

Effectiveness of Online Retargeting Advertising on Consumer Decision-Making Processes

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ABSTRACT

Retargeting generates greater online sales by keeping the companies brand in front and center of the customers and bringing "window shoppers" or the shoppers who have kept the product in their carts back when they're ready to purchase. Companies use retargeting as tool for converting the lead of customers into potential customers as they keep on showing the ads of the products or services they have searched or have stored in their cart. Sometimes these ads may not be useful to the customers or may be irritating while for some it may act as a source of motivating to purchase the product. In this article the perception of the Dehradun customers is being studied about the online retargeting ads and to measure the affect of retargeting advertisement on the behavior consumers. Therefore a sample of 100 was taken and the primary data was gathered through structured questionnaire. The data gathered from the respondents were put in the SPSS to analyze the various factors and dependability of the variables. Mean, Standard deviation and one sample t test are used in this study. Therefore the study stated that in Dehradun majority of the customers out of the sample find online advertisement relevant and motivating and it also affect their buying behaviour regarding purchasing the product online.

Keywords: Retargeting, Online advertisement, Consumer buying behaviour, Customers perception, Content writing, Ad words.

I. INTRODUCTION

Retargeting, is a form of advertising online that can help the company to keep their brand in front of bounced customers after they have visited their site and left your website. For most company websites, only 2% of online customers converts on the first visit. Retargeting is a tool which is especially designed to help companies in reaching their 98% of customers who don't convert straight away or instantly.

Contrasting like the typical traditional banner advertisements, online retargeting advertisements are a form of online targeting that are especially designed to serve those people who have already visited the company's website or are in the contact in the company's database (which creates a lead or customer).

Retargeting is the best tool designed for in conjunction with both the inbound and outbound marketing and demand creation. Strategies like content marketing, AdWords, and targeted display are best for driving customers, but they are not responsible for conversion optimization. On the contrary, retargeting is the platform that can help companies in increasing conversions, but it does not drive people to the company's website. In order to get success companies are using more tools to drive traffic and retargeting method in order to get the most out of that traffic driven by the company's website.

Retargeting generates greater online sales by keeping the companies brand in front and center of the customers and bringing "window shoppers" or the shoppers who have kept the product in their carts back when they're ready to purchase. Every time customer sees the company's online retargeting ads, companies brand gains grip and more recognition. More click-through rates and increased conversions that are typical with retargeting campaigns underscore the value of good branding and repeated exposure.

II. LITERATURE REVIEW

Retargeting is the well- designed advertising strategy that helps the advertisers overcome the challenges faced by now days by the advertisers, Lord Lever (Hu 2004) stated that "Half the money I spend on advertising is wasted; the trouble is I don't know which half". With the retargeting one can be used to target customers those have showed prior interest in a product that is highly relevant for them.

Retargeting referred to be a part of remarketing, but the two carry a little different meanings. Remarketing is a conventional term referring to procedure where information of those customers is collected to whom the marketing is done through email. This type of study of online behavioural advertising is called retargeting. (Berke et al., 2014; Ratcliff, 2014), stated that retargeting is a method by which online advertisers re-attract the prior visitors, who possibly have discarded a shopping cart, who have browsed products pages but then left the site without considering the product. Koti (2014) in his research states that only 2 percent of consumers visited the website are converted on the first visit, and retargeting is a means which is designed to help companies to reach the rest of 98% of those consumers that companies were not able to convert right away. Therefore, retargeting is used to remind those customers about the product or service that they hold interested, and through this potential customers can easily get converted into happy customers (Lambrecht and Tucker, 2011).

Now days retargeting is used as the most recent term for online advertising, where the customers are targeted through the cookies or website they have visited and then later the information about the customers to whom they target are collected from these cookies. Retargeting is a well-organized method for reaching those website visitors and shopping cart abandoners those are targeted as the audiences for advertising.

Yang et al. (2015) in his research work describes retargeting as the behaviour-based advertising method, which focuses only on the users that visited particular site, or the customers already hold some knowledge about the brand or the product. In retargeting procedure when the customer accept the site “cookies”, it gives marketers as well as advertisers ability to track the consumers or customers behaviour not only when they visit the site, but also how long they have been in the site (Zarouali et al., 2017; Ratcliff, 2014; Alreck and Settle, 2007).

Among the other web platforms, Facebook is the web platform that have recently introduced retargeted ads to its members newsfeeds in their advertising strategy (Lambrecht & Tucker 2013; Rusli 2013). Ansari and Mela (2003) have found that the products that have customized strategy attract customers attention and promote customer loyalty. The product those have customized ad design act has the key feature which help in differentiating online marketing from more traditional media.

Retargeting act as the extremely accurate and effective advertising method, but with the advantages it has disadvantage also as it is frightening the customers towards their privacy which is being violated through advertisements or they feel they are being stalked by the online advertisements in all the websites they visit (Helft & Vega 2010). This concern has raises the question on how the retargeting advertisement strategy should be frame in order to find an optimal compromise between the privacy of the customers and too intrusive appearance.

Behavioral targeting involve targeting through advertisement that leverages data of customer’s past online and even offline behavior. Online customers behavioral data include information of those customers who have visited websites, keywords being searched, articles or pages liked or shared in different social media channels (Goldfarb 2013) whereas offline customer behaviour data can include information of customer’s who are using credit card and shopping habits depends on traditional shopping.

Retargeting strategy is effective for the shopping cart abandonments. Kukar-Kinney & Close (2009) started that shopping cart abandonment is a positive signal for triggering retargeting campaigns or ads that aims at to attract the customer who have products in the carts and influence them to back to finish the purchase and turn into an acquired customer instead of doing that in competitors’ sales channels.

Out of different sets of suggestions one suggested solution for the understanding customer behavior and impact of advertising effectiveness is one should set certain metrics or criteria to observe the consumer behaviour on regular advertising performance. Customer satisfaction is one of the criteria that could explain effectiveness of the variation of advertising among the similar group of customers (Gupta & Zeithaml 2006).

Iyer et al. (2005) have stated that proper targeting advertisements has more effect and influence on the profits than ability of creating customized prices to customers. Thus differences in targeting methods on online and offline advertising have major role in advertising effectiveness.

Through retargeting method, shoppers are provided with offers for the more products and services in which they are most interested or the on the products or services which is similar to their previous search or they can have desire for in future (Ghose and Todri, 2015; Alreck and Settle, 2007).

Johansson and Wengberg (2017) through their research emphasized that timing of advertising and type of marketing channel is not the only aspect of successful selling. The key factors for successful campaigns is to understand the needs and wants of the digital consumer and customized their valuable content and the product or services which is being offered to them. From a consumer perspective, personalised advertising has the advantage of providing a high significance and fit, such that it offers the right product at the right time and makes the information search process more efficient by sparing the time for consumers of the need to search further (Doorn and Hoekstra, 2013; Tucker, 2014).

Berke et al. (2014) and Lambrecht and Tucker (2011) underline that personalised advertisements are only shown to customers, who already have visited the company’s website, and retargeting does not reach consumers that are not familiar with the company’s brand or the products they are offering. Besides, Alreck and Settle (2007) state that consumers who have already visited company’s webpage, sometimes may not be so pleased with additional tracking or keeping an eye on them as it may decrease their desire on initiated purchase.

Objective of the Study

The research objective is to know the consumers perception about retargeting ads and to measure the affect of retargeting advertisement on the behavior consumers.

III. RESEARCH METHODOLOGY

To study the research objectives the descriptive research design is used. In this particular research quantitative approach has been used and the primary data was gathered through structured questionnaire. For the data accumulation, convenient sampling is used and 100 responses were collected and utilized for the study in concern. The sample was collected from the Dehradun city. The data gathered from the respondents were put in the SPSS to analyze the various factors and dependability of the variables. Mean, Standard deviation and one sample t test are used in this study.

Data Analysis and Discussion

Table 1: Demographic Profile

Variable	Description	Frequency	Percentage
Gender	Male	66	66.0
	Female	34	34.0
Age	Upto 20 Years	12	12.0
	21 to 30 Years	59	59.0
	31to 40 Years	29	29.0
Education	Senior High School		
	Diploma	12	12.0
	Graduation	6	6.0
	Post Graduation	32	32.0
	Others	39	39.0
		11	11.0

Occupation	Student		
	Civil service	15	15.0
	Private sector	5	5.0
	Entrepreneur	47	47.0
	Professional	25	25.0
	Others	2	2.0
		6	6.0
Family Income	25000-35000		
	35000-45000	7	7.0
	45000-55000	5	5.0
	55000-65000	44	44.0
	more than 65000	37	37.0
		7	7.0
Total		100	100

The demographic profile analyses displayed in the table it demonstrates the age analysis of respondents that show, up to 20 years the respondents are 12% and 21 to 30 years 59% respondents in the sample, while in the age group 31 to 40 years i.e. 29%. In the gender classification, it shows that 66% are male and 44% respondents are females in the sample. Regarding the education level, it shows that the most of respondents in the sample are post graduate i.e. 39% and graduate with 32%. As per the occupation classification the most of the respondents are in the private sector i.e. 47% in the sample. As per the family income level classification the most of the respondents in the sample have 45000-55000 incomes i.e. 44%.

Table 2 Users classification

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes, every day	52	52.0	52.0	52.0
Yes, few times a week	40	40.0	40.0	92.0
Yes, few times a month	4	4.0	4.0	96.0
Yes, few times a year	4	4.0	4.0	100.0
Total	100	100.0	100.0	

Internet has changed the living standard. Different tools of internet has provide several ways of interaction and different opportunities to learn and connect through worldwide. The world has become a global village due to social media. Users can connect with other people within seconds, therefore now days all the companies are using internet to promote and to reach the potential customers. In order to know how many times the respondents are using internet a question was asked and on the basis of the response the following table was created (i.e. table 2)

As per to the above table (table 2) majority of the respondents indicated that they use internet everyday (i.e. 52%).

As companies nowadays are retargeting their customers through online advertisements. Retargeting, is one the form of online advertising method in which companies remind the customers about their brand or the product after they have left the site. For many customers these advertisements may be irritating as it keeps blinking on every social media tool in order to remind them and for some it may be useful, therefore in this world the customer’s perception differ. In order to know the perception of the consumers about retargeting through online advertisement of Dehradun customers question was raised.

Table 3 Perception of consumer towards online retargeting adds

		Responses		Percent of Cases
		N	Percent	
Perception of consumer towards online retargeting	Relevant for me	44	17.1%	44.0%
	Irritating	24	9.3%	24.0%

adds	Intrusive	27	10.5%	27.0%
	Disturbing	18	7.0%	18.0%
	Creepy	23	8.9%	23.0%
	Useful	43	16.7%	43.0%
	Makes me angry	25	9.7%	25.0%
	Clever	23	8.9%	23.0%
	Motivating	31	12.0%	31.0%
Total		258	100.0%	258.0%

As per the above table (i.e table 3) majority of the customers stated that for them online advertisement are relevant (i.e. 17.1%) whereas another majority indicated online retargeting adds use and motivating (i.e. 16.7% and 12%) but 10.5% of the respondents find online adds as intrusive, irritating and makes them angry.

Table 4

	N	Mean	Std. Deviation	Std. Error Mean	t-Value at 0.05	Sig. (2-tailed)
After seeing retargeting advertisement on social media for the same product or service I have viewed on social media I have purchased it	100	2.6400	.85894	.08589	7.451	.000
Do you think that with the social media sites through retargeting advertisement, you are able to seek out products/services gives you relevant information	100	2.7600	1.22367	.12237	6.211	.000
Do you agree that, for instance, retargeting advertisements user reviews on social media influence you to try new brands/products/services	100	2.7100	.87957	.08796	8.072	.000
Do you agree that retargeting through advertisement posted on social media has provided more effective platforms to new products/services/brands to draw consumers' attention than conventional channels	100	2.5600	1.07609	.10761	5.204	.000
I likely change my opinion about product and service, after viewing a positive or negative feedback about that in online advertisement posted on social media	100	3.0600	1.13547	.11355	9.335	.000
I evaluate product brand and its features on basis of feedback on online advertisement being provided on social media sites	100	2.7600	1.22367	.12237	6.211	.000
Brand awareness regarding product on online advertisement on social media influence my decision making process	100	2.7100	.87957	.08796	8.072	.000
I remember and retain the information contained in online advertisement on social media for a long time	100	3.0600	1.13547	.11355	9.335	.000

From the above table it is found that the mean values range from 2.56 to 3.06, with standard deviations posses the minimum value 0.85 to the maximum of 1.22. It is inferred that the T value at 0.05% level of significance is 7.451,

6.211, 8.072, 5.204, 9.335, 6.211, 8.072, 9.335 are statistically significant as the calculated t-value at 99 df is smaller than 0.05 tabulated value ($t < 0.05$).

Therefore, it is concluded that the in Dehradun city online retargeting ads affects the buying behaviour of the consumers.

IV. CONCLUSION

Retargeting is the best method which is especially designed to convert the window- shoppers to the potential buyers. Retargeting works best in keeping an eye on those potential customers who have visited the website once and left it or have kept some product in their cart. Companies target these customers and display the adds of all those product they have visited in all the other networking or the social media sites they visit or work on. Many customers find these ads useful while some find it irritating. The perception of the customers varies as well as their buying decisions also vary some may get influence and it motivates them to purchase while some may not. This article especially discussed the impact of the online retargeting advertisements on the consumer buying behaviour in the Dehradun city. Through this study it is found that in Dehradun online retargeting ads do influence the consumers purchase decisions.

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