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Study of Perception Towards E-mail Advertising vis-a-vis Conventional Advertising Among Indian users

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As the Internet gradually diffuses throughout more sectors in society many advertisers have begun to consider the diversity in various aspects of consumer behavior among Internet users. As Internet users' perceptions towards Internet advertising are found to influence their brand perceptions and purchase intentions, the study can contribute to the design and assessment of Internet advertising. The paper discusses the findings of a study designed to increase the generalisability, validity and reliability of earlier studies concerning the relationships between perception toward the ad and aspects of the advertising hierarchy of effects model in the e-mail marketing context. The findings suggest that the traditional advertising hierarchy of effects model is relevant in the e-mail marketing environment, and that investment in e-mail marketing communication can be evaluated using this stable and reliable method. It is, however, suggested that further research is needed to improve the generalisability of the findings.

KEYWORDS: Perception, E-mail advertising, Conventional advertising, Perception.

INTRODUCTION

Since the first banner ads appeared in 1994, the internet advertising industry has experienced exceptional growth. The Interactive Advertising Bureau (EAB) heralded 2003 as 'the most successful year in association history', recording full-year revenue as almost US$7.3 billion (EAB 2003). Existing academic research encompasses a broad spectrum of studies on internet advertising effectiveness measured by direct response and branding metrics. The few studies that have included click-through rate (CTR) as a measure of e-mail advertising effectiveness have examined the relationships between CTR and a series of factors such as web user motives, audience targeting, exposure frequency, copy content and a limited number of design elements of banner ads. Advances in technology have made e-mail gambling one of the fastest-growing industries in recent years. While in 1999 there were only 300 e-mail casinos worldwide, this number had grown to 1800 by 2004 (Constable 2003; Catty 2004). This empirical investigation broadens the existing academic knowledge of e-mail advertising efficiency and, more specifically, contributes to the understanding of which creative elements of banner ads impact click through. In addition, this study is the first to examine internet advertising effectiveness in the context of the e-mail gaming industry. It is not the intention of this study to enhance the effectiveness of the advertising of e-mail casinos. Rather, it centers on whether the effects of banner design on click-through differ between this market and others. E-mail gambling is an example of an industry where those who participate e-mail may not have considered participating offline. This contrasts with most other examples of e-commerce (e.g. purchasing groceries, clothes, books). Hence, an e-mail casino has to build credibility from its banner ads and website alone. Consequently, there might be reason to believe that different banner characteristics would increase effectiveness more than those previously found in other industries. Nevertheless, given ongoing concerns and much recent debate over the growth of the gambling sector and

relaxed restrictions on broadcast advertising (from September 2007 in the UK, for example), an understanding of the effectiveness of e-mail advertising is of interest to both the casinos and their regulators.

LITERATURE REVIEW

Except for the work by Chittenden and Rettie (2003) and Dufrene *et al* (2005), there are very few studies on Internet users' perceptions toward commercial e-mails. In fact, little research looks at psychological variables in order to account for users' perceptions toward direct mail (Dufrene *et al*, 2005). Thus, it seems interesting to gain insight into the antecedents of consumer perceptions toward e-mails. Vriens *et al* (1998) were the first to dissect the process of responding to a direct mail offer. According to these authors, the content of the mailing influences the probability of taking notice of the offer made and the attractiveness of the offer increases the probability of responding. In continuation of this type of research, our study takes into account the consequences of perceptions toward an e-mail campaign in which we introduce variables, such as entertainment, informativeness, irritation and credibility.

Ducoffe (1996) applied his original framework (1995) to the web environment. Ducoffe (1996) confirmed previous results and found that perceptions toward Web advertising were directly dependent on advertising value and perceived levels of entertainment. Furthermore, advertising value was dependent on perceived levels of entertainment, in formativeness and irritation. Ducoffe (1995, 1996) identifies entertainment, informativeness and irritation as factors contributing to consumers' evaluations of ad values and thus perceptions toward ads. Brackett and Carr (2001) further validate Ducoffe's model, and extend the model to include credibility and consumer demographics. Credibility is shown to be directly related to both advertising value and perception toward advertising. Demographic variables, such as college major, age and gender are shown to affect only perceptions toward advertising. Fernandezs (2000) intended to understand goal-oriented consumers. Responses toward directional advertising within the context of Yellow Pages. Informativeness is defined as relevant to a purchase situation. Findings suggest that advertising with more specific information that matches consumers' purchase situations is more likely to be processed and will result in a proactive response (for example, consumers calling the advertisers or marketers). Perception toward ad is defined as a predisposition to respond in a favorable or unfavorable manner to a particular advertising stimulus during a particular exposure situation (Mackenzie *et al*, 1986).

Needs and advertising value is to take the use and gratification perspective. This approach assumes audience members to be active gratification seekers who interact with the media rather than become passive recipients of media content (Williams, Phillips and Lum, 1997). Their media use is considered a conscious effort to fulfill either cognitive or affective needs, or psychological motives, such as information learning, entertainment, personal identity, Para social interaction, companionship and escape (Katz *et al*, 1974; Blumler, 1979; Rubin, 1981, 1983). The merit of this approach is in explaining users' continuing media exposure by answering the questions of why people choose to attend to particular media or types of content/messages, what satisfaction they expect and get, and to what uses they put the results of their attention to media (McGuire, 1974). It also helps explain varying viewing levels and viewing gratifications (Levy and Windahl, 1984). Palmgreen and Rayburn (1985) has related it to the expectancy-value approach, which proposes that a particular kind of media content will have attributes, which derives a negative or positive valuation for the audience.

According to Baker and Lutz (1988), Ad may contain both affective reactions (ad-created feeling of happiness) and evaluations (an ad's credibility or informativeness). The advertising function for ad is not directed at specific products' attributes/benefits, and the objective is not to influence consumers' beliefs toward the brand *per se*(Shimp, 1981), but instead directed toward creating a favorable perception toward the ad in order to leave consumers with a positive feeling after processing the ad (Shimp, 1981). There are two distinct dimensions of ad, one cognitive and the other emotional (Shimp, 1981). Emotionally, consumers form perceptions toward the ads by consciously processing exceptional elements (components found in ads, such as the endorser, presentation style, color lose and title/font presentation) (Shimp, 1981). Cognitively, consumers form perceptions resulting from the conscious processing of specific exceptional elements in the ad, such as the endorser, the copy, the presentation style and so on (Shimp, 1981). Simply stated, ad may result because the ad evokes and emotional response, such as a feeling of love, joy, nostalgia or sorrow, without any conscious processing of exceptional elements (Shimp, 1981). These two dimensions may have different impacts on consumers' perceptions. Mitchell and Olson (1981) conducted an innovative study that posed the question 'are product attributes the only mediator of brand

perception?' They found that brand perceptions are not solely functions of the attribute beliefs that are formed about the brand, but also may be influenced by consumers' conventional liking for the ad itself or the visual stimulus presented in the ad.

PERCEPTION TOWARDS INTERNET ADVERTISING

Perception toward an ad is defined as 'a learned predisposition to respond in a consistently favorable or unfavorable manner toward advertising in conventional' (Mackenzie and Lutz, 1989, p. 54). In this context, it is important to note that perception toward e-mail advertising pertains to consumers' perception toward this advertising type in conventional and not to the exposure to one particular ad. In conventional, perceptions are 'mental states used by individuals to structure the way they perceive their environment and guide the way they respond to it' (Aaker, Kumar and Day, 1995; p. 254). A significant correlation between favorable perceptions toward advertising and respondents' rating of specific ads as being annoying, likeable, and enjoyable and so on has been observed (Bauer and Greyser, 1968). Consequently, our research interest focuses on the antecedents of consumer perceptions toward e-mail advertising. In this paper, the perception toward e-mail advertising is measured along various dimensions.

In contrast to attitudinal findings toward e-mail advertising (Mehta and Sivadas, 1995), the interviewed executives found Web advertising to be useful, valuable and important. Although these previous findings on perceptions toward e-mail and Web advertising shed light upon the Internet population's perceptions toward specific types of Internet advertising, a larger and more representative sample as well as an examination of Internet advertising in conventional would be useful. Indeed, both Ducoffe (1996) and Mehta and Sivadas (1995) call for broader sampling frames. Understanding the factors that underlie Internet advertising perceptions would also be important for both theory development and applied goals. Ducoffe showed that entertainment, informativeness and irritation influenced perceptions toward Web advertising. The idea that affective (entertainment and irritation) and cognitive (informativeness) experiences with Web advertising contribute to people's judgments on Web advertising is consistent with other attitudinal models such as the tripartite theory of perceptions. Yet, the tripartite theory proposes third factor, behavioral experiences, which may contribute to people's perceptions (Katz and Scotland, 1959; Rosenberg and Hovland, 1960; see Eagly and Chaiken, 1993, for a theoretical and historical overview of this model). Hence, the utility of Internet advertising for making decisions (a behavioral experience) may also drive people's perceptions toward Internet advertising.

Some have assumed that the underlying structure of Internet advertising perceptions reflects the structure of perceptions toward advertising in conventional (Ducoffe, 1995; Eighmey, 1997). Yet, it is also plausible that the unique characteristics of the Internet might cause the underlying structure of perceptions toward Internet advertising and conventional advertising to differ. For instance, because it is used primarily as an information-providing medium (Schlosser and Kanfer, 1999), Internet advertising might elicit perceptions that are mostly comprised of cognitive factors – especially in comparison with perceptions toward advertising in conventional. Such variance has implications for how practitioners alter Internet ads (as opposed to traditional advertising) in order to improve Internet advertising perceptions. Thus, one goal of the present research is to determine which dimensions underlie (and to what degree they explain variance in) perceptions toward Internet advertising. There is clear evidence that the emotions that advertising arouse do carry over to products and brands, and studies have often shown that perception toward the ad is a strong mediator of advertising effectiveness (Mitchell and Olson, 1981; Batra and Ray, 1986; MacKenzie, Lutz and Belch, 1986; Bruner and Kumar, 2000; Stevenson et al. 2000). The majority of these studies has focused on the study of perception toward the ad as a causal mediating variable in the process through which advertising influences brand perceptions and purchase intentions. Furthermore, these studies have often shown a strong positive relationship between perception toward the ad and brand perception, which in turn is positively related to purchase intention.

Objectives of the Study

The objectives of the present research are to address three questions:

1. What are consumers' perceptions toward e-mail advertising?
2. How does this compare to demographically similar samples' perceptions of advertising in conventional?
3. Which dimensions underlie and to what degree do they contribute to e-mail advertising perceptions?

METHODOLOGY

The survey was conducted in the summer of 2011. Two nationally representative samples were drawn over a 3-months period during which during which were interviewed. For this study, a pretested standardized questionnaire(s) have been applied for the face-to-face interviews. The interviewed persons have been selected on the basis of a quota sample that is representative for the Indian population. These quotas are related to gender, age and education. The Indian market shows one of the highest penetration rates of Internet users in Asia and is therefore very suitable for study on e-mail advertising. Currently, India has over 90 million active Internet users and is expected to emerge as one of the top e-mail markets in Asia, along with China (EconomicTimes, 2011).

Items were assessed on Likert type scale ranging from 'agree' to 'disagree'. These scales were reverse-coded where appropriate. Prospective respondents were screened for age and for media usage. Only those between the ages of 18 and 64 were surveyed. The samples were screened for their Internet access and usage. Prospective respondents in Sample 1 were included if they indicated that they personally had access to and used the Internet or World Wide Web. In order to assure a substantial representation of regular Internet users, prospective respondents in Sample 2 were included only if they further indicated that they frequently or regularly used the Internet or Web. Because there were no significant differences between the two samples in terms of how often they look at e-mail advertisements, how often they have used the computer in the week prior to the survey and whether they subscribe to an e-mail service the two samples were combined for all analyses.

Sample Description

In order to match the GA sample to the OA sample according to pertinent OA demographic characteristics, we begin by examining the representativeness of our OA sample relative to other survey's demographic profiles of Internet users, looking in particular at demographic variables shown in previous research to influence perceptions toward advertising (see Shavitt et al., 1998). The demographics of the current sample are consistent with the demographics of other Internet studies: the sample predominantly comprises young, male adults who are well educated and of good socioeconomic status. Before describing more specifically the sample's representativeness, it is important to note the difficulty in precisely assessing the representativeness of an Internet sample due to the lack of consensus across e-mail reports about the exact demographics of the Internet population (cf. Cyberatlas, 1997; Layton and Kanfer, 1996). The results indicate that the sample demographics are quite similar to those of other studies of Internet demographics earlier. With regard to the proportion of males versus females on the Internet, internet studies conducted from 1995 to 1997 suggest that 30-45% of Internet users are female (Cyberatlas, 1997; Layton and Kanfer, 1996). In our sample, 45.6% of respondents were female—an estimate similar to that obtained in a study conducted around the same time (45%, IntelliQuest, 1996). Some have argued that the difference in reported proportions of females using the Internet may be due to differing definitions of a user: That is, samples of active users have lower proportions of females (30%–35%), whereas samples of more casual users have higher proportions (40%) of females (GVU, 1999). Our data support this postulate: examining exclusively those who look at OA several times a week or more (i.e., active Internet users), only 31% are female. Indeed, the proportion of females to males increases as the frequency of exposure to OA decreases, suggesting that Internet experience/exposure plays an important role in the female-to-male ratio of one's sample (see Table 1) In past Internet demographic studies, the average age of Internet users has ranged between 32 and 35 years old, with this average age of the Internet population increasing over time (GVU, 1999). In addition to the problems cited for analyzing the representativeness of gender across studies, difficulties in comparing ages across studies is compounded by the problem that many studies group respondents into different age brackets.

In the current sample, approximately 8% of the sample is over the age of 50. At the time of the current survey, the Internet population was also very well educated and affluent. The majority of Internet users had obtained a college degree (56.1% according to GVU, 1999; 64% according to Nielsen Media Research, see Layton and Kanfer, 1996) and education level of the current sample is also similar: 58.8% of respondents had obtained their college degree. Gender, age, education, income, and race are the primary demographic variables used by Internet usage surveys to describe and assess the approximate representativeness of an Internet sample (cf. FIND/SVP, 1997; GVU, 1999; Hoffman, et al., 1996). Thus, the present Internet sample is demographically comparable to information emerging from other Internet demographic and usage studies.

Table 1

	Never	*Less Than Once a Month*	*Once a Month*	*Several Times a Month*	*Once a Week*	*Several Times a Week*	*Everyday*	*Total*
Gender								
Male Female	7 (30.4%) 16 (69.6%)	18(37.5%) 30 (62.5%)	23(41.8%) 32 (58.2%)	14 (30%) 26 (65%)	45(71.4%) 18 (28.6%)	63 (67%) 31 (33%)	46 (62.2%) 28 (37.8%)	216 (54.4%) 181 (45.6%)
Age								
Below 20 20-30 30-40 40-50 Above 50	15 (27.3%) 16 (29.1%) 11 (20%) 6 (10.9%) 7 (12.7%)	7 (17.5%) 18 (45%) 9 (22.5%) 5 (12.5%) 1 (2.5%)	4 (8.3%) 10 (20.8%) 14 (29.2%) 11 (22.9%) 9 (18.8%)	5 (21.7%) 7 (30.4%) 8 (34.8%) 2 (8.7%) 1 (4.3%)	19 (20.2%) 27 (28.7%) 29 (30.9%) 12 (12.8%) 7 (7.4%)	20(27%) 23 (31.1%) 14 (18.9%) 14 (18.9%) 3 (4.1%)	10 (16.1%) 20 (32.3%) 19 (30.6%) 10 (16.1%) 3 (4.8%)	80 (20.2%) 121 (30.6%) 104 (26.3%) 60 (15.2%) 31 (7.8%)
AcademicProfile								
Primary High school Senior Secondary College graduate Postgraduate	1(2.2%) 5 (10.9%) 11 (23.9%) 15 (32.6%) 14 (30.4%)	1 (4.3%) 2 (8.7%) 6 (26.1%) 5 (21.7%) 9 (39.1%)	2 (3.6%) 11 (20%) 9 (16.4%) 19 (34.5%) 14 (25.5%)	1(2.5%) 3(7.5%) 9 (22.5%) 17 (42.5%) 10 (25%)	1 (1.4%) 9 (12.2%) 26 (35.1%) 20 (27%) 18 (24.3%)	5 (5.3%) 15 (16%) 26 (27.7%) 32 (34%) 16 (17%)	1 (1.6%) 7 (11.1%) 12 (19%) 23 (36.5%) 20 (31.7%)	11(2.8%) 53 (13.4%) 99 (25.1%) 131 (33.2%) 101 (25.6%)
Income								
Less than 5,000 INR 5,000-10,000 INR10, 000–15,000 INR 15,000-20,000 INR 20,000-25,000 INR 25,000-30,000 More than 30,000	1 (1.8%) 4 (7.1%) 8 (14.3%) 8 (14.3%) 19 (33.9%) 8 (14.3%) 8 (14.3%)	1 (4.5%) 3 (13.6%) 3 (13.6%) 8 (36.4%) 5 (22.7%) 1 (4.5%) 1 (4.5%)	2 (4.1%) 6 (12.2%) 9 (18.4%) 8 (16.3%) 15 (32.7%) 5 (10.2%) 3 (6.1%)	3 (8.1%) 3 (8.1%) 7 (18.9%) 8 (21.6%) 7 (18.9%) 7 (18.9%) 2 (5.4%)	8 (12.5%) 6 (9.4%) 10 (15.6%) 11 (17.2%) 15 (23.4%) 5 (7.8%) 9 (14.1%)	2 (2.4%) 6 (7.3%) 13 (15.9%) 16 (19.5%) 26 (31.7%) 11 (13.4%) 8 (9.8%)	2(5.8%) 1 (2.9%) 9 (25.7%) 7 (20.0%) 9 (25.7%) 2 (5.7%) 7 (20%)	17 (4.9%) 29 (8.4%) 59 (17.1%) 66 (19.1%) 97 (28.1%) 39 (11.3%) 38 (11%)

RESULTS AND DISCUSSIONS

Responses to Attitudinal Items

Respondents' overall impressions of Internet advertising were assessed with the question, "In conventional, do you like or dislike Internet advertising?" The results indicated that respondents are approximately equally divided in their perceptions of OA: 34% liked OA, 40% disliked OA, and 26% felt neutrally towards it. Hence, there is little consensus among those who have had at least some Internet experience about evaluations of OA. To find whether the attitudinal results might be due to the demographic characteristics of the Internet population rather than OA itself, responses toward OA were compared to a demographically matched sample's responses toward advertising in conventional (GA). From this comparison, we found that a higher proportion of participants liked GA (44%) and fewer disliked GA (29%) compared to those who evaluated] OA. It appears, therefore, that significantly fewer respondents liked OA than a demographically similar sample liked GA (x^2=16.02 p = .0001). This contrasts previous speculation that OA would be judged as more valuable (thereby, more likeable) than GA (Ducoffe, 1995). Possible reasons why proportionally fewer people liked OA than liked GA are discussed in the section, "Variables Contributing to OA Perceptions." To assess the relationship of the remaining 16 OA items with overall perceptions toward OA, the relatedness of these items was analyzed using principal components factor analysis (with varimax rotation) and hierarchical cluster analysis using the centroid method. Both analyses yielded the same 5 factors: (1) advertising value (informative, entertaining, and useful for making decisions); (2) indignity; (3) trust; (4) price perceptions; and (5) regulation. The results for each item within each factor (for both the OA and weighted GA sample) are described in Table 2. .

Table 2 Internet Users' Perceptions toward e-mail advertising: Comparison with a Demographically Matched Sample's Perceptions toward GA.

Perception	*Like*	*Neutral*		*Dislike*	*x2 (p-value)*				
Q1. In conventional, do you like or dislike advertising?									
Sample with EA question version	34%	26%	40%	16.02 (p = .000)					
Sample$_1$ with CA question version	44%	27%	29%						
Advertising value	Agree	Neutral		Disagree	x*2 (p*-value)				
Q2. Most advertising is informative									
Sample with EA question version	61%	19%	20%	33.38 (p= .000)					
Sample$_1$ with CA question version	60%	11%	29%						
Q3. I like to look at most advertisements that I am exposed to									
Sample with EA question version	40%	12%	48%	18.44 (p= .000)					
Sample$_1$ with CA question version	51%	12%	37%						
Somewhat /Often	Never /Seldom								
Q4. How often do you use advertising to help make your purchase decisions?									
Sample with EA question version	32%	68%	132.49 (p = .000)						
Sample$_1$ with CA question version	66%	34%							
5. In conventional, how confident do you conventionally feel using information you see in an ad to make a purchase decision?									
Sample with EA question version	69%	31%	8.98 (p= .003)						

Table 2 *Contd.*

Perception	*Like*	*Neutral*		*Dislike*	*x2 (p-value)*				
Sample$_I$ with CA question version	61%	39%							
Irritation	Disagree	Neutral		Agree	x*2 (p*-value)				
Q6. Most advertising insults my intelligence									
Sample with EA question version	53%	21%	26%	62.75 (p = .000)					
Sample$_I$ with CA question version	45%	14%	41%						
	Somewhat /Often	Never /Seldom							
Q7. How often do you feel offended by advertisements?									
Sample with EA question version	30%	70%	2.55 (p = .000)						
Sample$_I$ with CA question version	49%	51%							
Q8. How often have you felt misled by advertisements?									
Sample with EA question version	32%	68%	135.66 (p = .000)						
Sample$_I$ with CA question version	66%	33%							
Trust	Disagree	Neutral		Agree	x*2 (p*-value)				
Q9. In conventional, I feel I can trust advertising									
Sample with EA question version	48%	21%	31%	52.18 (p = .000)					
Sample$_I$ with CA question version	37%	12%	51%						
Q10. Products that I have used usually live up to the promises of quality and performance made in their advertisements									
Sample with EA question version	36%	50%	14%	179.09 (p = .000)					
Sample$_I$ with CA question version	49%	18%	32%						
Somewhat /Very	never /Not At All								
Q11. How comfortable are you about purchasing an item directly through an address or phone number in an advertisement Sample with EA question version									
	41%	59%	7.68(p=006)						
Sample$_I$ with CA question version	32%	68%							
Price perceptions	Agree	Neutral		Disagree	x*2p*value)				
Q12. In conventional, advertising results in lower prices for the products I buy									
Sample with EA question version	33%	36%	31%	143.59 (p = .000)					
Sample$_I$ with CA question version	24%	13%	63%						
	Increases		No effect		Decreases				
Q13. I usually get better value for my money in advertised brands of products than in unadvertised brands									

Sample with EA question version	21%	49%	28%	144.09 (p=.000)					
Sample$_1$ with CA question version	34%	20%	47%						
Q14. What effect do you think advertising has on the prices of advertised products?									
Sample with EA question version	29%		57%	14%	242.50	p .000) Sample$_1$ with CA question version	69%	22%	9%
Regulation	Agree	Neutral		Disagree	x*2*	*(p*-value)			
Q15. I think the government should put less effort into regulating the content of advertising I see									
Sample with EA question version	59%	12%	29%	19.99 (p= .000)					
Sample$_1$ with CA question version	40%	13%	47%						
Q16. Advertising regulation should be done by the advertising industry through its member assocEAtions rather than by the government									
Sample with EA question version	65%	11%	24%	18.26 (p= .000)					
Sample$_1$ with CA question version	55%	13%	32%						
	Too Much	Just Right	Too Little	x*2(p*-value)					
Q17.How do you feel about the amount of regulation which the government currently places on advertising									
Sample with EA question version	23%	53%	24%	14.69 (p= .001)					
Sample$_1$ with CA question version	18%	52%	30%						

Advertising Value

The first factor consisted of items related to the value or effectiveness of advertising in meeting consumers' needs.—that is, how informative and entertaining the advertising is and how useful it is for making purchase decisions. Indeed, informativeness and entertainment have been identified as positively contributing to the perceived value of OA and advertising in conventional (cf. Ducoffe, 1995; Ducoffe, 1996; Eighmey, 1997). The informational item loading on this factor was, "Most Internet advertising is informative." The majority of participants agreed either somewhat or strongly that OA is informative (61%). However, they did not hold such a favorable view of OA's enjoyableness. In response to the entertainment item, "I like to look at most of the advertisements on the Internet that I am exposed to," nearly half of the respondents disagreed either somewhat or strongly (48%). Approximately one third of respondents enjoyed looking at OA (38%). This demographic group does not find all advertising to be informative yet unentertaining. Compared to respondents' perceptions of OA, a higher proportion of a demographically matched sample found GA to be *un*informative (29% vs. 20%). Furthermore, among these demographically matched samples, significantly fewer respondents enjoyed looking at OA than GA (40% vs. 51%). Thus, it appears that within this demographic group, OA is perceived as informative but not entertaining, especially in comparison to advertising in conventional. Only 32% of respondents reported using OA information to make a purchase decision—a small percentage compared to a demographically matched sample's usage of advertising in conventional to make a purchase decision (32% vs. 66%). It is unlikely that the perceived informativeness of OA contributes to this lack of using OA

for purchasing decisions. Indeed, as previously mentioned, a high percentage of respondents (61%) found OA to be informative. Nor does confidence in using OA to make a purchase decision appear to be impeding consumers' usage of OA for purchase decisions. In response to the other behavioral item, "In conventional, how confident do you conventionally feel about using information you see in an Internet ad to make a purchase decision?" 69% of the Internet sample responded that they felt somewhat or very confident about using OA. Perhaps instead, there is a lack of opportunity to directly use information from the Internet to make a purchase decision (e.g., a lack of sales announcements, store locators, price listings on the Internet [see Schlosser and Kanfer, 1999a). In sum, over half of internet users find OA informative and are at least somewhat confident in using the information for purchase decisions. The weakest aspects of OA's value are its ability to deliver entertainment and to encourage purchase.

Irritation

Overall, relatively few respondents felt insulted, offended, and misled by OA. Again, this is not a global view of advertising by this demographic group: fewer felt indignant toward OA than a demographically similar sample felt about GA. For instance, only a quarter of participants (26%) agreed that "Most Internet advertising insults my intelligence" compared to nearly half of respondents who agreed that GA insults their intelligence (45%). In addition, few felt at least sometimes offended (30%) or misled by OA (32%), whereas nearly half or more of a demographically similar sample felt at least sometimes offended (49%) or misled by GA (66%). This is consistent with Ducoffe's (1996) speculation that OA would be less irritating than GA because the interactivity of OA allows consumers to tailor the ad to meet their individual needs. Because consumers are in control of the OA viewed, they may perceive the self-selected OA to be appropriate for them— essentially, less insulting, offensive, and misleading.

Trust

In addition to confidence in using OA to make a purchase decision, more participants felt they could conventionally trust OA than felt they could not trust OA (48% vs. 31%). In fact, a higher percentage felt they could trust OA than liked OA (34%). This contrasts with a demographically similar sample's views of GA: whereas only 31% felt OA could not be trusted, 51% felt that GA could not be trusted. In fact, nearly a third of GA respondents (32%) felt that the products they use "usually fail to live up to the promises of quality and performance made in [conventional] advertisements." Only 14% of OA respondents agreed that the products they use conventionally fail to live up to OA promises. This small percentage, however, is likely due to consumers' lack of experience (or association) between OA and their purchase behavior. Indeed, over half (50%) neither agreed nor disagreed with this statement. Consistent with the findings for trustworthiness, 41% of the OA sample reported feeling somewhat or very comfortable purchasing an item directly through an address or phone number in an Internet ad compared to only 32% of a demographically similar sample feeling comfortable about purchasing through an address or phone number available in GA. Overall, therefore, it appears that the Internet population finds OA to provide relatively trustworthy information.

PRICE PERCEPTIONS

For advertising in conventional, advertising is perceived to increase product prices, a view that the public appears to have held for decades (e.g., see Bauer and Greyser, 1968; *Gallup,* 1959). This persistent and commonly- held perception is likely due to consumers' (1) awareness that advertising is expensive and/or (2) experience in price comparisons between advertised and unadvertised brands. It is unlikely to be due to the perception that advertised brands are of higher quality— only 34% of the GA sample agreed that they get better value in advertised brands. The responses for Internet advertising, however, were quite different. Most did not perceive OA to increase prices. In fact, 36% stated that OA has no effect on the prices of products they buy and 33% stated that OA lowers prices of the products they buy. The relatively high percentage of neutral responses again may be due to lack of experience in using OA to make purchase decisions. This may appear contradictory to the previously mentioned agreement that "In conventional, [OA] results in lower prices for the products I buy." However, it may be due to the difference in focus between "products I buy" and products in conventional. For instance, perhaps respondents have used OA primarily to find the least expensive product. Or perhaps wording the question in terms of "products I buy" may have triggered thoughts about their own proficiency in using the Internet to locate good bargains. Respondents may believe that the Internet,

if used effectively, can result in lower prices. However, they may believe that OA itself does not necessarily have any impact on product prices. Overall (and in sharp contrast to perceptions of GA), consumers do not feel that OA increases product prices.

Regulation

The majority of the OA sample (59%) wanted less government regulation of the OA that they view (vs. 29% wanting more). Most felt that OA regulation should be done by the advertising industry (65%; 55% felt the same way about GA regulation). The finding that most OA respondents wanted less government involvement in OA regulation is particularly noteworthy given the results of a demographically similar sample: there was a leaning toward more government regulation of the GA content respondents themselves viewed rather than less (47% vs. 40% respectively), most respondents were satisfied (53% say the amount of government regulation is just right).

DISCUSSION

A representative sample of Internet users (according to recent demographic estimates) answered questions centering around five themes in addition to overall perceptions toward OA: (1) advertising value, (2) feelings of irritation toward advertising, (3) trust of advertising, (4) advertising's effect on product prices and (5) Govt regulation. The results suggest that Internet users' perceptions of OA are conventionally positive. Although Internet users were equally divided in the favorability of their OA perceptions, over half found OA informative, were not insulted by OA, and felt confident in using OA for purchase decisions. Furthermore, of those with experience using OA for purchase decisions, more appeared to be satisfied than dissatisfied with OA: over 46% believed that products lived up to the OA promises and that OA lowers product prices (less than 31% of respondents disagreed). Given these favorable responses, it may seem surprising that so few reported an overall favorable perception toward OA. One might propose that this demographic group (young, highly educated and affluent males) may have a conventional dislike of advertising, both on the Internet and in traditional forms. Indeed, recent research would support this notion with regards to traditional advertising (cf. Alwitt and Prabhakar, 1992; Shavitt et al., 1998). However, comparisons of the OA sample with a sample who answered the same questions in regards to advertising in conventional (and whose data were weighted to match the demographics of the OA sample) yielded significant differences in perceptions and perceptions of OA versus GA. Although fewer respondents liked OA than a demographically matched sample liked GA, for several specific, key dimensions, perceptions of OA were more favorable than perceptions of GA. for instance, fewer respondents felt indignant toward OA or felt that OA was untrustworthy compared to respondents' perceptions of GA. Moreover, contrasting the common perception that advertising increases product prices, few people felt that OA increases product prices. Still, despite these favorable impressions, fewer Internet users liked OA than a demographically similar sample liked GA. This does not imply that Internet *users* perceive GA and OA differently but that samples demographically characteristic of the Internet population (a higher proportion of well-educated, young, affluent males than the national average) perceive GA and OA differently. That is, the unique demographic characteristics of Internet users cannot account for the nature of their perceptions toward OA. In order to gauge the components contributing to perceptions toward OA, a stepwise regression analysis was conducted. The results indicated that consumers' OA perceptions were largely comprised of perceptions regarding the informational, entertainment, and behavioral value of advertising (i.e., the advertising value factor). This is consistent with theorizing that information and entertainment are crucial to advertising effectiveness from the consumer's point of view (Ducoffe, 1995; Ducoffe, 1996; Eighmey, 1997).

Despite the similar structure of perceptions toward both OA and GA, the favorability of those perceptions differed: fewer participants liked OA than GA. This does not appear to be due to perceptions of the informativeness as much as the entertainment value of OA. In comparison with GA, a similar proportion of respondents found OA to be informative but fewer found it to be entertaining. Indeed, current commercial Web sites appear to include features that would allow users to benefit from the information richness of the medium while ignoring those features that would engage the consumer (e.g., role-playing and interactivity, Schlosser and Kanfer, 1999a). Moreover, enjoyment associated with the advertisement contributes most to consumers' perceptions toward OA (and GA), suggesting that on-line businesses should invest in creating sites that consumers enjoy visiting, just as they invest in creating traditional advertisements that are enjoyable. This is not to suggest that Internet advertisements should include more features that have] been found to be entertaining in the mass media (e.g., attractive visuals,

humor), but rather features that have been found to be entertaining on the Internet. Such features include those unique to the Internet such as interactive product demonstrations (Schlosser and Kanfer, 1999b). Contributing nearly as much as perceived informativeness to OA perceptions is the perceived behavioral (purchasing) value of advertising.

CONCLUDING REMARKS

Audience members play an active role in advertising exposure on the Internet. In addition the potential clash between Internet culture and marketing goals creates a situation where consumers may respond more negatively to OA than to GA. (Schlosser and Kanfer, forthcoming) Therefore, it is important to understand the structure and favorability of their perceptions toward OA. This paper builds upon previous OA research (Ducoffe, 1996; Mehta and Sivadas, 1995) in addressing this topic and like previous research, serves as a building block in our understanding of consumer response in an e-mail commercial environment. However, because Indian Internet demographics are constantly changing more surveys will be needed to assess perceptions and the structure of perceptions in this changing population

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