

## IMPACT OF MESSAGE DESIGN ON DISPLAY ADS INVOLVEMENT AND EFFECTIVENESS: AN EVIDENCE FROM INDIA

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### ABSTRACT

The digital advertising budget is increasing day-by-day. Even new marketers are also entering into digital marketing. The biggest challenge in this form of advertisement is engaging customers with ads and making it an effective marketing campaign. Display ads is an online marketing tool which allows marketers to promote their offering in the form of text, image, and banner. The objective of this study is to find out the factors that help to involve the target audience with ads and makes an effective online campaign. This study has taken personalisation, content, and design of display ads as factors that increase the involvement of the target audience and click-through-rate. The click-through-rate determines the effectiveness of display ads. The convenience sampling technique was applied to identify 358 samples of Greater Mohali. The finding of the study suggests that the design of display ads is the most important factor which grabs the attention of users on the display network websites. The smart PLS-SEM 3.0 was used to analyses and establish the framework of effective display ads.

**Keywords:** Display Ads, Personalisation, Involvement, Effectiveness, Message Design

### 1. INTRODUCTION

Digital devices are a necessity not a luxury today. Slowly and gradually people are becoming tech-savvy. Even to find a store near locality, customers are using their smartphones to locate a particular category of stores. The increased usage of internet word wide is appealing online advertising. The proliferation of digital advertising platforms is creating due to an increase in digital devices, applications, and users (Aidin, Hamilton & Rohm, 2017). The Internet is a core pillar to improve the living standard of modern society. Asia is having the highest number of internet followed by Europe whereas global penetration is 59 percent till April, 2020 (Kemp, 2017; Clement, 2020). As the pace of the internet is increasing, the advertisers are also increasing their budget for digital marketing (Bayer et al., 2020). There are various tools such as display ads, search engines, email, social medial, visual ads, etc. are available for advertisers to advertise their product and service. The display ads is also known as a banner advertisement. Google Inc. has the highest market share in display ads and has the largest display network. It is expected that very soon digital advertising will surpass the income of traditional advertising (Constine 2017).

Display advertising works on the mechanism of interest and activities. The display ads are targeted to such customers who have shown some kind of interest in the brand or its products. It is based on website visits or search history (Sherman, and John, 2001; Cho, Chang-Hoan. 2003). Display ads are placed throughout the Google display network and made visible to the customer based on their interest (Drèze, and François-Xavier, 2003; Bleier, Alexander, and Maik Eisenbeiss, 2015). Adblocking tools and software create challenges for display ads. It blocks the display of unwanted advertising content on websites (Aidin, Hamilton & Rohm, 2017). The rapid increase in internet usage and the user has provided several opportunities to marketers to market their product online to the targeted audience, and countered by ad blocking applications facilitating the audience to mute digital display ads. This study assumes the effectiveness of the contents of display ads and the involvement of the audience are important for marketing theory and practice (Cho, 2003). The effective content will help marketers to involve their target audience and increase the effectiveness of display ads (Cho, Jung-Gyo & Marye, 2001; Baltas, 2003; Aidin, Hamilton & Rohm, 2017).

The study shows that the display ads provides quick and short message. It is the most interactive, traceable, reachable, and cost-effective digital marketing tool than others (Manik et al., 2016). It does not take much of the audience time to convey marketing messages to the target audience. The dynamic display ads increase both involvement i.e. number of clicks and effectiveness i.e. click-through rate (CTR) (Briggs, and Nigel, 1997; Lohtia, Naveen, and Edmund, 2003). The method of payment for display ads are pay per click (PPC) or, cost per click (CPC), cost per mile (CPM), and cost per action (CPA). Therefore, display ads are very cost-effective as and when a user performs any action on display ads, then only marketers need to pay to ads service provider (McCandless, 1998; Robinson, Anna and Chris, 2007). The design and content of display ads grab the attention of the audience, engage them, and create purchase intention (Manchanda et al., 2006). This study examines the factors that increase audience involvement (clicks) on display ads and their effectiveness (click-through rate). The study considers factors such as personalisation, content, and design of messages that engage customers and increase the effectiveness of display ads.

The existing researches lack the inferences on behavioural data that diagnose the elements leading to greater involvement and increased effectiveness of display ads. The implication of this study is to advise the most effective message design cues that are readily adopted. Specifically, this study will examine the peripheral of message design such as text, type, size, and format of display ads. Well designed, layout partitioning, and timely placement of display ads generate leads (Gopal, Li & Sankaranarayanan, 2011; Marszałkowski & Drozdowski, 2013). For marketing scholars, this study provides a rich body of research in the area of digital marketing on online consumer behaviour and display ads effectiveness.

## 2. LITERATURE REVIEW

Display ads are shown in the form banner which can be comprised of text, image, graphics, animation, audio, etc. The productivity of display ads can measure by click-through-rates (CTR). Click-through-rate shows the involvement of customers and the effectiveness of display ads (Briggs & Hollis 1997; Sherman & Deighton 2001).). Some researchers have also found that the banner ads grab low attention of user while browsing webpages (Drèze & Hussherr 2003). Effectiveness of the display ads is measured through click-through-rate however, the involvement of the display ads depends on targeting the audience through behavioral data. The involvement and attention of target audience is affected by factors such as personalisation (Bleier and Eisenbeiss 2015), message design, animation, graphics and colour (Lohtia, Donthu, & Hershberger, 2003; Tsang & Tse, 2005), and size & format (Robinson, Wysocka, and Hand 2007).

### 2.1 *Effectiveness of Display Ads*

Bleier and Eisenbeiss (2015) have cited that personalised display ads increase the click-through-rate. According to Lohtia, Donthu, and Hershberger (2003), the click-through-rate is increased by the design and content of display ads. Additionally, animation and emotion act as an exterior cue and shot-up the effectiveness of display ads in business to consumer context. Larger the size of banner ads are resulted as more effective than a small one. Unfortunately, the inclusion of promotional messages affect the effectiveness of display ads (Robinson, Wysocka & Hand, 2007).

### 2.2 *Involvement through Display Ads*

The central and peripheral cues of display ads influence customer involvement and attitude (Petty and Cacioppo, 1981). Central cue in the display ads directly represents the product/service benefits, quality, etc. whereas peripheral cues are not directly related to product/service but grabs the attention of an audience. The peripheral cues of display ads are image, colour, animation, graphics, format, and size (Chaiken, 1980). The peripheral cues improve the responsiveness and involvement with display ads independent of other cues such as bright colour, celebrity, product benefits, etc. (Petty and Cacioppo, 1986).

### 2.3 *Personalisation of Display Ads*

The display network of digital marketing service provider allows the marketers to personalise and target the prospect based on behavioural data. It helps to show display ads as per the characteristics of the audience (Koutsabasis et al., 2008). The click-through-rate of personalised display ads is higher than without personalisation. The cost of personalised display ads is low however, the rate of involvement and effectiveness of personalised display ads is high (Bilchev & Marston, 2003). Previous researches have shown that the personalised display ads help to create a positive attitude and increase the number of leads (Consortium, 2015).

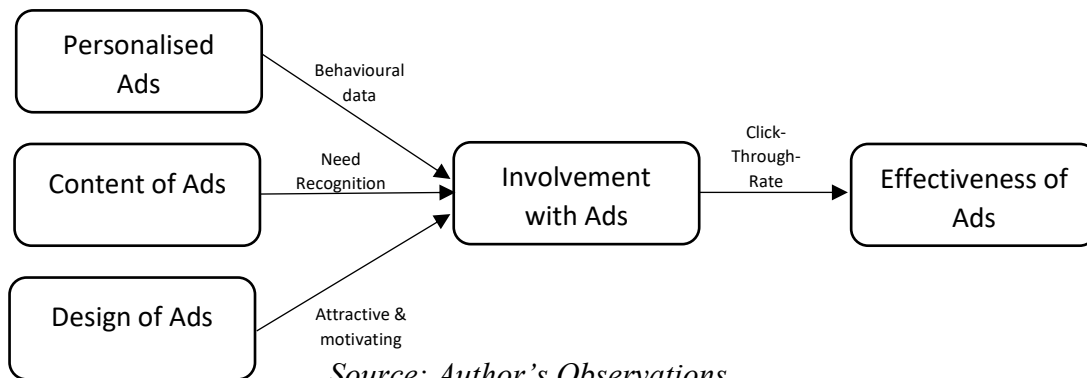
## 2.4 Content of Display Ads

The content of display ads very much matter to any audience because this is going to convey the message a marketer is trying to convey. The content of the display ads is comprised of text, image, logo, punch line, etc. The content of display ads has to be noticeable and considerable by the target audience (Cho, 2003). The characteristics of content must offer need recognition, feeling, and emotion (Lang, 1990), motivation, persuasion of knowledge, and involvement (Cacioppo & Petty, 1982; Haugtvedt, et al, 1992). Click through-rates are increased by the content of display ads (Lohtia, Donthu & Hershberger, 2003).

## 2.5 Design of Display Ads

The message design and presentation have an important role in voluntarily motivating and providing exposure to customer (Andreoli, and Eason 1975). Message design factors lead to better involvement and effectiveness of display ads. The involvement of audience increase depends on design elements such as animation and colour (Robinson, Wysocka, and Hand 2007). Click through-rates are increased by the design of display ads (Lohtia, Donthu & Hershberger, 2003). There is a significant relationship between design display ad design and effectiveness & involvement of advertising (Petty and Cacioppo 1986). The important factors of display ads design are colour, size, format, and animation.

Figure-1: Conceptual Framework of Effective Display Ads



## 3. RESEARCH METHODOLOGY

This study is based on a survey method where a structured questionnaire was prepared to collect empirical data. The variables under this study were identified through rigorous literature reviews. The respondents under this type were selected through convenience sampling technique. The Google form was used to create a questionnaire and circulated through email and Whatsapp. The Google form was circulated to more than 2500 people however, 358 qualified responses were considered for analysis. The questionnaire was mainly divided into six sections where the first section consists of questions relating to demographic information of respondents and remain sections consist of question-related to effectiveness, involvement, personalisation, content, and design of display ads. The

responses were recorded on 5 points Likert scale. The questionnaire was self-administrated and it was circulated to the residents of Greater Mohali city of Punjab, India. This survey was conducted from February, 2020 to May, 2020. The Smart PLS-SEM 3.0 was used data analysis and interpretation.

#### 4. DATA ANALYSIS AND INTERPRETATION

##### 4.1 Measurement Model: Reliability and Validity

Table 1: Measurement Model Assessment

Latent Variables	Manifest Variables (Measured Variables)	Codes	Standardized Factor loading	Mean	SD
<b>Personalised Ads</b>	Based on Demographic Data	PR1	0.9404	4.03	.748
	Based on Location Data	PR2	0.9830	4.02	.783
	Based on Historical Data	PR3	0.9307	3.95	.745
	Based on Search Data	PR4	0.9135	3.97	.753
<b>Content of Ads</b>	Promotional Message	CT1	0.9310	3.74	.838
	Emotional Message	CT2	0.7977	4.02	.761
	Motivational Message	CT3	0.9275	3.97	.725
	Need Recognition Message	CT4	0.7223	3.74	.778
<b>Design of Ads</b>	Colour of Banner Ad	DS1	0.7641	4.01	.754
	Size of Banner Ad	DS3	0.9630	3.95	.720
	Animation Effect on Ad	DS4	0.9587	3.97	.725
<b>Involvement with Ads</b>	Personalised Ads	IN1	0.8886	4.04	.732
	Content of Ads	IN2	0.8487	3.99	.758
	Design of Ads	IN3	0.8008	3.73	.831
<b>Effectiveness of Ads</b>	Click-Through-Rate	EF1	0.9039	3.79	.826
	Exposure Gained	EF2	0.7684	4.02	.761
	Lead Generation	EF3	0.8998	4.00	.790

Source: Author's Calculations

The above table-1 shows the standardised factor loading, mean, and standard deviation calculations for all the components under this study. The outer loading values of all components fall from 0.7223 to 0.9830. These factor loading values are more than 0.70 therefore all the components under this study have been retained. However, one item under the variable 'Design of Ads' has been removed because the outer loading value of this item was less than 0.70. The mean results of all components range from 3.73 to 4.04 and the standard deviation results of all components range from 0.720 to 0.838. The mean and standard deviation results show a good data set for further analysis.

Table 2: Quality Criteria and Correlation Coefficients

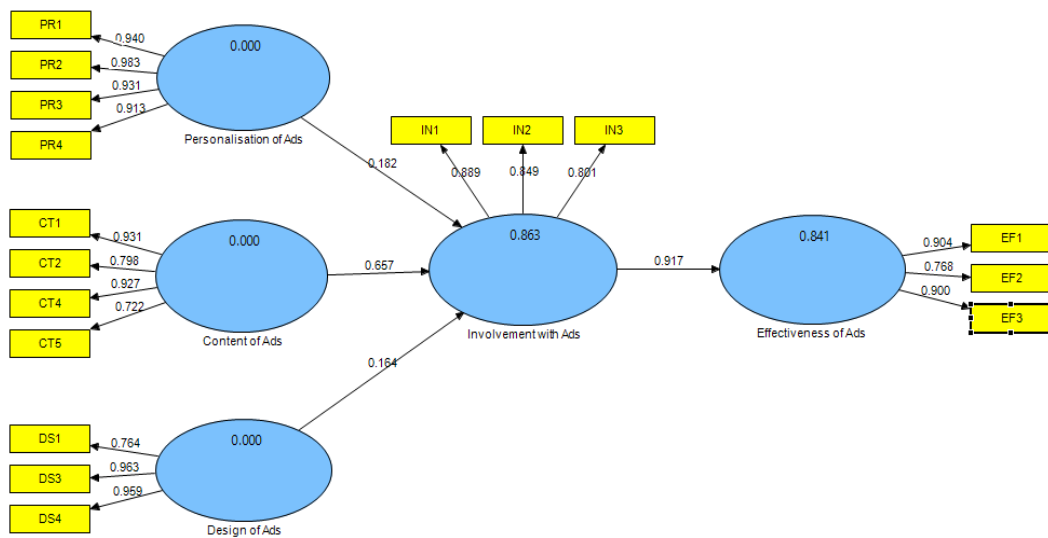
	Content of Ads	Design of Ads	Effectiveness of Ads	Involvement with Ads	Personalisation of Ads
Content of Ads	1	0	0	0	0
Design of Ads	0.7682	1	0	0	0
Effectiveness of Ads	0.9033	0.7314	1	0	0
Involvement with Ads	0.8988	0.8321	0.9169	1	0
Personalisation of Ads	0.6355	0.8961	0.6434	0.7467	1
Average Variance Extracted (AVE)	0.7212	0.8101	0.739	0.717	0.7618
Composite Reliability (CR)	0.911	0.9268	0.8942	0.8836	0.7682
Cronbach's Alpha	0.8696	0.8772	0.8229	0.8031	0.7704

Source: Author's Calculations

The above table-2 indicates the correlation coefficients matrix and quality criteria results. The correlation coefficient matrix shows that there is moderate to high correlations among corresponding variables. The matrix also shows that the correlations coefficients values are not so high therefore the problem of multicollinearity may not arise. The average variance extracted values reflect that all variables express over 50% of variance therefore convergent validity of all variables is established. Similarly, the shared variance between each other is greater than average variance extracted therefore, the discriminant validity of all variables is also proved. The composite reliability values of all variables are more than 0.70 and less than 0.95 which means the internal consistency of all variables is proven. Likewise, the Cronbach's Alpha values for all variables under this study are above 0.70 therefore, the reliability of data is also proven.

#### 4.2 Structural Equation Model

Figure-1: Path Diagram of Effective Display Ads



Source: Author's Calculations

The above figure-2 indicates the path diagram of effective display ads. The results show that personalisation of ads helps to involve an audience with the display ads with the beta value ( $\beta=0.182$ ). Similarly, the content of ads helps to involve an audience with the display ads with the beta value ( $\beta=0.657$ ). Likewise, the design of ads helps to involve an audience with display ads with the beta value ( $\beta=0.164$ ). Thus, the involvement of the audience with display ads makes an effective display ads ( $\beta=0.917$ ).

Table 3: Structural Model Assessments

Hypotheses			Beta Estimate	S.E.	t-values	Final Decision
H1	Personalised Ads	→	0.1822	0.0284	6.404***	Accepted
H2	Content of Ads	→	0.6570	0.0134	49.110***	Accepted
H3	Design of Ads	→	0.1642	0.034	4.828***	Accepted
H4	Involvement with Ads	→	0.9169	0.0027	333.541***	Accepted

Source: Author's Calculations

\*\*\* $p \leq 0.01$ ; \*\* $p \leq 0.05$ ; \* $p \leq 0.10$

The above table-3 indicates the structural model assessment and decisions on hypotheses. The beta estimates scores indicate that the independent variable has an impact on dependent variables. The decisions on hypotheses also show that all the hypotheses are significant therefore, all hypotheses are accepted. This means personalisation ( $\beta=0.182$ ;  $p \leq 0.01$ ) content ( $\beta=0.657$ ;  $p \leq 0.01$ ), and design ( $\beta=0.164$ ;  $p \leq 0.01$ ) of display ads have a significant impact on audience involvement with ads. Similarly, involvement with ads ( $\beta=0.916$ ;  $p \leq 0.01$ ) has a significant impact on the effectiveness of display ads.

## 5. FINDING AND DISCUSSION

This study aims to identify factors that help in engaging the audience with display ads and measure its effectiveness. The finding from the data analysis shows that personalisation of display ads based on behavioural data of the audience helps to engage them with advertisement (Koutsabasis et al., 2008). Personalisation of ads also helps in cost, as the ad will be shown to the audience who have shown some kind of interest in the product. The chances of click-through rate also increase as well as the targeted audience also pay attention to ad message (Bilchev & Marston, 2003; Robinson, Wysocka & Hand, 2007; Consortium, 2015; Bleier and Eisenbeiss, 2015). The content is again an important aspect of advertisement which convey the actual message to the audience. This text, image, message, are a major part of the content (Chaiken, 1980). The motivational, promotional, and emotional message, decent colour, and appropriate image helps in grabbing

the attention of a customer and lead generation (Andreoli, and Eason 1975; Cacioppo & Petty, 1982; Lang, 1990; Haugtvedt, et al, 1992; Cho, 2003). The design is the again important aspect of display ads which makes ads noticed by the audience with the help of size, format, colour, animation, graphics, and placement (Lohtia, Donthu & Hershberger, 2003; Robinson, Wysocka, and Hand 2007). The audience gives more priority to the information he/she is looking for on the website. The design and placement of display ads make the display ads noticed by the target audience (Petty and Cacioppo 1986).

## 6. IMPLICATIONS OF THE STUDY

This study has provided the important aspects of display ads where online marketers need to follow. Display ads are a common tool of digital advisements where most of the digital marketers conduct their marketing campaigns. The findings of this study are useful for online marketers who carry out the display ads for their product however, they could not able to achieve their marketing objectives. This study also assign online marketer to focus on important parameters of display ads to market marketing campaign effective. The study has also identified how the targeted audience can be engaged and involved with the ads to increase click-through-rate. This research has provided a framework for effective display ads which will help marketer. This framework will be helpful for academicians also to understand the effectiveness of display marketing.

## 7. CONCLUSION

Allocating budget and simply running display ads on display network websites will not assure the success of the display ads marketing campaign. Display ads are the most cost-effective online advertising tool however, if prospects are not targeted properly then the budget of advertisement may increase. Therefore, to make display ads effective; marketers have to ensure their involvement with ads. The involvement rate will determine the effectiveness of display ads. Online marketers need to personalised display ads, suitable message content, and creative design of display ads to increase the involvement rate of display ads. These factors help to engage the target audience and increase click-through-rate. The advantage of digital marketing is its customisation and accountability which provides marketers to roll their display ads the way they are targeting to the prospects.

Future research in this area may be on personalised email marketing, video ads, and social media ads. The limitation of this study the geographical area which is the Greater Mohali city of Punjab, India. The generalization of this study may not be possible as this is a semi-urban area.

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