and 20 engaging "OCCASIONALLY." In contrast, the 35-44 and 45-54 age groups show varied levels of engagement, with smaller sample sizes.

**SCOPE OF THE STUDY**

This study investigates the pivotal role of online advertising in contemporary new product launches. Amidst the digital era, traditional advertising methods are overshadowed by dynamic online platforms. The research explores the influence of various online advertising facets, including social media campaigns and search engine marketing, on shaping consumer perceptions and driving product success. Marketer's leverage the expansive digital landscape for precise targeting, necessitating an

understanding of the effectiveness of these strategies. By addressing crucial gaps in comprehension, this study provides actionable insights to optimize online advertising, enhance marketing endeavors, and elevate the impact of new product launches in the evolving digital landscape

**LIMITATION OF THE STUDY**

- The study's exclusive focus on Coimbatore limits the generalizability of findings to other regions, potentially overlooking variations in cross-cultural marketing dynamics on a broader scale.
- The six-month duration of the study may provide insights into short-term effects, but it poses limitations in capturing the long-term implications of globalization on consumer perceptions in the luxury goods sector.
- While the study explores the impact of globalization on cross-cultural marketing in Coimbatore, there is a notable absence of a comprehensive framework that integrates various factors such as lifestyle, values, or brand perception. This gap hinders a holistic understanding of the diverse influences on luxury product decisions in the region.

## FINDINGS OF THE STUDY

- The survey underscores the influence of demographics on online engagement, with younger individuals (18-24) showing a significantly higher frequency of engagement with online advertisements. This highlights the importance of tailoring advertising strategies to different age groups for optimal effectiveness.
- Occupational status plays a crucial role in individuals' likelihood to try new products introduced through online advertising. Students and employed respondents exhibit a notably higher inclination, emphasizing the need for targeted marketing strategies aligned with occupational profiles.
- A substantial majority (79.17%) has made purchases based on online advertisements, indicating the considerable impact of online advertising on actual consumer behavior. This finding suggests that online platforms are effective channels for influencing purchasing decisions.
- Instagram emerges as the most preferred platform (75.83%) for users, with high engagement rates (65%). This emphasizes the significance of selecting appropriate platforms for advertising endeavors, aligning with users' preferences and behaviors.
- Participants generally hold a positive perception of personalized online advertisements, with 86% rating their overall experience as either "Excellent" or "Good." This indicates that customization and relevance in online ads contribute to a favorable user experience.
- A significant portion (70.83%) believes that online advertising is more cost-effective than traditional methods for product launches. Trust in online ads is also evident, with 41.67% being "VERY LIKELY" to trust information about a new product, further affirming the effectiveness of online advertising channels.

## SUGGESTION OF THE STUDY

- Leverage the identified demographic patterns to create a targeted advertising strategy. Design campaigns tailored specifically to the preferences and behaviors of age groups, occupations, and gender segments that have shown higher engagement and likelihood to try new products.

- Given the popularity of Instagram and the varying engagement levels across different platforms, focus on optimizing advertising campaigns for the most preferred platforms. Tailor content formats and styles to align with the user behaviors observed on these platforms.
- Capitalize on the positive perception of personalized ads by enhancing the level of customization. Utilize advanced targeting techniques to deliver more relevant and personalized content, increasing the likelihood of positive user experiences and engagement.
- Investigate the specific aspects that respondents find cost-effective in online advertising. Explore innovative and budget-friendly advertising methods to optimize cost-effectiveness for new product launches, aligning with the perceived advantages of online advertising.
- Develop a holistic advertising approach by integrating campaigns across multiple platforms. Create a seamless experience for users who engage with ads on different platforms, ensuring consistent messaging and maximizing the overall impact of the advertising efforts.
- Conduct an in-depth analysis of the relationship between online advertising engagement and actual purchasing decisions. Understand the factors that drive consumers from engagement to purchase and use these insights to refine product launch strategies.

## II. CONCLUSION

This study on the impact of globalization on cross-cultural marketing in Coimbatore provides crucial insights into consumer behavior. Examining demographics, perception factors, and globalization effects, it identifies urban-centric preferences and emphasizes the positive link between income and cultural symbol consideration. The study advocates for targeted marketing campaigns, culturally-aligned product designs, and a nuanced understanding of additional influencing factors. Despite limitations, the research contributes valuable knowledge for businesses navigating cross-cultural marketing challenges in Coimbatore, offering practical recommendations for strategic decision-making in a globally interconnected marketplace.

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