

Does Internet Advertising Alienate Users?

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Abstract

This paper attempts to explain the dramatic decline in click-through ratings in terms of a change in consumer attitudes to Internet advertising. Although previous researchers found fairly positive attitudes to Internet advertising, our research found more negative attitudes.

We used quantitative research to identify attitudes to Internet advertising, and found that for many respondents Internet advertising is annoying, and that many had left web-sites because of the advertising. The level of annoyance with Internet advertising was significantly related to length of usage, frequency and volume of usage.

Our findings relate to evidence that surfers actively avoid looking at advertising banners, with more experienced surfers showing different scanning patterns.

Introduction

By 2004, US Internet advertising is expected to reach \$16.5 billion (Piras et.al. 2000), and in the UK, is expected to reach £625 million, (Forrester Research 2000). However, in the last four years, click-through rates have fallen from 5% to less than 0.5% and continue to fall. A report by Forrester Research found that the Internet is the "*least trusted medium*" (Walsh, Mcquivey and Wakeman 1999). This paper examines consumer attitudes to Internet advertising.

Conceptual Framework

Attitudes to Advertising in General

Gallup (1959) found that US respondents generally liked advertising, finding it informative and preferring advertised products. Focussing on television advertising, Zanot (1984) found less positive attitudes, with most of their respondents believing advertising was misleading. Similarly negative results were found by Andrews (1989), Mittal (1994), and Alwitt and Prabhaker, (1994). In the UK, the Advertising Association (1995) found increasingly negative attitudes towards advertising. Barnes (1982) argues that increasingly

negative attitudes towards advertising are related to the growth in the volume of television advertising.

Attitudes are not entirely negative; in a study by Heyder et. al., (1992), 84% of respondents expressed some positive opinions. Similarly Shavitt, Lowrey, and Haefner, (1998) found that TV advertising was often perceived as funny, enjoyable or clever. They also found that gender, age and income affect consumer attitudes to advertising, for instance, higher income is associated with more negative attitudes. Thus, the demographic profile of Internet users could have an effect on attitudes to Internet advertising.

Internet Advertising

Interactive advertising is defined by the editors of the Journal of Interactive Advertising as *"the paid and unpaid presentation and promotion of products, services and ideas by an identified sponsor, through mediated means involving mutual action between consumers and producers"* (Leckenby and Li 2000). This paper focuses on PC Internet advertising (i.e. excludes interactive television and mobile Internet).

Ducoffe (1996) found that the distinction between Internet editorial and advertising is blurred, with 57%

of respondents classifying Internet pages as advertising. This suggests that consumer comments about 'Internet advertising' need to be interpreted carefully, because they may refer to the web pages themselves rather than to the advertisements they carry.

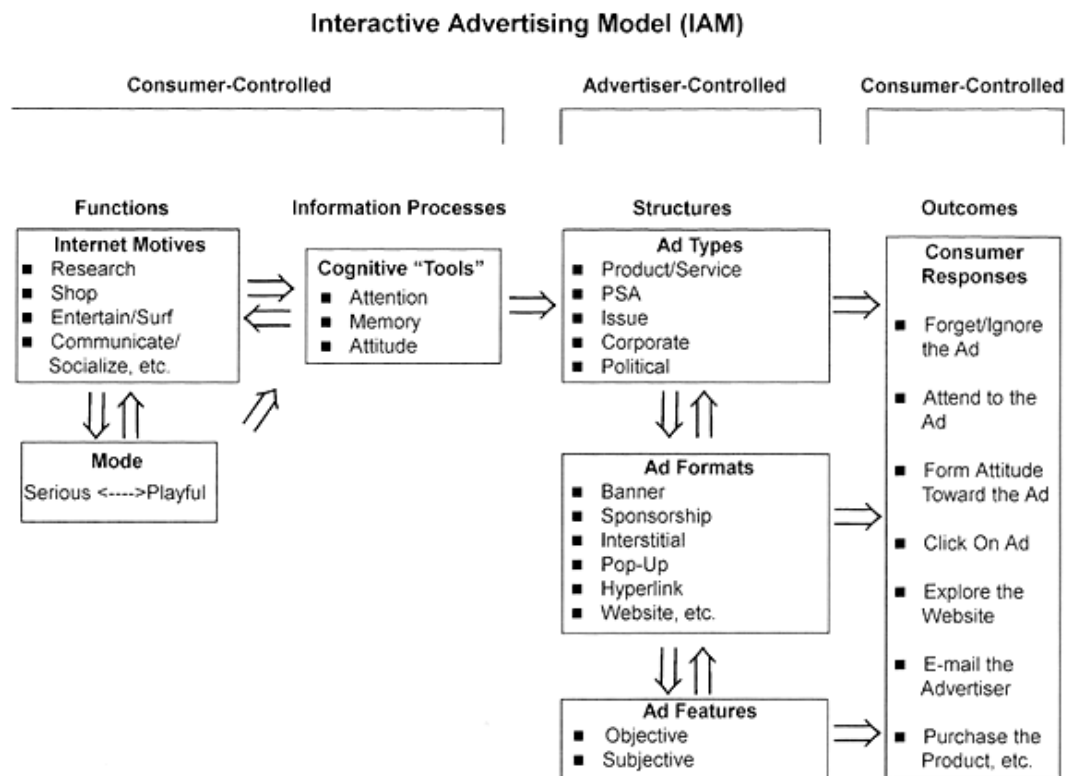
Models of Internet Advertising

Pavlou and Stewart (2000) maintain that interactivity is a characteristic of the consumer, not the medium, and point out that consumers have a choice about whether they respond or not. They argue that the focus of advertising evaluation should include both processes and outcomes. Processes include the purpose for which consumers seek information, their expertise, and the prior beliefs of the consumer. Outcomes include satisfaction, trust, persuasiveness, and brand equity.

Rodgers and Thorson (2000) also recognize the importance of the role of the consumer, and propose an interactive information-processing model of Internet advertising (IAM), see Figure I. This model includes both consumer-controlled aspects: Internet motives, 'modes' and processes, and advertiser-controlled aspects: advertising type, format and features. The model suggests the motives for using the Internet affect the processing of Internet advertising. For instance, if a consumer is

surfing rather than communicating he may be more responsive. Similarly, whether the mode is playful or serious will affect response.

Figure I Internet Advertising Model



Source: Rodgers and Thorson (2000)

Attitudes to Internet Advertising

Mehta and Sivadas (1995) found newsgroup users held negative attitudes toward Internet advertising, but the business executives researched by Ducoffe (1996) did not find Internet advertising either irritating or annoying.

Gordon and De Lima-Turner (1997) studied advertising on the Internet from the perspective of a social contract between advertisers and Internet users. Overall, respondents were passive, accepting Internet advertising as long as it was clearly identified, and well targeted.

GVU's World Wide Web 10th User Survey (GVU, 1998) found that surfers dislike Internet advertising slightly more than general advertising, (38% vs. 32%). Advertising banners which take too long to download were seen by GVU respondents as the 'biggest problem in using the web', with 62% agreeing.

Schlosser, Shavitt & Kanfer (1999) studied attitudes to Internet advertising using a similar questionnaire to that used for general advertising by Shavitt et. al. (1998). They compared the results of a demographically matched sample from the two studies. Respondents were polarized: 38% liked Internet advertising, 35% disliked it, and 28% were neutral. Advertising in general was more liked than Internet advertising, (46% Vs. 38%), and less disliked, (25% Vs 35%). However, when looking at specific attitudes, Internet advertising attitudes were sometimes more positive e.g. 48% vs. 38% felt they could trust Internet advertising. Shavitt et. al. conclude that

the nature of Internet advertising makes it less irritating to consumers, "*fewer respondents felt insulted, offended, and misled*". However, this may be because Internet advertising is less pervasive, less intrusive, and less persuasive, rather than because consumers prefer it.

In focus group research Rettie (2001) found respondents were extremely negative about advertising, as in this quotation a group member: "*Annoying. (I) Just completely ignore them. You just immediately know, that's adverts, get rid of it.*"

Negative attitudes to Internet advertising mean that surfers may deliberately evade advertisements. Drèze and Hussherr (1999) found that surfers purposely avoid looking at banner advertisements during their online activities, which helps to explain low click-through rates. Using eye tracking, they found that surfers were significantly less likely to look at an advertising banner than elsewhere on the page. They also found significant differences in eye pattern movements between novices and experts; for instance, experts are quicker and look at fewer parts of a web page. Drèze and Hussherr (1999) also measured advertising recall, brand recall,

and brand awareness effects, finding that these were all higher than click-through rates. This supports an earlier finding by Briggs and Hollis (1997), which showed that banner advertisements have an impact on consumers' attitudes to a brand, independent of click-through.

Factors which Affect Attitudes to Internet Advertising

Sukpanich & Chen (1999) used the theory of reasoned action to develop a scale of attitudes to Internet advertising. They found three constructs that affect Internet advertising attitudes: awareness, preference and intention or motive. For example, an advertisement for a preferred brand is likely to result in a more favourable attitude.

Stafford and Stafford (1998) found that respondents who were using the Internet for communication were least likely to notice advertising. Rodgers and Thorson (2000) also suggest that different consumer motives affect attitudes to Internet advertising. Testing this hypothesis, Li and Bukovac (1999) found that although information seeking respondents paid more attention to advertisements than surfers, the difference was not significant, possibly because of motive switching.

Whether a surfer is in flow is also likely to affect his attitude to advertising. Flow is "*the holistic experience that people feel when they act with total involvement*" Csikszentmihalyi (1975, p36). Hoffman and Novak (1996, p.57) identify flow as a key characteristic of consumer behaviour on the Internet, "*flow is the 'glue' holding the consumer in the hypermedia Computer Mediated Environment*". Rettie (2001) found advertising was particularly irritating when in flow, so that while flow may retain surfers at a web site where they are subject to advertising, it may adversely affect their response to that advertising.

Other factors that affect Internet usage, and which are therefore likely to affect attitudes to advertising, are length of use, frequency of use, and location of use (Rogers and Sheldon 1999; Emmanouilides and Hammond 2000).

It is likely that the effectiveness of advertising will be depend on attitudes to the medium in which it appears. Attitudes to general advertising have deteriorated with increasing volume and consumer exposure. It is probable that attitudes to Internet advertising will also deteriorate as Internet users become more used to the medium. Our research agenda was to evaluate attitudes to

Internet advertising, and to determine how these were affected by the extent of Internet experience.

Dimensions of experience include the length of time the respondent has used the Internet, frequency of usage and volume of use.

Methodology

The research consisted of a questionnaire that was piloted and administered to 100 student Internet users; 63% of respondents were male, and 37% were female. This was in line with the UK Internet population at the time of the survey, which was 39% female (Nielsen, 2000).

Data Analysis

In the tables the 'Agree' and 'Disagree' columns show recoded scores, amalgamating the agree and disagree scores from the original five-point Likert scales. Significance has been tested using the Pearson Chi-square test on the recoded scales, unless otherwise stated.

Results

Respondents were asked how long they had been using the Internet, how often they used it, and the number of hours they used it per week. Usage statistics are shown in Table I. Length of use and quantity of use were not related to gender, but there was a relationship between

gender and usage frequency (Significant at 99% confidence level, $p = 0.009$)

Table I: Usage Statistics

Using Internet less than 3 years	42%
Using Internet more than 3 years	58%
Use daily	53%
Use less frequently	47%
Light user: Less than 5 hours per week	47%
Heavy user: More than 5 hours per week	53%

Valid cases: 100

Using Likert scales, respondents were asked whether they enjoyed TV and Internet advertising. Although 36% agreed or agreed strongly that they enjoyed TV advertising, only 13% enjoyed Internet advertising, with disagreement or strong disagreement from 49% of respondents. The means of the two questions were 2.88 and 3.5 respectively, and a paired sample t-test showed that they were significantly different at 99% confidence level ($p = 0.000$, t value = -5.595)

Table II shows agreement and disagreement with twelve Internet advertising attitude statements. There was some agreement that Internet advertising '*was a good way to reach interesting sites*' but most disagreed that it was interesting or useful. There is some polarization, while 45% agreed that '*Internet ads were a time wasting diversion*'. Only 62% would '*prefer sites not to have*

advertising'. Despite this, only 13% 'never click on Internet ads'.

Table II: Attitudes to Advertising

	Agree %	Neither %	Disagree %
<i>Good way to reach interesting sites</i>	28	41	31
<i>Internet ads are informative</i>	17	45	38
<i>Internet ads are useful</i>	13	50	37
<i>Internet ads a time wasting diversion</i>	45	40	15
<i>Prefer sites not to have advertising</i>	62	29	9
<i>I never click on Internet ads</i>	13	22	65
<i>Internet advertising annoying</i>	42	36	22
<i>Internet ads are annoying as have little control</i>	63	31	6
<i>Try to avoid looking at ads</i>	12	69	19
<i>Ads offering 'free' prizes deceptive</i>	45	42	13
<i>Accept ads as pay for content</i>	69	23	8
<i>Would subscribe to ad free sites</i>	0	31	69

Valid Cases: 100

There was most agreement that '*Internet ads are annoying as I have little control over them*'. Although 62% would '*prefer sites without advertising*', 69% agreed that advertising was acceptable as '*it paid for site content*'; none of the respondents would subscribe to keep sites free of advertisements. Two thirds claimed to have left an Internet site because of time wasting advertising, but only 12% consciously avoided looking at Internet advertisements.

For 42% Internet advertisements were annoying. As shown in Table III, those who had used the Internet for more than 3 years, used it daily, used it for more than 5

hours per week and accessed from a university were significantly more likely to find Internet advertising annoying. Main use was usually information search (71%) or entertainment (22%). Respondents, who mainly used the Internet for entertainment, were significantly more likely to find Internet advertising annoying.

Table III Internet Advertising is Annoying

Internet Advertising is Annoying Significantly related to	Pearson Chi Square	Degrees of freedom	p
Length of use More/less than 3 years	34.544	2	0.000
Frequency of use Daily/less than daily	28.448	2	0.000
Quantity of use More/less than 5 hours p/w	34.287	2	0.000
Point of access University/home/work	33.467	4	0.000
Main use Entertainment/information	20.464	2	0.000

Valid Cases: 100

Discussion

These results were much more negative than the findings of Ducoffe (1996) or Schlosser (1999), however, the dramatic fall in actual click-through rate is consistent with a deterioration in consumer attitudes to Internet advertising. The results may be partly attributable to the student sample, but Shavitt, Lowrey, and Haefner (1998) found that although dislike of advertising in general increased with education, it also decreased with

age, so that in students these two biases may compensate one another.

Predictors of Internet usage: location of access, length of use, frequency and heavy use were all related to annoyance. This may help to explain the change in attitudes; in the last three years length of usage, frequency and volume have increased.

As anticipated by Rodgers and Thorson (2000), motives affect attitudes, with information seekers being less annoyed than those seeking entertainment. This is consistent with Li and Bukovac (1999) who found that that information seekers pay more attention to advertising. Our results also support the view of Internet advertising as a social contract (Gordon and De Lima-Turner 1997), tolerated because it subsidises content.

Research Limitations

The convenience sample was small and not representative of the total Internet population. The paper compares UK attitudes to earlier US research, cultural rather than temporal differences may account for the disparity. The research assumed that respondents understood the term 'Internet advertisements' and could differentiate Internet advertisements from web pages.

Conclusion

Internet advertising annoys many consumers. The danger is that they may register the brand, even though they do not click-through. If this evocation of the brand is accompanied by annoyance, it could have an adverse effect on the brand advertised. As users become more experienced, Internet advertising becomes more annoying, so that we should expect annoyance, and consequently click-through to increase. These findings do not auger well for the industry.

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